


Digital Media



This document is aimed at those in the P & SM profession who wish to be involved in the buying of digital media.



CIPS members can record one CPD hour for reading a CIPS Knowledge download that displays a CIPS CPD icon.

Introduction

The CIPS' practice documents are written as a statement in time. They are a collection of views on good practice within a particular subject area and are intended to provide direction on good practice with some guidance for context and interest. The reader is encouraged to use the CIPS practice documents for their own purposes, such as writing policy statements, guidance or procedures. This particular practice statement has been written primarily for the benefit of full-time purchasing and supply management professionals, but can be used by anyone associated with, or interested in, purchasing and supply management (P&SM).

This document is about Digital Media

Definition

Digital media can be defined in a number of ways. CIPS defines digital media as all forms of media (eg. text, image, video, etc.) that can be accessed over the internet and computer networks. This includes those available from mobile platforms.

This document is aimed at those in the P&SM profession who wish to be involved in the buying of digital media. It is a rapidly developing area which is swiftly becoming the largest proportion of many marketing budgets.

Background

Digital media is a very new field in marketing buying. Only in the last ten years have the Internet and the personal computer taken off as a viable marketing medium. Particularly recently, with increasing internet speeds and far greater numbers of households using broadband connections, digital media has become an exciting platform not only for web content but also for video, social and viral content.

Explanation

There are generally regarded to be three forms of digital advertising¹. These are:

- Paid media - the purchase of specific space or time (eg. an advertising space on another's website)
- Owned media – anything both created and populated by the buying organisation (eg. an organisations own website)
- Earned media – discussion in public outlets (eg. viral marketing campaigns)

It is important that P&SM professionals remember that all areas of marketing (both digital and non-digital) do not exist in isolation, and can affect each other. For example, an advertisement on a website may be clicked on more times because a successful TV campaign has already raised awareness of the product or service being advertised. CIPS believes that P&SM

¹ http://www.journalism.org/analysis_report/buying_digital_advertising_brief_overview

professionals should always consider digital marketing holistically as well as individually.
Issues Affecting P&SM in Digital Media

Unlike off-line media, the progress of a digital campaign can be measured throughout its duration so checking campaign performance as it unfolds site by site, placement by placement, is key to getting the best results. The agency should have a frequent reporting structure in place, meeting the client on a weekly basis at least to discuss the potential improvements that can be made.

Given the accountability of digital, CIPS believes that it is important the performance of the placement is judged by metrics that are most closely allied to a client's final business metrics. By way of illustration, a travel company that provides holiday should have its campaign evaluated on the volume and value of the sales that its activity drives, not just against a cost per acquisition target.

CIPS advocates the proper review of all campaigns once finished, thereby ensuring that active campaign management was applied throughout the duration of the campaign. Look for active amendment of site and placement bookings that then led to improvement in performance metrics. In addition, evidence should be given that the campaign has been fully reconciled, that delivery was as per final schedule, and any funds not reconciled are reimbursed to the client.

CIPS believes that P&SM professionals should find out if the agency has dedicated in house resource to deal with the different specialist areas that are found in digital. Amongst others, capability in paid and natural search, copy writing, research, affiliates, trading, mobile and social media should be visible (brief dependent). If the client has decided to go for separate digital agencies to carry out these disciplines, there should be evidence of integration between agencies, to ensure that the client understands the cross media effect on efficiency between the different channels.

Some clients have separate agencies for on and off-line media. There should be clear examples of integration, with both agencies trying to understand what the halo effect of the off line media was on the digital efficiency. The client should request the agencies provide effective and manageable plans of the communication channels between themselves and the client. This helps the parties to manage digital activity where multiple agencies are involved.

For the most part, digital media owners allow complete flexibility in terms of the ability to amend buys and also cancel them at short notice. CIPS suggests that it is important that this flexibility is fully understood by the client, and that it can be used to their advantage by the agency. Annual roll on agreements should be avoided where possible and it is advisable, where a client is implementing digital activity for the first time or where a new digital activity is planned, for procurement to consider approaching this on a trial basis initially to further enhance client flexibility.

CIPS believes that it is important for procurement to determine upfront the costs (normally £ per day) of any external resource that may be needed to work on the digital activity. This is

cost for resource over and above what may be agreed in a SLA. Digital media can be a complex and time-consuming medium in which to work and it is best to know resource rates in advance in the advent of unplanned or unscheduled additions required on the activity.

Furthermore, where an account team is provided to a client to manage the digital activity by a third party the account team structure and the grade of individuals should be reviewed by the P&SM professional. The appropriate mix of senior (for strategy, account management) and mid to lower grade (for day to day activity input) resource should be sought and “top heavy” account teams should be avoided.

Risk

Risk varies greatly between digital media advertising methods. Being an entire medium, digital media offers the low risk, moderate return methods (such as cost per sale) upwards to the high risk, high return methods of viral marketing. One of the major benefits of digital media is that high risk and high return methods do not necessarily incur large costs, and indeed viral marketing can often work better on a low budget.

Conclusion

P&SM professionals involved in the buying of digital media should continue to use the skills they would in any other area of purchasing. However, it is important to recognise the vital differences of buying digital media, especially the many new and varied ways of capturing data.

CIPS Group Easton House, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ, United Kingdom
T +44 (0)1780 756777 F +44 (0)1780 751610 E info@cips.org

CIPS Africa Ground Floor, Building B, 48 Sovereign Drive, Route 21 Corporate Park, Irene X30, Centurion, Pretoria, South Africa
T +27 (0)12 345 6177 F +27 (0)12 345 3309 E infosaf@cips.org.za

CIPS Australasia Level 8, 520 Collins Street, Melbourne, Victoria 3000, Australia
T 1300 765 142/+61 (0)3 9629 6000 F 1300 765 143/+61 (0)3 9620 5488 E info@cipsa.com.au

CIPS Middle East & North Africa Office 1703, The Fairmont Hotel, Sheikh Zayed Road, PO Box 49042, Dubai, United Arab Emirates
T +971 (0)4 327 7348 F +971 (0)4 332 5541 E mena.enquiries@cips.org



*Printed on stock containing
50% post consumer
recycled content*

www.cips.org

CIPS™ is a registered trademark of the
Chartered Institute of Purchasing & Supply