

Thought Leaders Identify Priorities for Integration across Paid, Earned, Shared and Owned Media Channels

By: Carlie Danielson and Stephanie Marchesi

It is a long-held belief that marketing efforts are more effective when integrated than they are when executed separately. Today, the choices marketers have when creating their media mix can make even a kid in a candy store jealous. The digital explosion has given birth to never before conceived-of media channels. Marketing services firms including advertising, public relations, direct, media buying and digital-specialty firms have responded by stretching beyond their core competencies and developing new areas of expertise.

The result is that opportunities for integration have been recast as more and more marketers work across “PESO” – paid, earned, shared and owned – media platforms, without distinguishing which discipline owns which channel. Paid media thrives far beyond traditional television or print ads. Earned has taken on a whole new meaning now that bloggers and Foursquare mayors are perceived as credible authorities. The novelty of shared media channels is crucial to satiating consumers’ growing appetite for new ways to connect. Owned media facilitates content and message control, but can no longer exist in isolation. An organization’s ability to fluidly work across the complex and dynamic “PESO” landscape is what determines whether it can achieve the true end benefit of integration: improved business performance.

On April 27, 2011, marketing communications industry thought leaders gathered with Northwestern University faculty to discuss the practical implications of this increasingly integrated and dynamic industry model. The topic for the roundtable was “Current Views on the Inter-relationship between Paid, Earned, Shared and Owned Media Channels.” The day’s discussion far exceeded the boundaries of this topic, however, and elicited high level insights that bear weight on corporate strategy and organizational management across the marketing communications industry.

Panel Participants:	
Selim Bingol	Vice President of Global Communications, General Motors
Andrew Bosman	Chief Marketing Officer, Navigant Consulting
Tom Collinger (moderator)	Associate Dean and Chair of Integrated Marketing Communications, Medill School, Northwestern University
Jon Harris	Senior Vice President of Global Communications, Sara Lee Corporation
Darrell Jursa	Senior Vice President of Emerging Media, Fleishman-Hillard
Stephanie Marchesi	Managing Director of Global Integration, Fleishman-Hillard
Mike Smith	Executive Director of Media Management, Kellogg School, Northwestern University
Katie Spring	Managing Director, Head of Corporate Communications, Citadel
Doron Stern	Vice President of Marketing, Chobani
Bill Tourlas	Director of Client Services, Fathom Communications
Bill Whitman	Former Vice President of Communications, McDonald’s Corporation

The discussion began with a question: *What is the most important asset necessary for success in this new world?* The participants’ responses to this question were thematic of the dialogue that ensued over the next 90 minutes. Here, they guide us through thought leaders’ ideas on how and why to integrate across paid, earned, shared and owned media.

First, organizations must build a strong foundation in working toward greater integration. This foundation consists of strong management support and advocacy, face-to-face commitment to collaboration, and integrated planning. Through the process of integrating, marketers also need to balance big-picture thinking and youthful exuberance with sound judgment and patience. When done well, the result is highly relevant content that tells a consistent story across all media channels and enhances your organizations reputation and business results.

The Foundation	The Process	The Results
Management Support & Advocacy Personalized Collaboration Integrated Planning	Big-picture Thinking Patience Youthful Exuberance Judgment	Content Relevance Reputation

The Foundation

Management Support & Advocacy

Senior leaders of major, mid-size and small brands need to understand how consumers are getting their news and what they deem to be most credible. What is a credible news source has shifted, and how we assess what is most important is not understood by many senior leaders. *– Bill Whitman, Former Vice President of Communications, McDonald’s Corporation*

Management support of and advocacy for integration across paid, earned, shared and owned media is a precursor to marketers getting their jobs done. Marketers need to engage in personalized collaboration and integrated planning; they need to balance youthful exuberance with sharp judgment. Marketers need to keep content relevant and exercise patience to ensure that their organization’s reputation is protected and enhanced at every opportunity. Without buy-in at an organization’s most senior level, true integration across the paid, earned, shared, owned media landscape will remain something written about in academic journals, not the reality of successful communication.

Personalized Collaboration

If I know you’re on the team from the get go and I’ve made eye contact with you, then we’re on the same team, regardless of what channel it may be. Where it breaks down is when you don’t have that face-to-face contact... the whole idea of integration and collaboration breaks down. *– Bill Tourlas, Director of Client Services, Fathom Communications*

Developments in technology have facilitated communication in so many ways, but as Fathom Communication’s Bill Tourlas sees it, working across email, through intranets and Skype, “there tends to be a lot of walls that go up. One thing that tends to bring those walls down quickly is face-to-face communication.” Maintaining the human element may be among an organization’s greatest challenges, but it is essential.

Integrated Planning

Integration cannot happen unless we get it right from the outset.

– Stephanie Marchesi, Managing Director of Global Integration, Fleishman-Hillard

Integrated planning builds from personalized collaboration. It results in greater knowledge of and respect for what other disciplines do, which leads to big-picture thinking. “It’s only when we can put the business problem at the center, instead of different agency agendas, that we will truly create integrated solutions,” noted Marchesi, who cited the success of a major client’s four-day planning workshop. Attendees were divided into three teams, each of which represented a cross-section of agencies and disciplines. Teams were tasked with working through the client’s business problem. The business problem, not the varying motivators of competing agencies, was central. This approach resulted in shared ownership, but more importantly, in vastly improved quality of work.

Integration needs to be a way of thinking. “It is absolutely critical because the marketing piece needs to complement the PR piece and vice versa,” said McDonald’s Bill Whitman. It is also a way of working. “Integrated teams should be built around the right people versus agencies,” said Marchesi. “We all think we understand what our other partner disciplines do, but we really don’t.”

Clients can demand integrated planning by creating and implementing a planning framework that bridges the divide in mutual understanding between agencies. Fleishman-Hillard’s Darrell Jursa suggests that a willingness to explore alternative compensation models with agencies may be another opportunity for clients to facilitate integrated planning. “The compensation model is broken... there is too much of a system in place.” Clients should consider how current compensation models can be improved upon to incentivize their agencies to take a more comprehensive approach to solving business problems.

Integrated planning can and should be a priority within agencies as well as at the client level. Existing organizational structure, combined with growth and expansion into new areas of expertise, can impede communication across departments. If an agency’s planning process does not facilitate the exchange of information between corner offices and across the cubicles between them, the agency’s solution to its client’s business problem will be subpar.

The Process

Big-picture Thinking

People say that social media is so exciting and that it’s going to change the world. It’s not always about social or what is hot or cool. All four PESO channels are relevant. You need to take a step back and think about it. Is this going to achieve our objectives in this business?

– Doron Stern, Vice President of Marketing, Chobani

Big-picture thinking requires constant attention to the why. It is what helps marketers keep ideas and tactics in line with an organization’s strategy. “All of those pieces need to fit together,” says McDonalds’ Whitman. “They are important in their own right, but if they don’t connect to a bigger picture that makes cohesive sense, it doesn’t help move the perception of our brand.” In other words, if it doesn’t drive business, “then we’re just talking to ourselves.”

Big-picture thinking is aligned with the foundational steps to integrating across PESO that were identified in the previous section. Management's role is to advocate and insist that marketers and agency partners step back and ensure that everything they are doing ladders up to a central idea that is tightly linked to the core strategy. Without this mandate from the top, the result is differing agendas take precedence as well as disconnected execution efforts.

Patience

Business is suffering a lot right now from shiny-coin syndrome as it relates to new tools. We need to be patient and measure what is truly working.

– Darrel Jursa, Senior Vice President of Emerging Media, Fleishman-Hillard

In this era of innovation, when new tools are being developed and introduced daily, it's easy for marketers to get excited about trying out the next "big thing" immediately. However, patience is essential. "Everyone is building stuff in a bubble, blowing their money and then walking off to another tactic very quickly," noted Jursa. Panel participants discussed the increasingly common request from clients to execute social media tactics. These requests often illustrate a lack of big-picture thinking, because many in the industry are not demonstrating the patience required to identify how what is new can contribute to what is important. "Innovation is critical and speed-to-market is critical," noted Jon Harris of Sara Lee, but "in this day and age it is important to be mindful and prudent."

Patience is also essential to developing the key foundational components required for integration that were identified in the first section. Securing support and advocacy at a management level, developing an integrated planning approach, and nurturing personalized collaboration are initiatives that may constitute major cultural or structural shifts within any organization. "You have to be willing to evolve daily," commented McDonald's Whitman. In sum, patience applies both to marketers' use of new and innovative technologies as they become available, as well as to the systems in which organizations adapt and put these tools to work.

Youthful Exuberance

I'm finding a lot of youthful energy coming out of the next generation of marketers.

–Andrew Bosman, Chief Marketing Officer, Navigant Consulting

"I like patience," said Bosman, but "that's my job." A recurring theme throughout the evening was discussion about talent and the unique perspective and skill set younger employees bring to the workplace. "They think about things differently. They're a lot faster to find these integrated solutions and to think about them as one common thread."

Northwestern University professor Mike Smith commented, "I work with a lot of very bright graduate students who will look at a problem and say 'Well, why don't we do it *this* way?'" Smith's experiential learning initiative, a client project-based course with nine students and six faculty members, employs a co-learning approach that adds relevance to the client's deliverable. "You've got to be comfortable in reversing the roles and let the students teach you what they know," he said.

Sara Lee's Harris cited a new program at Sara Lee, the focus of which is creating cross-functional teams of more junior, front-line employees, who will report directly to the executive chairman. Management is

asking “How are they going to mess up this apple-cart?” Harris said, “but we want to see what these teams come up with. I think that’s just a great example of how companies need to start looking at things differently.”

“Youthful exuberance” was initially suggested as a means to further integration. Throughout the discussion, however, the term became associated with innovation and risk-taking. Katie Spring of Citadel recalled that when one young employee suggested that staff members post photos on the company intranet after a major snowstorm, management was reluctant to allow it. But it did, and the initiative went viral, ultimately redefining how a company interface was used. Management took a risk by stepping back, and the result was extremely positive.

The very real challenge of senior leaders is to find the appropriate balance between these two supposed oppositional forces -- youthful exuberance, innovation and risk-taking, versus prudence, patience, and control. In an integrated environment, there is room for both.

Judgment

Judgment is the most important thing that I look for in our organization and the people who are working within communications and marketing.

– Selim Bingol Vice President of Global Communications, General Motors

Integration requires strong judgment at both tactical and strategic levels. In light of the new opportunities that are available to connect and engage with stakeholders, judgment is crucial to assessing engagement across the PESO media landscape. General Motors’ Bingol commented, “You can’t talk to everybody in the same fashion and the same message doesn’t work in every venue. It’s important for us to apply the best judgment possible.”

Good judgment is essential to a foundation that facilitates such tactical integration. Chobani’s Doron Stern noted that at a management level, it takes judgment to find the right balance between those who “bring in the excitement, new content and new ways of sharing information” with “the other folks who say ‘Wait a second. Are you really moving this forward?’” Maintaining the appropriate tension between two equally important ways of thinking is crucial for success.

What does success look like? Improved business performance, which can only be achieved when an organization is able to fluidly work across the complex and dynamic “PESO” landscape and maximize the potential of integration.

The Results

Content

Message trumps medium. You need to have great content that is credible, authentic, useful, insightful and better than any other source. If you don’t, your audience is going to leave you and not pay attention, no matter how you deliver it.”

– Katie Spring, Managing Director, Head of Corporate Communications, Citadel

Spring identified a complication in the marketing communication industry’s newfound interest in engagement and connection: “There is too much focus on distribution and not enough on the ideas or

what we say.” She noted that many industry professionals seem focused on how to deliver a message, rather than on the messages themselves and how to craft the content in a compelling manner.

The panel observed that when it comes to messaging, authenticity is becoming more and more important. Mike Smith noted “we have no choice but to be authentic and genuine” because, although marketing communications is still about the art of influence, today’s consumers are in on the game. “These guys like advertising, they’ve grown up that way,” said Smith.

Content that people want, need and use contributes to improved business performance because without it, as Katie Spring noted, “your audience is going to leave you.”

Relevance

It's important for companies and individuals to think of how they can be consistently relevant. Customers have so many options.

– Mike Smith, Executive Director of Media Management, Kellogg School, Northwestern University

Smith’s case for relevance applies both to content and to content delivery. Ensuring content relevance demands not only distinct messaging, but also consistent messaging. “What your senior leaders are saying to CNBC and Squawk Box and others needs to be consistent with what we're saying to consumers through brand marketing and advertising and through public relations,” noted McDonald’s Whitman.

Selim Bingol of General Motors cited the importance of maintaining relevance through various delivery channels. At GM, he said, “we’re really good at getting in the business page of a given newspaper. But no one’s ever come up to me and said ‘Hey, I read about this Camaro in the business page and I want to buy one.’”

Customers today are “heavy, heavy media consumers,” said Smith. “From the time they get up in the morning until the time they go to bed at night, they're using some form of media.” Optimizing relevance across the PESO landscape demands that marketers communicate the right content through the right channel at the right time. Marketers who can optimize in this manner will build their clients’, and their own, reputations.

Reputation

Everything we do rolls up to reputation. Our job is to protect, serve and build our brands and our companies. Reputation is what keeps me up at night and what keeps me going to work in the morning.

– Jon Harris, Senior Vice President of Global Communications, Sara Lee Corporation

It is said that today, reputation trumps brand. What others say about you is more important than what you say about yourself. As a marketer, it is critical that you have an intimate understanding of your company’s reputation, so that how you communicate about your brand is aligned with how others see you.

Research shows that reputation impacts business results: “a company's reputation has a positive and direct link to consumer attitudes and behaviors. Having a strong reputation yields more recommendation, more benefit of the doubt and more purchase behavior than ever before.”¹

Conclusion

The end goal of integration is a fluid one: aligning your organization’s brand with its reputation in order to deliver positive business performance. To achieve this, marketers should keep 4 principles in mind.

- 1) **Integration begin at the top:** To be successful at integrated marketing, senior management must advocate loudly and frequently that integration is a company imperative. The organization must foster a culture that makes personalized, face-to-face collaboration a priority.
- 2) **Integration requires big picture thinking:** Marketers need to ask themselves three questions. Do we have a unique insight and defining strategy that has ignited a central idea? Does this central idea allow for the creation of relevant content that will work across all media channels and engage key audiences? Are my agencies putting my business problem at the center instead of their own agendas?
- 3) **Ideas can come from new sources:** We’ve been taught to trust in experience. As a result, it’s easy to dismiss the ideas coming from young employees as untested. However, in this new digital and social world, it’s in our youth where this experience lies. Successful marketers embrace youthful knowledge and exuberance, and balance that with the proven judgment and patience of trained professionals, to find the best solutions.
- 4) **Reputation and brand must be aligned:** Brands are now in the hands of the audiences that buy them, advocate for them, criticize them and defend them. Companies need to make sure that they are communicating to all of these audiences with the right message at the right time, through the right channels. This requires a well-coordinated integrated approach. Companies who do otherwise do so at their own peril.

The thoughts presented in this paper represent thought leaders’ acknowledgement that integration across the PESO media environment is the new reality in the marketing communications industry. The April 27th event that was the source of this report began with a question: *What is the most important asset necessary for success in this new world?* Participants’ responses sparked a dialog that has implications on marketing strategy and tactical implementation, and ladders up to corporate strategy and organizational management across and throughout the marketing communications industry.

The discussion provoked a very clear conclusion: There is no singular asset, skill, or approach that will lead marketing communications professionals to greater success. The path to success lies in the ability to integrate.

¹ “Study Shows Quantifiable Drivers of Corporate Reputation and Links to Bottom Line Results,” U.S. Reputation Pulse Survey 2010 www.reputationinstitute.com/global-reprtrak-pulse