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Free Media Won't Be End of Paid Agencies

Traditional and Integrated Approaches Still Best for Building Brands

Posted by Marc Brownstein on [07.15.09](#) @ 11:55 AM



Marc Brownstein

One thing about summer is that you get out and see more people, more often at social events, barbecues, on the golf course and at the beach. One topic that has been coming up with those inside and outside our industry is the notion of free media. Or at least that's how those outside our industry refer to it.

The term "free media" (or free advertising) is more and more being used as a synonym for social media -- the Twitters, blogs, Facebooks of the world. And some people seem to think it will render ad agencies (on the content side) and media-planning/buying agencies obsolete. Is that realistic? Possibly, but not likely. Here's why I think our future as an industry that adds value to clients is more relevant than ever.

- Social media is certainly exploding in popularity, and gives marketers the opportunity to communicate a message at little or no cost. But what is the message? Is it on strategy with your business objectives? Consistent with your other core messages in your company? And does it effectively differentiate your brand from that of your competition? A good branding agency will ensure that all of those boxes are checked, so time and effort are not wasted.
- Messages on blogs and on social-media platforms can only go so far to effectively sell a product or service. In fact, many visitors to social-media sites push back if they detect any form of salesmanship or hype in that environment. So make sure you know how to use the new communications vehicles to ensure that you are properly conveying your

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message instead of alienating your audience.

- A true, integrated media mix has been found to work most effectively with most brands. Even at Brownstein Group, where we started a digital-marketing specialty over 10 years ago, we believe that there is a knee-jerk reaction to all things digital, at the expense of traditional (TV, print, public relations, radio, etc.) marketing. It has been our experience that most clients benefit from advertising on multiple platforms that drive you to a primary site or microsite. We even say as much in our own advertising, with the headline "Advertising no longer works," which is paid off by the notion that advertising as you once knew it no longer works; now you must market on traditional and digital platforms and manage brand messages and reputations via hundreds of channels. Smart marketing agencies are doing this well, and adding value for clients every day.
- I still believe that brand images are difficult to create in the current social-media world. As much as I love the digital world, the most effective brand personalities are still formed on TV, and then reinforced elsewhere, such as on a website. TV commercials are not going away anytime soon; they're just showing up in different places, such as lead-ins to content online.

Personally, I think these are the most exciting times for small agencies. We are smart, nimble and quicker to adapt to a rapidly changing communications world -- one in which I believe clients will continue to rely on us even more in years to come.

13 Comments

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By GuiasLocal | Longwood, FL [July 15, 2009 12:48:07 pm](#):

Guias Local agrees it will not be the end of Paid Agencies. Reason being it is only the beginning of the end for paid agencies. If Dell with its 600,000 Twitter followers tweeted its way to \$3 million in sales over the past two years, including \$1 million in the last 6 months it makes you wonder it is close to the end of paid advertising. Ad agencies are currently having a tough time keeping up with changing times. Commercials are also being replaced by viral videos that get hit millions of times over. If paid agencies want an opportunity for longevity get with the program "The Gen Y army" has grown up and arrived with buying power.

Twitter.com/GuiasLocal

By binarypoet | BREA, CA [July 15, 2009 12:51:05 pm](#):

I agree with your comment that the smaller more nimble agencies are better able to deliver ad campaigns that are more in sync with the way the Internet works. However, as branded media becomes more prevalent, the larger agencies will have more outlets to push big budget campaigns to more targeted audiences. This idea of branded media of course would require content producers, Hollywood, to shift from old school advertising models. This is not likely to happen any time soon. So there is a big opportunity for smaller content producers to start making branded media. The industry still thinks that if you make a commercial really "cool" then people will watch it. They won't..especially if it's in the middle of content they are currently engaged with. You have to make a commercial feel like its not a commercial. That is why the "free" media works. When I get a link/embedded video/commercial from a friend it doesn't feel like a commercial. We have to allow end users to "pull" info/data rather than "push" stuff on them. The "advertising doesn't work" comment is true in the sense that "pushing" onto consumers doesn't work anymore. Consumers still want information. We just have to give them the opportunities to pull what they want via a vehicle that they already engage with ie: shows/publications/blogs etc.

By groovyruvy | Los Angeles, CA [July 15, 2009 01:19:59 pm](#):

The idea of ad agencies (on the content side) and media-planning/buying agencies being rendered obsolete by social media doesn't seem realistic. Social / free media is all the rage right now, but it can't possibly supplant all of the traditional advertising forms (TV, print,



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OOH, radio, PR, etc.) that require well-developed / unified creative campaigns, nor can it reach into many of the spaces where tradition media flourishes. Therefore agencies will always have a place at the table. I agree with your view that an integrated approach that weaves together the various forms of advertising is the best way to market a brand. I view social media as just one thread - not the entire jacket.

Mark Ruvelson

<http://www.twitter.com/LightSpeedMgmt>

By gunther | Los Angeles, CA [July 15, 2009 02:32:55 pm](#):

Nice post, Marc, as always.

For starters, one key distinction should be made: "free media" should really be labelled as "earned media". In the social realm, and considering the glut of branded content on offer, this distinction must be acknowledged because many brands don't have the equity (or the relevance) to create engagement by simply offering up free content. As one colleague put it recently, in a social context, we ARE the media, and therefore it must be an earned dynamic.

Another point I'd like to address with respect to what binarypoet said is the notion that "big agencies can push big budget campaigns to more targeted audiences". I think you'll find a lot of pushback here. For one, shareable content shouldn't be confined to a campaign construct (how can it be?), and for another, innovative thinking demands that we move away from creating ad-like objects. So at the end of the day, big agencies will most often strive to serve their big media models, not earned media, simply because there is way too much management and operational inertia. Don't get me wrong, there are many talented people within these ranks, it's just that the new economics don't favor the system.

Finally, your point about TV is really interesting; I think this is a legacy medium that does speak very well to online extensions (there is plenty of research to back this up). The great challenge now is to develop ways that can bundle media and at the same time create content that can live 'beyond the buy'. Further, there are new opportunities to develop show properties through the use of 'online piloting'. But, to binarypoet's point, the system and respective models must change, and how soon that will happen is the billion dollar question.

Best,

Gunther Sonnenfeld

<http://thinkstate.com>

<http://twitter.com/goonth>

By dearadvertising | Toronto, ON [July 15, 2009 03:02:41 pm](#):

I think as we continue to see social media expand and grow it is going to be up to agencies and the media companies to figure out a way to harness the awesome power of this exploding medium (is it safe to call social media its own medium?).

In the same way brands are looking to attach themselves to YouTube stars we will continue to see the online leaders getting scooped up by agencies and brands.

<http://dearadvertisin.blogspot.com/>

By ericadman | ATLANTA, GA [July 15, 2009 03:43:36 pm](#):

Forget about the agencies for a minute and consider this. In a world w/o paid advertising, there's no more ongoing stream of free high quality mindless entertainment. At least with any business model I can figure out. Sure they'll be 10 billion hours of crap archived on "free"



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media like Youtube. But like our food, we like our mindless entertainment fresh. While free content clearly won out on the net, you simply can't make enough compelling content and make it available to the masses for free without the generous financial support of the marketing/ad community. My guess: if paid media were to suddenly go away one day, we'd all spend a max of two nights watching "free" repeat plays of "Ask a Ninja" before we all began clamoring for just one brand new episode of The Bachelorette, "BROUGHT TO YOU BY _____ ..."

Eric Hyman, Atlanta
@ericadman

By stephenbyrne | Australia [July 15, 2009 11:06:09 pm](#):

There's a massive break boundary that's occurring right now with regard to all traditional media and full service ad agencies. It's not that the idea of free has no currency, it does but it's only part of the story. I've just written about breakdown of the model here: <http://diffusionblog.blogspot.com/2009/07/facing-break-boundary-how-advertising.html>. The key issues are these:

1. The agency model as we know it now well over 70 years old and is tied to media types whose basis was honed during the 1930s and 1940s. Agency are now at a significant break boundary.
2. On the basis of measured spending alone, there is a question over the continued viability of agency models as billable spends are in significant decline across all segments, except digital, research and PR
3. The full service agency model is no longer a differentiator
4. Increased concentration of agency ownership into massive global networks continues to enshrine and damage the traditional agency model
5. Vertical integration of the agency model and its assumption from within by client organisations is disintermediating agencies
6. Enhanced technologies enable client side assumption of agency value add services on a lower cost basis
7. The increasing ineffectiveness of traditional agency work is a direct consequence of a fractured and media environment

So let's forget revenue models built around paid or unpaid. The system is broken and tired and while agencies will continue to function and exist, they will become increasingly less important in terms of brand comms. McLuhan's break boundary has been reached.

Stephen Byrne
www.diffusion.com.au
Twitter @spbyrne

By Jim Poh | SUNRISE, FL [July 16, 2009 09:25:24 am](#):

Paying your agency to create free media is a viable business proposition for everyone! Tie the free media to business results: even better!

By jkantor1 | St. Petersburg, FL [July 16, 2009 09:40:29 am](#):

You gotta pay someone to pay attention to what both you and your customers are saying.

By brantcollins | LITTLE ROCK, AR [July 16, 2009 10:28:34 am](#):

I agree Social Media isn't free. But as a small agency we are finding Social Media and digital content our way to engage clients who have used larger agencies in the past. What we bring to the table are great ideas and creativity and that is not free either. Great post!

Brant Collins

<http://www.stationx.tv>

@brantc on Twitter

By mrdallasjmoore | Ames, IA [July 16, 2009 11:16:47 am](#):

To start off this is a great article. Got me think, so thanks.

I agree with some of what your saying, but I think your missing the point. Social media and the it's technology channels are about relationships not sales/numbers and who can beat out who. There is room in the world for friendly competition. I also think that if you think TV is the best way to start I would disagree with that. TV is great, if you have a lot of money and plan on spending it all on 30 second spots over the next year. TV, radio and a lot of print media in my opinion is flooded with similar products that offer the same thing. They are packaged and marked a little different.

Social media is about transparency and findability. I believe there is a RIO with social media, but you have to have clear specific, attainable and measurable objectives and goals. With the advances in technology you can do more with less. The same is true with the market. 11 million + people don't have jobs. Are they really spending money on your products or services? Some are, many are not, unless they have a need for them. Many people like killer small agencies that I love are doing their own thing. They have small numbers, big ideas and some money to use. Along with branding/marketing you have to realize that things change. Your products/services may have missed the market you intended. What about the next generation? Will you hit or miss them? Will you communicate to them at their level where they are? Do you know where they are? Find them, find the answers and attempt to find out how they want to be approached. TV has been the standard, but it's dated and technology offers many new windows for people to listen, engage, respond and create with it's customers/clients and ideal customer.

I don't think agencies will go away either, but they need to evolve. You need to offer what people want and where they want it. Why pay \$ for the same show as the next guy is putting on. Dare to be different and dare to run ahead of the crowd not behind or with them. Think ahead and stay ahead of the curve. If you want to stay relevant you have to. You don't have a choice. The world changes so far you could miss the many opportunities and abilities to learn and grow. Take the time, talk with your customers/clients. They may be able to help you build, expand or better your business.

Dallas J. Moore

@mrdallasjmoore on Twitter

By BrandojoEllie | Rockville, MD [July 16, 2009 04:09:41 pm](#):

At this point, the technology exists for any business, product or brand to reach a consumer or potential consumer directly and inexpensively. You can make a cool impression or a hard sell. So this work of truly connecting consumers falls back to the very roots and core values of said business, product or brand. THATS the hard part.

Secondarily you may or may not need to partner with someone or some company that has a little more personality than you to help communicate your already well though-out business offering, product benefit or brand value. Or you can just hire a handful of clever people in-house.

Luckily for agencies, this will take several more years for companies with big, juicy budgets to figure out. Yay status quo!!

By CarriBugbee | PORTLAND, OR [July 17, 2009 06:21:14 pm](#):

My views on this topic are most closely aligned with stephenbyrne. I do not think traditional advertising agencies will fare well in the social media milieu. For starters, most ad agencies' operations and revenue streams are based on things that are becoming less and less important every day: purchasing media.

That means agencies who don't traditionally purchase media – such as PR firms and Web development shops – are poised to do much better in social media. They don't have to rethink their business models and job descriptions to make it happen.

My big prediction – that I've yet to see anyone talk about anywhere – is that ALL outsourced agencies will become less necessary over time. The whole point of outsourcing your marketing is that you need skills that require daily vigilance to master and special connections (i.e., elusive media buying discounts) to get it done.

Social media can be very DIY. More importantly, it's nigh on impossible to divorce social media marketing from customer service. If your brand's customers see you on Twitter or Facebook, they will want you to solve problems. Agencies are too removed from customer service to do that well, so day-to-day engagement will have to take place on the client side.

I think agencies will always have a role in construction management and maintenance – developing strategies, building apps, designing sites, etc. – but they will no longer "own" the voice of the brand and long-term engagement will take place via in-house marketers. And this, more than anything else, will tear the guts out of most ad agencies.

@CarriBugbee

Social Profiles: <http://bit.ly/CarriB>

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