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Chair

Torin Douglas
Media Correspondent, BBC

Panel

Steve Hasker
President, media products and
advertiser solutions, Nielsen

Anders Stenbäck
Head of Online Business
Development, Sanoma

Petteri Vainikka
VP Marketing, Enreach

Ben Wood
Managing Director, iProspect UK

Opening presentation

Andrew Bradford
VP Client Consulting Media,
Nielsen

First party data - the publisher's black gold?

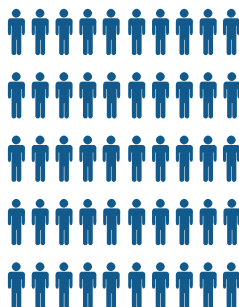
7th December 2011

Our 'First party data - the publisher's black gold?' breakfast seminar with Enreach gave delegates the opportunity to examine all data touchpoints including customer data and the strategies and tools available. Our panellists discussed how publisher's were working on extracting the maximum value from their customer data and the success and barriers experienced along the journey.



FULL HOUSE

50 delegates in total...



...from companies such as:



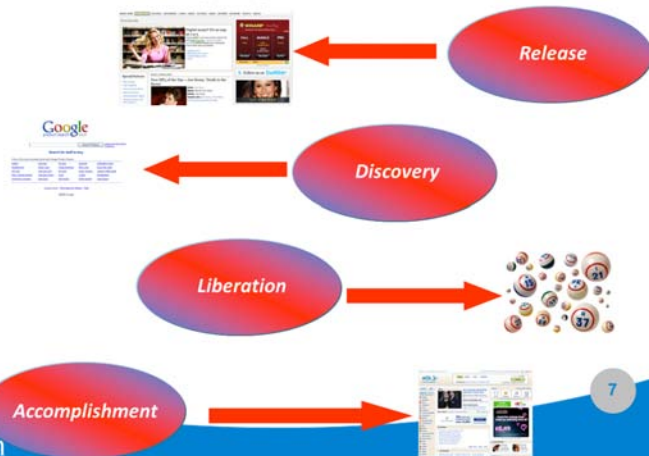
Publisher Data – black gold or an Indian railway system? presentation

Andrew Bradford
VP Client Consulting Media,
Nielsen

Dynamic Tensions



How much is detailed behavioural data worth without understanding *why*?



Publisher data - an Indian railway system?

Stuart Corke
Newsline Commentator, MediaTel Group

Andrew Bradford, VP client consulting at Nielsen, kicked off the MediaTel Group 'First party data - the publisher's black gold?' event with a scene setter that helped us all understand the current state of play and how the opportunity around first party data could play out.

Is first party (or publisher) data the new black gold? Not surprisingly, Bradford (right) compared the current status of online data sharing with oil. Yes it is a commodity whose price fluctuates on the scarcity of the resource. However, oil is refined, made into several different products but ultimately is standardised for global use.

The potential sounded great but the other comparison he left the audience with was that of the Indian railway system - not joined up and all different gauges - a sound bite of probably the current status quo of the use of online data.

And this is probably the main nub of the issue. Publisher data is not standardised, it is great data to the publisher but it is very siloed. There are many issues... one individual

accessing one site via mobile, tablet and PC is counted three times (three unique browsers), for example.

There is inconsistency when certain data strategies require self-completion or categorisation. Each publisher has their unique way of collecting data. Data needs to have some level of comparability and is not always transferable - and for the advertiser and agency it has to be easy to use.



Bradford also highlighted the tension between internal and industry data. Everyone wants an impartial referee to create a level playing field. However, there is an increasing amount of new data available that aids our ability to target - but this is not without problems.

Bradford said: "Online data requirements for advertisers must be driven by business requirements and not the other way around. Don't be caught by what gets measured is what gets done."

Online data provides vast quantities of behavioural data - the who, what and when but misses the why. Bradford went on to stress that understanding this dynamic really unlocks the value of each and every audience.

Is publisher data black gold? There will be blood

Stuart Corke

Newsline Commentator, MediaTel Group

The media industry is not helping itself and is in danger of destroying value.

This was the consensus from both the panel and the audience at MediaTel Group's invite-only 'First party data - the publisher's black gold?' event in London yesterday.

Ben Wood, managing director iProspect UK, made a number of very candid and eloquent statements that seemed to be appreciated by the audience, which mainly comprised of publishers and online advertising networks. "We are operating in a market where agencies want to buy at the lowest possible denominator," he said.

Wood also said (with a level of humility) "that agencies are to blame for competing for clients on price and the ability to buy the most cost effectively". Again, this disarmed a very vocal audience. They predominantly feel that their organisations are not rewarded according to the value they create in the delivery of audience - or that there is not enough or correct attribution to the effect they have as part of the whole online brand campaign. The delivery mechanic of click-throughs is also seen as very one dimensional.

Agencies need to move away from price - which is difficult with fierce and aggressive competitors - and concentrate on creating value for their clients (which comes from the smarter use of data). The ability to use this data represents an opportunity to change the agency model. Moreover, Wood stated "that the current model doesn't represent the most profitable way. Nobody wins, the agency and advertising network doesn't get rewarded appropriately, it de-values brands and there is less money available for publishers to invest back into premium content sites, thus continuing a vicious circle downwards.

After sharing a Nielsen case study conducted with Facebook around online campaign ratings, Bradford concluded that it wasn't a question of having either/or 1st party or 3rd party data, but rather having both. Obviously Nielsen is a key player in the market in providing all of us with solutions to understand how to use both, separately and together. ●

Steve Hasker, president, media products and advertiser solutions at Nielsen (below), added: "There needs to be a distinction between brand building and direct response." Hasker went on to provide some comfort to Wood and the agency side of the industry and state that all participants are responsible for the trading eco-system.



He provided a comparison with the media scene in the US and other industries (most notably airlines and the need to have two viable suppliers in Boeing and Airbus) that demonstrated the healthy nature of ensuring all parts of the supply chain were rewarded adequately and each were able to make a return on investment.

What came through loud and clear was that everyone can appreciate the value of data, particularly first party data. However, there seems to be a number of disconnects - most notably described by Brian Jacobs of Enreach: "There has been a de-coupling of planning and buying data. Some agency networks have the disciplines in different departments, on different floors, in different buildings and some housed even in different companies." Jacobs further mooted that we (as an industry) have seen this before in other media.

It seems we haven't learnt many lessons from the past in creating value for all parties in the relatively new online world. ●

There will be more blood

Stuart Corke

Newsline Commentator, MediaTel Group

MediaTel Group's 'First party data - the publisher's black gold?' event - held at the Haymarket Hotel on Wednesday - produced many views and exposed a number of market tensions. Potentially a clearer view of the future emerged from the discussions.

One of the main emerging themes and general consensus was that the market is very disruptive at the moment. Panellists and attendees are expecting a lot of change as the market for first party data develops.

What they could not agree on was exactly what was going to happen and who would be the so-called winners and losers. Everybody could see disintermediation as an issue as efficiencies could take out certain players in the supply chain. Depending on which side of the industry fence you sat, who was to be cut out of the supply chain was open to debate.



The first target was advertising networks, that aggregate inventory across many sites. Ben Wood, managing director at iProspect UK (above), said: "There are some 85 ad networks in the UK, expect consolidation in this market."

Kat Kashefi, head of agency sales at Adjug interjected from the floor to suggest disintermediation may hit agencies too if they are not transparent with clients. "Clients may start to get savvy and handle the digital and data operation in-house".

Ben Wood, saying he could only give an Aegis view, not speak for the whole agency side of the industry, felt that his clients were never kept in the dark. Wood had earned a lot of equity by being honest in earlier statements and exchanges, but was also clear throughout that different agencies took very different positions in this market.

Kashefi may be right for a few clients that find this an ideal solution for their business, and some agencies may be excluded. Equally client companies could find that some parts of their marketing departments are disconnected as lines of demarcation between brand and direct response become wider.

There is also the possibility that there could be the emergence of publisher trading desks - those with highly valuable and engaged audiences who have a wealth of first party data. This is a threat to agencies.

There will certainly be consolidation. Agencies will consolidate, the advertising networks will consolidate and system suppliers and data providers will consolidate.

Will any of them as a group be cut out of the eco-system? Maybe not, but there will be blood! ●

A pint full of premium audience value and a Niagara of online inventory

Stuart Corke

Newsline Commentator, MediaTel Group

Let's not all laugh at the exit of the two Manchester clubs from the UEFA Champions League this week. When there are losers there are also winners. Think of Channel 5's opportunity to increase advertising revenue with increased audiences on a Thursday night when the two clubs play in the Europa League.

I didn't see all of either game. I was, however, aware of Heineken as an official partner brand in sponsoring the tournament. I'd caught "The Entrance" ad a few weeks ago. As I entered one of the establishments I frequented

last night I saw the television coverage and in the background I could see some pitch perimeter advertising for Heineken. The bar was covered with Heineken branded beer towels. The barman turned to me, sporting a green beer branded t-shirt. I ordered a beer.

Now if I ordered a Heineken the conclusion from a brand manager (or their agency) would be to put the majority of marketing money into XXXL branded t-shirts. Well, it would be in the online world where the last interaction or click-through seems to be disproportionately valued. ►

This week's MediaTel Group invite-only event 'First party data - the publishers black gold?' debated how the industry could add real value to advertisers while creating profitable businesses for agencies and publishers.

Panellist Anders Stenbäck, head of online business development at Sanoma, a Finnish media company (below), said: "Our experience in the Netherlands is that agency trading desks are a growing issue. We are asked all the time what increased value of audience can we give clients versus Facebook and Google. Some agencies want us to suggest the creative idea too."



From the floor, Future Publishing's Rob Brett added: "Agency trading desks are re-targeting desks"... meaning that agencies are buying data in a cost effective way and focusing on re-targeting the audience across sites with similar context. Steve Hasker, president of media products and advertiser solutions at Nielsen, commented that "there is too much inventory and not enough privileged access to the hard to reach audiences".

However, Petteri Vainikka, VP marketing at enreach (right), said: "Publishers are not getting the value they deserve." There are real opportunities for publishers, especially niche ones with valuable audiences. They are sitting on a wealth of first party data. The content is engaging and the audience are happy to share information about themselves with sites that interest them. However, many seem to be losing value in the exchange with trading desks.

Let's take a hypothetical case such as Yachting World - a highly targeted and valuable upscale audience with a well-defined interest. The trading of data for agencies to

re-target should be at a premium. How to price it correctly is another matter. Would you not pay a handsome bounty for a qualified sales lead that led to a purchase?

Stenbäck reinforced this example with a case study of his own. They have a good partnership with BMW but there is a real difference in how value is perceived. Agents for BMW want to negotiate a €25 rate for each test drive. Stenbäck is far more bullish, citing €1,000 for a qualified potential customer wanting to test drive a 7 series BMW. Nigel Edmund-Jones from the Rubicon Project interjected - "you have a classic auction issue. Engage with Mercedes too. The person who values it will buy it."

Douglas McArthur, chairman of UKOM said: "We need to move the debate on. Agencies want to get a premium audience but not pay a premium. If this happens there will be no or limited investment back into content."

James Smythe (also from UKOM) added: "As humans we don't deal well with complexity. Scale and simplicity win the day and if you can get uniformity and scale the money will follow."

If you can segment your audience and maintain some reasonable scale you should get a higher price. Increased relevancy is likely to increase brand lift and click-throughs.



In the meantime, Heineken has just been announced as the latest big brand partner with Facebook. Heineken's Facebook page has 4.6 million fans and both companies will seek to build the relationship between the brand and potential audiences. ●



More on this topic area will be discussed at our upcoming **Media Playground** event, taking place on Thursday, 14 June 2012.

For full event details or to get involved, please contact Harsha McArdle at harsha.mcardle@mediatel.co.uk