

COLUMNS

End of paid media?

May 18, 2012



By [Ujjal Kohli](#)

[Sign up now](#)

[Luxury Daily](#)

It might seem odd that a former chief marketing officer and the founder of a company which helps brands advertise on mobile would pen an article questioning the long-term viability of paid media. But the world of bought media is quickly changing.

Paid media is actually doing very well. High-production advertising content is such a part of our culture that, according to Hanon McKendry, during the 2011 Super Bowl 54 percent of the audience made a specific point to watch the ads.

Advertising is also creating record profits. Television advertising spending hit a new record in 2011, reaching more than \$68 billion. In these ways, paid advertising is thriving.

But things are changing.

Message message

Consumers are more questioning of the polished brand messages of old. As media consumption habits have changed and advertising messages become less trusted, there has been a rise in the influence of word-of-mouth messaging.

Brands no longer have the option to not take part in the discussion that follows the broadcast of their messages. Paid media is no longer the end of the conversation, but the beginning.

Traditionally, bought media has been a highly controlled product.

Through in-depth market research and analytical studies, marketers craft precise messages and polished advertisements designed to inspire and motivate consumers.

The most impactful earned media campaigns create a word-of-mouth buzz, both positive and negative. But because of the lack of control a brand has over the direction and content of these discussions, this has traditionally been a dangerous place for brands to engage.

Advertisers no longer have the choice of whether or to not take part in the social discussion around their earned media.

Consumers are becoming more cynical of polished corporate messages and increasingly paying attention to the opinions of their friends and family.

Consumer trust in social media has had the largest growth of any media, with a 75 percent increase from 2011, according to the 2012 Edelman Trust Barometer.

Additionally, this report found that 65 percent of the public now identifies “a person like yourself” as one of the most credible spokespeople, jumping 22 points from 2011.

People are looking to each other at an increasing rate, instead of brands, for their information on products and companies.

Given this shift in public trust, brands have begun to adjust their messaging.

Earning praise

No longer does simply broadcasting a highly controlled message work. Instead, effective earned media now creates a dialogue between the brand and its audience, most often carried out through social media platforms such as Facebook and Twitter.

Reaching consumers where they are most likely to engage in a conversation maximizes the effect of earned media in this new paradigm.

A banner ad is not a great “conversation starter.” On the other hand, video is tops when it comes to engagement. As social-media-focused video campaigns such as Old Spice’s “Smell Like a Man, Man” campaign have demonstrated, video ads have a much more engaging and powerful effect.

The sight sound and motion of video has the ability to offer more complex messages, illicit emotional responses and create deeper dialogues with consumers.

Mobile devices are inherently personal and social, and take advantage of the word-of-mouth component of earned media even more than other mediums.

These devices are always carried with us and are our access-point to sharing news and communicating with friends and family.

It makes sense that mobile advertising performs so well in creating word of mouth buzz through social media.

In a survey, our company found that 68 percent of mobile consumers use Facebook at least once daily, compared to 54 percent of all Facebook users.

Also, 39 percent of the respondents said they use Twitter on a daily basis, greater than the 17 percent of Twitter users, as a whole, who use it daily.

Mobile users are inherently more social and they share brand messages and ads with their networks.

PAID MEDIA IS not and will never be dead. But the methods of old are no longer as effective as they were and I doubt they ever will be again.

The trend of consumers trusting each other more will continue. And because of this, for a brand to most efficiently engage its consumers and spread its message, it needs to take advantage of the immersive nature of video and mobile's intrinsic social abilities to create a conversation with the public.

So, no, it is not the end of paid media. That day will never come, but it is the beginning of a whole new conversation.

Ujjal Kohli is CEO of [Rhythm NewMedia](#), Mountain View, CA. Reach him at ujjal@rhythmnewmedia.com.

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.