

Chief Marketing & Sales Officer Forum

Face Time: John Battelle – building the conversation economy

John Battelle, the founder and executive chairman of Federated Media Publishing, explains in a five-part interview what it means to understand content not as a constellation of sites, but as a system of conversations – and looks at the implications for marketers.

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Part 5: Building a circulatory system around an independent online site

A lot of companies are saying, “If we’re going to do social, then we’re going to build in Facebook.” They think they can just check the box and cover the majority of their social program by investing in a really good Facebook page. I agree that all brands probably should be on Facebook, but what you really need is an integrated strategy that has – at its root – the brand’s own domain, independent from any platform other than the Internet itself. The best companies create communities of interest that are independent: they are rooted in the independent Web, with expressions on Facebook, or as an iPhone or Android app – those all become instances of their brand. And then companies should create a circulatory system through which they can promote different aspects of their messaging and interactions with their community.

For example, with a Twitter handle, you can sign up new customers. You can direct or even answer questions. It’s an ongoing publishing program through a community with multiple instances, but one brand that unifies the experience. And that brand should not live only on Twitter, or only on Facebook.

Declare your own place. Our tagline at Federated Media Publishing is “We power the Independent Web,” and there is clear bias in that statement: independent matters more than dependent. If you build your house just in Facebook, you are dependent upon Facebook. And I think that strategy, if taken alone, is dangerous. I don’t mean that Facebook is dangerous – I think it’s great. But if you’re going to be a brand with a publishing approach to marketing, you must have an independent taproot that isn’t controlled by anyone but you. Then put out your branches and feelers everywhere. Integrate that experience and let your content and messaging flow through it.

Part 4: Engaging with customers means becoming “product researchers”

I have not seen a lot of marketers taking insights from campaigns and feeding them back into product development or engineering. Or frankly, even into other marketing functions. I think this step is inevitable and necessary, but there are so many cultural and social blocks - you just don't have marketing people talking to product people, for example. Legal blocks exist as well: you've collected this data about customers, but you're not allowed to use it for anything other than very strict marketing purposes.

Marketing insights are usually not done in real time or in advance of development. But this is going to change - once you're engaged in an ongoing conversation with your customer, you're just crazy if you're not using these insights and learnings to develop better products and to answer market needs.

Marketers have been traditionally trained to think, “My company made this, now we'll go sell it.” But the ones who pivot to selling by being engaged with customers 24/7 become product researchers as well as the face of the company. They become the brand. Marketers have the most important job in the company, and the business of all business becomes marketing. And that marketing should be a horizontal practice across all functions of business, not just one vertical function amongst many others.

Part 3: Measuring the success of conversational engagement

If I'm that tablet maker and I put an advertisement next to a conversation about tablets, I cross my fingers and hope that the clickthru rate for that ad will be higher than a generic ad because it happens to be relevant to the conversation. In fact, the clickthru rate is increased by 20 to 120 percent – a very nice lift in these days of terrible clickthru rates. But the clickthru rate is still a bad metric in terms of what a brand might want to optimize for, be it awareness, purchase intent, brand perception, and so on. These things are very hard to directly measure from a simple click. And often, as we know, the people who click are not the people you want as customers anyway. So you need a bridge to that kind of insight that gives a media buyer the justification to say that this new technology is worth the investment.

For anything beyond a standard media buy where marketers are executing relatively complicated programs around content and promotions, they will bring their own key performance indicators. We've had KPIs that are as basic as, “We have 2,500 likes on Facebook and we want 25,000.” I don't think that's a particularly healthy KPI, but we certainly do see it. At the other extreme, we see, “We would consider this program a success if, over the course of the 50 pieces of content that we underwrite, there are 5,000 tweets, 2,000 Facebook shares, and 500,000 page views.”

Marketers have been very interested in understanding how their content is amplified in the past few years. Was it tweeted a lot? Did people comment on it a lot? Did people link to it from other blogs and so on? We started at first by counting all of that by hand and then reporting it back to the marketer. That is now becoming an industry standard earned media metric.

Now there is technology that allows us to automatically collect and present this data. The next step is to aggregate it across all of our inventory, put it in an index, and be able to say which kind of inventory indices higher for particular social media activities, or particular types of conversations or content. Or, you could cross-hatch this information on social actions with audience data: these kinds of people like to talk about those kinds of topics, and they like to share about these kinds of topics. It's an evolving and currently inexact science, but a very promising one.

Part 2: Building conversation “inventory” at scale

We’ve found that you need a few things to make social interactions online meaningful and valuable to both marketers and our Federated Media Publishing community of publishers and sites. Number one, you need scale. But number two, you need a platform so that that scale can be gathered into a single place – an efficient place so a marketer doesn’t have to, for example, execute a thousand ad units on a thousand different sites.

The third thing that you need on that platform is different advertising products. One product that we introduced to the market this year is something we call “Conversation Targeting.” In essence, we have an in-house semantic search engine that crawls our network on a regular basis and categorizes every single piece of content against scores of different conversation tags. Basically, it identifies what a piece of content is talking about and what the comments attached to that content are talking about.

If you’re a company introducing a tablet computer, for example, and you want your ad next to wherever there’s a conversation about tablets, in a traditional media model you would buy at the level of an individual site. But conversation targeting allows you to buy anywhere where the conversation has to do with the subject you’re interested in. So if a mommy blogger says, “I just bought a new tablet for my recipes in my kitchen,” the ad will show up there. What we’re doing is matching ads with an inventory of highly engaged conversations where there are lots of tweets, link backs, and shares. That inventory gets priced higher because it’s more valuable - it has more engagement.

Building this kind of capability is non-trivial and requires significant investment in technology, people, process, iteration loops, and so on. But it’s also super exciting because what we’re trying to build is a way to understand all these conversations across millions of sites in real time.

Part 1: Marketers need to become engagement publishers

“There’s a yin and the yang of the Internet – a circulatory effect between Facebook or Twitter or Google, and the Independent Web, which has generally meant blogs or semi-professional sites. That Independent Web is where you get high engagement and a lot of passion. It is also where a lot of social action like tweets, shares and commenting takes place. Marketers are increasingly seeing those kinds of actions as indications of engagement and that’s what they’re looking for.

At this point, marketers have pivoted: they’re not just putting their marketing next to content, but actually creating content themselves – or underwriting the creation of content. And then they encourage the sharing of that content and creating ecosystems where that content circulates. They’re starting to see an ecosystem of paid, owned, and earned media that they’re very interested in feeding through social interactions and content marketing.

Marketers need to create new kinds of content. In the last couple of years, most marketers have realized that they are all content creators already. They make 30-second spots. They make radio ads. They make beautiful print ads. And they make display banners. But they never have really seen these elements as an integrated corpus of content living in a digitally driven ecosystem.

Increasingly, they’re realizing that this social media space involves an ongoing conversation. Assets never really go away. They may rotate off the front page or be moved to a different section or classified for later search, but they don’t disappear.

A publisher's job is to always present new and interesting things to engage an audience. Marketers are shifting their mindset to that of being a publisher. This doesn't mean they're abandoning the 30-second spot, but often they will build 30-second spots that feed that ongoing conversation. You can see these attempts to create integrated communities between offline, online, television, print and Internet. Doing that requires a different skill set than previous, more siloed approaches to media."

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