

The Evolution of Online Media  
by Melissa Cavanaugh

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# The Evolution of Online Media

Author of *Always On* and Booz & Company Partner Christopher Vollmer on how the media environment is changing and what it means for advertisers and marketers.

by **Melissa Cavanaugh**

**A**s advertising and marketing migrate to platforms that are more measurable, targeted, and interactive than ever before, we're seeing big changes in how marketers define their media mix. Booz & Company Partner Christopher Vollmer recounts the dramatic transformation of marketing and media in his recently published book (coauthored by Geoffrey Precourt), *Always On: Advertising, Marketing, and Media in an Era of Consumer Control* (McGraw-Hill, 2008). Distilling his research and work with clients, Vollmer offers his view of how the media environment will evolve and what those changes will require of advertisers and marketers. He presented his ideas in a *strategy+business* Webinar in May. Time did not permit Vollmer to address all of the participants' questions; here he answers some of them.

**S+B:** How will the behavior of consumers change with increased innovation on the Internet?

**VOLLMER:** We're already seeing an indication of these changes. Think about how people are spending their time nowadays. In just the last few years, there's been explosive growth in the amount of time consumers spend online. As people become more accustomed to dealing with media that's on demand and better aimed at their interests and behaviors, they're going to find that

they want to spend more time in targeted media environments — whether in traditional channels, such as magazines and cable television, or new media, such as Weblogs or social networking sites.

Consumers also want to spend more time in environments in which they can control how they consume the media. We're going to see a continued migration to entertainment or information platforms, from video games to video on demand to online media, where consumers choose how they interact with programming and content.

**S+B:** Doesn't that also make it more difficult to reach consumers?

**VOLLMER:** It's certainly a different environment than the one we're leaving behind, where broadcast media could ensure that marketers and advertisers reached large numbers of consumers each week. But it doesn't mean that they can't still connect with consumers and, in some ways, connect with them better. The difference today is that marketers and advertisers have to be much closer to consumers and understand how they use media. They have to understand how the brand is relevant to consumers in those media environments and then find the best channels for the brand and the message so that they can drive engagement, not just aware-

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ness. And marketers and advertisers need to understand engagement as meaningful time spent with the brand and its messaging in a way that's more measurable and, ideally, more interactive with the consumer. Those are behaviors that broadcast media, even if they can deliver reach, typically can't leverage.

**S+B:** Your use of the word *control* in describing how consumers are going to want to manage their media experience raises the question of whether consumers are simply going to feel so empowered that they will be irritated by the intrusion of advertising or marketing, in whatever form. How should media companies deal with that perhaps unintended consequence of the digital age?

**VOLLMER:** I think that there are going to be some environments in which the consumer is going to be able to tune out advertising entirely. And, in fact, we have those today, typically in subscription media like HBO, where you can pay for a proposition that is free of advertising. But that's a business model that's based on the consumer's commitment to a subscription.

What we've seen so far in digital media is that most consumers aren't willing to make that full commitment, to provide enough revenue through subscriptions to entirely fund the creation of content. They're willing to consume content and programming that are ad-supported; we've seen research suggesting that consumers are willing to entertain advertising in their media environments. The catch is that they must deem it relevant; for instance, if it allows consumers to opt in based on their interests, and if it is appropriate to the media platform, rather than, say, a huge video clip that overwhelms the consumer's mobile phone. Advertising today has to either be part of the consumer's entertain-

ment experience or sit alongside it in a way that's meaningful to the consumer.

**S+B:** In dealing with the proliferation of platforms, how does a marketing department find the right balance between traditional and new?

**VOLLMER:** For starters, marketers must have a very clear line of sight into the media-usage behavior of their consumers, which has been changing quite a bit over the last few years. They need to understand what kind of experience consumers are having as they migrate through different types of media throughout the day — whether they are looking for entertainment or information, or they are shopping or communicating. With that understanding, then, marketers should think about the relevance of their brand and their marketing objectives for each of those media-usage occasions for the consumer.

Marketers also have to be savvy enough to combine the best of traditional media with digital media and use both in ways that are complementary and at times incremental. By complementary I mean using media in ways that extend an experience from one medium to another. For instance, a person can find out about a product on television, and the marketer can offer him or her the opportunity to learn or experience more about it on the Web. Furthermore, perhaps there's a certain set of viewers that I can't reach via traditional media or digital media, but by being present in certain locations, I'm actually going to get incremental reach, incremental engagement that I wouldn't get otherwise — as Red Bull did by sponsoring extreme sporting events. Each brand needs to go through the process of asking questions to determine where it needs to be in terms of the media mix and then begin to align its spending accordingly.

**S+B:** Technologies and devices, media platforms and ways to reach consumers, are updating so rapidly that even a six-month marketing plan seems like it might be too long. How do marketers adjust nimbly as the environment changes?

**VOLLMER:** I learned from writing *Always On* and also from subsequent client work that the best marketers are developing planning and learning processes that are much more dynamic and flexible than they ever have been before. They're moving away from traditional planning cycles, which typically were anywhere between six and 18 months for media strategy and media planning and buying, and collapsing them into much shorter increments with much more flexible budgeting. This is happening in part because the current media environment enables immediate feedback from the consumer and there's much more opportunity to innovate, refine, and create better campaigns than there was previously.

To stay ahead of the constant innovation in advertising, the best marketers invest in having their media capability in-house. They're bringing in people who come either from the media business or from the agency world to advise their brands and marketing departments. They're also creating new relationships with their media partners to get earlier and better access to innovation and knowledge. And they're pushing their agencies much harder than they ever have to ensure that they're getting the best access to talent and know-how.

**S+B:** What's the future for advertising on mobile devices, an ad market that has not quite kept up with the growth in other digital venues?

**VOLLMER:** It's true that the mobile advertising environment in the U.S. has been slower to evolve than many prognosticators expected. That said, outside the United States the growth of mobile advertising, particularly around SMS [short message service] messaging and texting, has been pervasive. We're seeing signs of change in the U.S., particularly among young people, who always have their phones with them and spend a lot of time texting. It's very difficult for marketers to reach that group because they're not watching TV as much as they used to. So marketers view mobile as a place where young people congregate, and they're tapping into the growth in social networking and related text-messaging behavior. +

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## Resources

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Christopher Vollmer, "New Metrics for Media," *s+b*, Spring 2008: Explains how new metrics will shift advertising's focus from how many people saw an ad to how many people acted on it. [www.strategy-business.com/press/article/08114](http://www.strategy-business.com/press/article/08114)

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Christopher Vollmer, John Frelinghuysen, and Randall Rothenberg, "The Future of Advertising Is Now," *s+b*, Summer 2006: Describes how the methods by which consumers perceive, retain, and engage with brands and brand messages have changed irrevocably. [www.strategy-business.com/press/article/06204](http://www.strategy-business.com/press/article/06204)

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Christopher Vollmer and Edward Landry, "HD Marketing 2010: Sharpening the Conversation," Booz & Company white paper, October 2007: Conducted in conjunction with the Interactive Advertising Bureau, the Association of National Advertisers, and the American Association of Advertising Agencies, this study surveyed more than 250 marketers to determine the key trends that will affect the marketing-media ecosystem in the coming years. Subsequent studies will reach out to media companies and advertising agencies. [www.booz.com/global/home/what\\_we\\_think/reports\\_and\\_white\\_papers/ic-display/41221869](http://www.booz.com/global/home/what_we_think/reports_and_white_papers/ic-display/41221869)

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Christopher Vollmer with Geoffrey Precourt, *Always On: Advertising, Marketing, and Media in an Era of Consumer Control* (McGraw-Hill, 2008): An in-depth discussion of marketing in an age of media fragmentation, splintered audiences, constant experimentation, new engagement metrics, and continual innovation. [www.businessfuture.com/fbs/alwayson/26655293](http://www.businessfuture.com/fbs/alwayson/26655293)

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