

# MARKETING

## Luke Graham

learns from Roger Parry how the lost tools of advertising are being reinvented for the digital age

**T**HE SCANDALS surrounding Cambridge Analytica and Facebook have brought the issue of data privacy into focus for politicians and the public alike.

But there is another group that is becoming increasingly concerned: the advertising industry.

Advertising has experienced seismic change as a result of digital media and the use of personal data, according to tech and media entrepreneur Roger Parry, who was recently appointed as a non-executive director of Uber's UK board.

"For quite a few years, when the digital thing was taking off, advertisers and agencies didn't really ask themselves too many questions," he says.

"They kind of accepted the way Google Search and Facebook worked. They weren't particularly sceptical.

"What has happened in the last year or two is that they've now become a lot more sceptical."

Parry, one of the founders of communications group MSQ Partners, has released a new book called "Beyond Digital: The Marketing Renaissance". It argues that advertisers have lost sight of the fundamentals of marketing because of digital media.

"At the height of the digital era, say 2005 to 2015, people forgot all the old stuff and became completely bedazzled by the shiny lights, moving parts, and exciting noises coming out of digital, and they kind of forgot the core stuff that they're now reinventing. People are going back to the basics of marketing, but recognising how digital changed them."

One such reinvention is the marketing funnel: the concept of moving consumers from awareness of a product, to interest, and then to deciding to purchase.

"With digital, people lost sight of this and started talking about 'desire paths' and 'engagement' and 'Facebook likes'. They've since rediscovered it, but now you take people down that funnel using a whole range of different techniques, and at the top end you're still using conventional advertising, because that produces awareness of a brand."

The marketing funnel is being adapted with new layers of engagement and advocacy. Consumers can engage with ads in order to create a dialogue, or they can become advocates by commenting on social media or leaving reviews on sites such as TripAdvisor.

"In the old world, the only way advocacy manifested itself was word of mouth. Now if someone really likes your product, they become an advocate online. And that's really powerful because we as consumers are much more convinced by what our friends and peers say than by an ad we see on a billboard."

But the digital age has also brought problems. The traditional approach to advertising is no longer working for clients, according to Parry.

"In the old world, you basically just made an ad. Now you have to have lots of different types of content to attract people as they get closer and closer to the purchase decision." The digital age



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enables advertisers to target specific audiences with messages that will resonate better with one person over another, but for this to work, advertisers need to produce many different messages, and this required lots of data about their audience.

How this data is acquired can be problematic. In the case of Cambridge Analytica, the firm was accused of taking personal information without permission from millions of Facebook profiles in order to target US voters with personalised political adverts.

This issue of data privacy is one of four problems, including brand safety, transparency, and fake numbers, caused by this new world of marketing, according to Parry.

"In the old world, you absolutely knew the environment in which your advertisement was appearing – if you bought a TV ad, you knew which programme it would appear in and see where it appeared. In digital, it doesn't work that way – you're buying the audience."

This has led to high-profile incidents when brands have pulled their ads from YouTube, Google, and Facebook because they appeared alongside inappropriate content – such as terrorist or extremist videos, pornography, or controversial editorial.

Fake numbers and transparency are also major issues, as brands are not sure exactly where their advertising money is going, and are concerned that the statistics for ad views may be being inflated by robots or click farms, or are simply wrong.

In 2017, Facebook claimed that adverts on its site had a potential reach of 41m Americans aged between 18 to 24, but the 2016 US census claimed that there were only 31m people within that demographic.

"The ad industry is particularly exercised right now, as digital media owners are marking their own homework – there isn't, in the same way there is for traditional media, third-party industry standards. You're relying

on the owner of the website to tell you who's looking at it."

As a result of these problems, many are questioning the structure of digital media, and Parry predicts that it will be commercial interests which will drive change.

"Ultimately, if you're going to be an advertising-funded organisation, which is essentially what Facebook and Google are, then you have to take account of what your big customers – the advertisers – actually want."

Parry does not believe digital service providers are acting malevolently; they are smart people trying to run good businesses, who will respond to the concerns of advertisers.

In the meantime, advertisers are rediscovering the original concepts of marketing communications, and are reinventing them for the digital age.

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 ● *Beyond Digital: The Marketing Renaissance* by Roger Parry is now available in ebook and paperback.