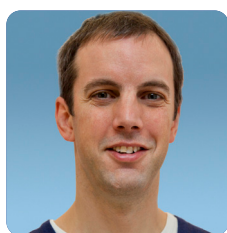




Are You Getting Your Fair Digital Share?

Virtually all marketers are grappling with the question of how much time and effort to invest in digital communications and where those investments should be focused. The competitive landscape is an important aspect of these decisions. Brands should consider how well they are competing across digital touchpoints, just as they have historically done for other media. However, the multifaceted nature of the digital environment has made it difficult for brands to understand how well their efforts stack up against those of competitors.



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Share of voice (SOV) has been a common planning currency for many years in the world of TV and other traditional media. The argument that SOV matters is an established and validated one; there is clear industry evidence that higher TV SOV is likely to lead to increased market share.¹ TV SOV analysis is also popular because the media spend metrics are readily available and easy to understand.

Until now, clear proof that digital SOV matters has not been available. Nor has there been an effective way to derive an appropriate metric that aggregates the diverse array of digital channels. However, a new Millward Brown analysis of BrandZ data provides conclusive evidence that digital SOV is important to brand growth, and Millward Brown, together with Kantar Media and Kantar, has developed a new granular framework that makes digital share simple to monitor and diagnose.

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Why Digital Share Matters

The new BrandZ analysis conducted by Millward Brown shows that brands that increase their digital SOV are more likely to grow their market share over time. We also found that brands that increase both their overall SOV and their digital SOV are particularly likely to grow market share. This suggests that digital SOV should be considered both an essential and complementary element of a brand's overall SOV.

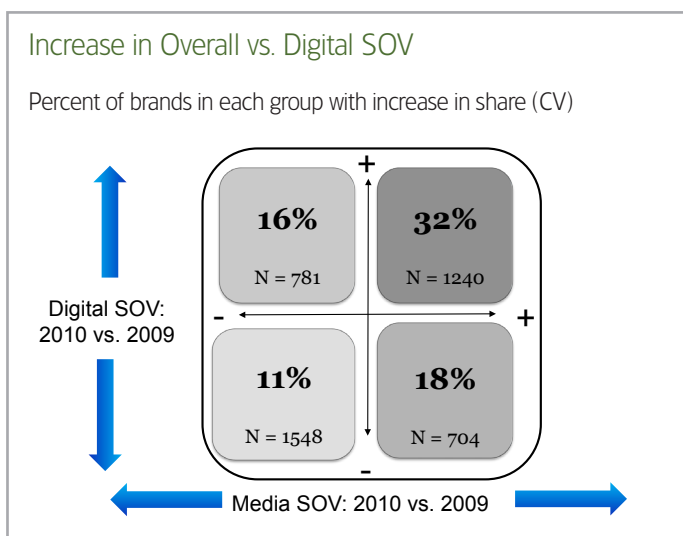
Using the BrandZ database, we analyzed over 4,000 brands from 28 countries and 56 different categories. For each brand, we calculated two measures: share of overall communications awareness (including digital) and share of digital communications awareness. We used share of awareness as a surrogate for share of voice because it gave us a good overall sense of how well a brand had cut through and lodged itself in consumer memories.

¹ Mi hui Pak. "Share of Voice & Share of Market," ARF - Knowledge at Hand, December 2009. Available on warc.com.

We computed the changes in these SOV scores from 2009 to 2010 and compared them with changes in the brands' Consumer Value (CV) scores over the same time period. (Consumer Value is a survey-based estimate of market share that has proven to be highly predictive of actual share.) Both correlations— $r=0.29$ for overall media share of awareness with CV and $r=0.22$ for digital share of awareness with CV—were statistically significant at the 99.9% confidence level. Though the correlation for overall media awareness is higher than for digital awareness, it is clear that digital awareness has a highly significant relationship with share growth.

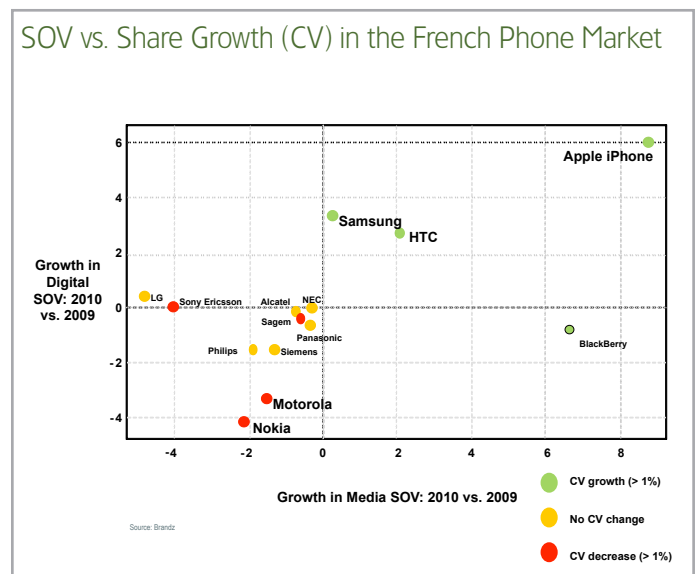
We conducted additional analysis to understand the interaction between overall media SOV and digital SOV. We allocated brands into four quadrants based on the changes in their overall and digital awareness shares over time: those that increased on both measures, those that decreased on both measures, and those that gained on one while losing on the other. The percentages of brands in each group that showed gains in CV (market share) are shown in Chart 1. Almost one-third of brands (32%) that gained both digital and overall share showed increases in CV—a significantly higher percentage than the other three groups, and almost double the proportion among the group that gained overall awareness but lost in digital SOV (18%). A comparable number of brands (16%) gained overall share while increasing only their digital share, while among brands that decreased on both measures, just over one in 10 (11%) gained share.

CHART 1:



While correlation does not necessarily imply causation, these results suggest that multimedia communications with a significant digital element help to build brands. The French mobile phone market typifies what we are seeing generally. The three brands that increased both overall and digital shares of awareness—Samsung, HTC, and the iPhone—also grew their market share. On the flip side, Motorola and Nokia, the two brands with the biggest declines in digital SOV, both saw their market share fall.

CHART 2:



Many more interesting findings emerged from further detailed analysis, including the following:

- Among small brands, the correlation between gains in both SOV measures and market share is stronger than it is among larger brands. This corroborates and extends work by Binet and Field, who found that increasing the level of SOV makes far more difference to the rate of growth for small brands than for big ones.²
- The correlation between gains in both SOV measures and market share is stronger for infrequently purchased brands than for CPG brands. This makes sense when you consider the critical importance of online researching and purchasing in categories such as automobiles, airlines, telecom providers, and mobile phone handsets.

²Les Binet and Peter Field. "Budget Setting in the Era of Accountability," IPA dataMINE, Marketing in the Era of Accountability, 2008. Available on warc.com

- We also saw a significant correlation between market share growth and a brand's digital share of voice relative to its market share. That is, when a brand's digital share of voice exceeds its market share, it is more likely to gain share in the next year. This implies that current market share can be a good benchmark to aim at; if your digital share of voice trails market share, you may well need to increase your digital presence.

Measuring Digital Share

Measuring digital share of voice is challenging because it involves more than simply measuring the exposure that brands pay for. Brands are also trying to leverage the online assets they own (their websites and social media pages) while trying to earn as much free exposure as possible through search, viral, online news, and buzz. Therefore, a proper measure of digital share of voice must reflect the paid/owned/earned (POE) nature of digital, and requires the integration of many different online currencies.

As stated earlier, we used digital share of awareness in the BrandZ validation analysis. As a surrogate for share of voice, it offered the advantage of providing us with the overall takeout from digital communications—that is, not just how much a brand spent, but how effective that spend was. However,

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for brands to accurately monitor and diagnose their digital presence over time, they need a measure that is more precise and comprehensive.

Thanks to Kantar and our partnership with Kantar Media, we now have the ability to generate such a measure. Together, Kantar Media and MB have developed an ongoing monitoring system called Kantar Digital Share, which takes data from eight digital channels (listed in the table below) and combines them into a cohesive whole. Using a competitive context defined by the client, the Kantar Digital Share framework calculates share of voice for each channel. Then the share metrics for the eight channels are weighted together. The weighting scheme is based on overall channel reach and frequency, but can be modified to account for a brand's particular strategic objectives.



Channels measured by Kantar Digital Share

Paid:	Owned:	Earned:
Online ads	Brand website(s)	Viral video
Paid search	Social fan pages	Natural search
		
		Online news
		Online buzz

Kantar Digital Share is now being rolled out in selected markets. Using this framework, brand marketers can think more broadly and avoid falling into the trap of focusing solely on how their own brands are performing. The system might show, for example, that while one brand has increased online ad spend and improved its share of website traffic, a competitor has a larger fan base on Facebook and is engaging their consumers more effectively there.



Implications for Marketers

The knowledge that changes in digital SOV relate to market share and that a comprehensive digital measurement system is available empowers marketers to systematically monitor the digital health of their brands in the following ways:

- Brand managers should seek first to understand their competitive position across all digital touchpoints. They can then make more informed decisions about where to invest their digital marketing dollars to best grow their brands.
- Comparisons of digital share with market share should be used periodically as a strategic input into budget setting, exactly as has been done for traditional channels such as TV.
- Digital share should also be used as an ongoing monitor of digital activity to keep tabs on emerging competitive threats.
- Digital share should be compared with offline media share and correlated with brand tracking and sales measures over time to understand the role of digital in building the brand.

Different brands will adopt different strategies in building their digital presence. Some brands aspire to an OEP strategy: they prioritize *owned* assets such as their websites and fan pages, try to *earn* as much engagement and virality from those assets as possible, and regard *paid* media as a last resort.

More pragmatic for many brands is a POE strategy: to start with a clear, *paid* marketing communication objective, to use *owned* digital media as a way of engaging and deepening the message, and to consider any virality that is *earned* as a bonus.

What's right for any particular brand will vary by category, brand standing, and target audience. For example, insurance brands may need to rely more on paid media. Alcohol brands may find it particularly easy to build a social fan base. Auto brands may find that online news and buzz are especially important.

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However it is created, a strong digital presence relative to the competition is a key element of brand growth. With tools that provide a simple and comprehensive view, marketers can now bust through the jargon and the data deluge to see clearly how digital builds their brands.

To read more about digital, please visit www.mb-blog.com

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