

Staying in the Game: What Your Business Must Do to Survive in the Digital Age

ACC Special Event
August 1, 2007

An Advertiser's Perspective

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Some important questions:

Q: **Why** should an advertiser get involved in the digital space?

A: We need to look at all of the players in the digital space and what's in it for each of them:

- Consumers: Access to entertainment, information, social networks, and products.
- Content providers: Potential revenue through subscriptions, product sales, advertising sales, etc.
- Advertisers: Another medium through which to get messaging to consumers. However, it is critical to stay focused on this objective; there's a very limited benefit to being there just for the sake of being there. If your presence doesn't reinforce brand messaging or act to increase product sales, there is no ROI.

Q: **How** should an advertiser get involved in the digital space?

A: An astounding number of options are available: banner advertising, search term advertising, "presented by" sponsorships, presence on marketing partners' pages, placement of material on social networking and content delivery sites, enhancement of the advertiser's own websites.

Q: **What** can an advertiser do itself, and what should it seek partners for?

A: Every model for engaging with consumers in the digital space has to be analyzed to determine what resources the advertiser has that can be leveraged, and what resources any potential partner has that can be

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leveraged. In many cases, one of the primary resources that a partner may have is existing website traffic; the consumers are already there, and so the cost of attempting to attract them independently can be weighed against the cost of the partnership (and the benefit of engaging with consumers on the partner's site).

Q: What potential pitfalls are out there?

A: Any forays into the digital space by an advertiser are subject to most, if not all, of the same legal parameters as traditional advertising, as well as some that are unique to the digital space. Some things to watch out for:

- Traditional IP: copyright, trademark, and patent infringement.
- Right of publicity/false endorsement: this can come into play when your advertising is integrated into content on websites.
- Music issues (public performance and mechanical licenses): music has become a tremendously valuable and very portable asset, but many players in the digital space are simply unaware of the licensing issues related to streaming and downloading music.
- Data collection/privacy: one great advantage to advertisers in the digital space is the collection of data for use in targeted marketing; however, disclosure of what data is being collected and how it will be used is critical.
- COPPA: marketing to children is a sensitive issue, and collecting data from children is just as sensitive.
- CAN-SPAM: as part of any targeting marketing campaign, it is critical that you comply with CAN-SPAM and respect opt-outs.
- Labeling issues: if you include the IP address of your website on your product label, anything you say on your website can be deemed to be labeling and fall under additional government scrutiny (e.g., the FDA).
- SAG/AFTRA: the talent unions' jurisdiction under the Commercials Contracts has extended into the digital space; this requires you to pay attention to what you're doing for budgeting purposes, particularly if you are using union talent.
- Public Relations: when you begin to place your advertising messaging in forums where consumers have the ability to create or post their own content, you have to be aware of the filters (or lack of filters) that exist

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on that content; you might inadvertently offend consumers because your messaging ends up existing alongside pornography, obscenity, or even political speech.

- The First Amendment: viral and buzz marketing has become prevalent in the digital space, and it is critical for an advertiser to understand that as soon as you insert yourself into the social networking framework or attempt to integrate your advertising messages into otherwise non-commercial content, you are subjecting yourself to critical and editorial commentary. Consumers don't like to be "tricked", and if you try to get sneaky and seed your marketing messages into areas where consumers don't want to see marketing messages, the backlash can be severe.

Some examples of how Coca-Cola is engaged in the digital space:

1. *My Coke Rewards*

A loyalty program through which consumers can enter codes from product purchases to obtain all sorts of stuff; also features sweepstakes and promotions.

2. *The Yard*

A Sprite-branded social network that lives in the mobile space.

3. *Second Life*

An example of placement where consumers are interacting.

4. *MySpace*

"Virtual Thirst" is the ID of the Company's MySpace page, which features a blog, contests, and other interactive content.

5. *Interactive/User-Generated Content*

Ability to create content on coke.com; ability to engage in activities on cokezero.com.