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Following the Dollars in New Media and Marketing: An Interview with Joe Mandese

*As the longtime Editor-in-Chief of MediaPost, **Joe Mandese** may be the most influential trade journalist in media, responsible for publications that reach 125,000 professionals every day. MediaPost's newsletters on traditional and online media are the bible of what is new, and possibly controversial, in that industry; and the company's many targeted weeklies – on marketing to kids, Hispanics, Gen Y and others – each have strong followings. In addition, Mandese is playing a growing role in the company's trade conferences business.*

Prior to joining MediaPost he was executive editor, leading advertising industry news coverage for Primedia Business Magazines & Media. Earlier in his career, Mandese was a writer and editor at leading industry publications such as Adweek, Advertising Age, Channels, Fortune, and Variety.

A:I/R recently sat down with Mandese over breakfast near New York's Grand Central Terminal to talk about marketing, media and measurement in a time of extreme change – and challenge.



Can you tell us about MediaPost – its evolution as well as its mission?

It was started in the late '90's by my boss, Ken Fadner, who is one of the founders of Adweek. In the beginning it was very rudimentary; we had an online focused edition, a traditional media edition, and we had brand marketing editions. But over the years we've grown and added many vertical subjects – very focused publications about search marketing or behavioral targeting or anything else that is new and changing the way people market with technology.

Now we are exploiting the power of tagging; one of the obvious ways is through RSS feeds, which we've been using a lot. The next stage for us is pooling and aggregating the content we already publish in a way that would be of interest to specific audiences. We're about to launch Mobile Marketing Daily, part of which is a reaggregation of articles about mobile from our other newsletters.

Our mission is simply delivering the right information to people in the media and advertising world so that they can conduct their business; then we make money by selling advertising. It's the traditional journalism model, and it seems to work. We keep getting more and more readers.

How has your perspective on the industry changed? Do you see it differently now?

I've covered digital media since Martin Nisenholtz, who is now the head of New York Times Digital, was cobbling together interactive kiosks in the basement of the Ogilvy & Mather Annex down in lower Manhattan – Teletext and Audiotext and all that jazz. I've always covered interactive media, but I wasn't immersed in it the way the digerati and the digital junkies are. I always felt like people were putting too much emphasis on it – because, relative to all the money that's spent in media, it was commanding a disproportionate share of our mind in the industry.

Now I've been at MediaPost for six years, and there's nobody who's as focused on the digital interactive advertising business as these guys. So I think I have a very holistic view of where the media world is right now – I don't think I am stuck in the “old world” or the “new world.” I try to look at it seamlessly across both.

How do you feel about the growing emphasis on targeting narrower and narrower consumer segments? How well is it being done, and is it worthwhile?

For some marketers, I think it's really important; for others I don't think it's important at all. When people implement a search campaign, they're simply reacting to a consumer behavior; somebody's

requesting information about something, and you've associated your ad with that keyword. So it is purely based on human request. But I would argue that, if I'm a toothpaste manufacturer, and somebody does a search for toothpaste brands, that is the consumer I want. I don't care if they're a woman 25-to-54, or a teen, or whatever – just somebody who's expressed an interest in toothpaste. Now, whether they're actually going to buy my brand or not is another question; but I think that's a very valid approach.

On the other hand, if you just relied on that kind of performance measure, and you didn't think about brand persuasion or long-term brand influence, you'd never be cultivating future consumers of your toothpaste brand. Procter & Gamble and Colgate still have to go out there and do research to understand consumers who use the other companies' brands, so that they can win them over.

The big revolution in the last 20 years on Madison Avenue is a concept called account planning, which came out of Europe; but it's also moved into something called communications planning, and now they use strategic planning. These are a bunch of fancy words and terms that basically say that the most important thing, if you're an agency or a marketer, is to understand who your consumer or potential consumer is, and what their lifestyle triggers are, what their values are based on, and then to craft products – and messages around that product or brand, to explain why that brand is better for them and their lives. Then also to figure out what media communicate that message best. That is the real science of this business, but it's not one thing; it's not just a focus group, not just syndicated research or analyzing data streams. It's

understanding the causes and effects of human behavior, the human psyche – this is all good stuff. I think if you looked at the really sophisticated marketing organizations, they're employing all this.

I will say there are brands probably in the lower end, the long tail of this business, that are making really good returns just by dealing with things like search marketing or performance, because there's plenty of growth just in that if you're a smaller brand.

How do you see marketers and advertisers responding to the downturn? From your perspective, do you think people are making good moves?

One thing I've observed is a shift towards performance marketing or performance measures, and I think the reason is that advertising still has a long-term payoff. There are some campaigns that work immediately, and they're wonderful. But for most products and brands, advertising has a long-term, residual effect; so I think that still requires a leap of faith in a down economy. Companies cut back on brand advertising because they need to remain solvent and protect the bottom line; it's just my own hunch – companies are moving more towards performance-based models and analytics because they can see the immediate returns.

The problem for a lot of media is they don't have those ROI measures. More and more they will, but it's still hard for magazines and newspapers to prove that; so it might be one of the reasons we're seeing share erode in those media. The real problem is that a lot of the media that are showing consumer movement and consumer attention aren't monetizable right now, like social networks.

It feels like the half-life of any one medium or technology is continually shortening. How do you see this trend going, and where is it leading?

It's about our society overall. Things have accelerated – the timeframes and the curves that we used to do things have really compressed. Look at how companies and corporations do strategic planning. If you go into the field to conduct research, probably three or four months into the project the marketplace has fundamentally changed. I think people are looking more for on-the-fly insights that they can make actionable – and I think that's true about everything in life.

When you look at media, it's definitely true. Everybody's seen those great media penetration curves – how long it took radio or TV to reach critical mass. But when you get to more recent media like Facebook and Twitter, critical mass is happening in a year.

I believe we're at a real inflection point, because we have shifted away from a fundamental economic model – the unspoken contract with consumers that their time spent with media content is paid for by advertising or, in other cases, premium payments. The Internet and other technologies have made it possible to avoid advertising, and avoid paying for stuff.

At the same time, new forms of media, particularly social media, are displacing high-value premium media. Right now, Facebook and MySpace and other social networks are taking time on the Internet away from the established, big portals. All of that time taken away translates into lower audience shares, which translates into lower advertising revenues. The real

problem is social networks don't command nearly the CPM right now that the big portals do. People will figure out how to use social media as a marketing platform better, and the CPM should come up. But, in the meantime, there's a lot of displacement going on.

How well do you think research companies are adapting to the new media realities? Are they providing what clients need?

Well, let me give the disclaimer first, which is that I am not a researcher. But I have seen a fundamental shift in the research business in recent years, and I think part of it is a reflection of the change in the consumer marketplace. The other thing I'll say is I don't think there is a perfect form of research. The value for the research marketplace is having a lot of different ways of bringing a point of view about how people are doing things, and then allowing the end users of the research to put it together in ways that are meaningful for them.

There's been some controversy recently about the role of observational methods. I personally think that research is really interesting and valuable. Nobody said it's the end-all-be-all for the industry; even having an observational method, where people go into a consumer's household and follow them around for a day and record everything they do, is going to have a bias to it. It's going to influence the way people behave.

Ten years ago, I started writing about something called fusion. It was very controversial here in the United States, but I guess people in Europe and other markets had been using it for years. Fusion was a form of data integration, where you

literally took one quantitative database and physically married it to another one that was fielded with a whole different panel of consumers. That had a lot of controversy; but the bottom line is, people are doing more and more of that now in the U.S. People are integrating databases more and more, modeling data more and more, and I think what they've done is accepted a level of pragmatism.

I think analytics have actually become the most important part of the business. There's so much empirical data now being created by the media itself – data streams, click streams, whether it's online or even now with interactive TV – that the big innovation inside certainly big marketing organizations or agencies is being able to figure out better ways of modeling and deriving meaning from these footprints.

Now, that still has its limitations, which is that you don't always know the cause and effect; so you still need to conduct primary research to go out in the market to understand pre- and post- – what people say they're doing, and how that correlates to their actual behavior.

What role do you feel journalists should play in interpreting the research controversies? How well versed should they be in research?

An interesting thing MediaPost does is we allow people to comment on our news stories. That makes me think a lot about what we do, because we get comments publicly, right on our pages. And people in those posts have said, 'Journalists should be trained in research math, and they should understand what they're doing.' I had to respond to that one and say, 'That's not my job.' My job is to report on what companies say. I don't

have the skills; I'm not a researcher. I can't tell you what a regression of the mean is. But I can report on what people say they did and let our readers be the judge of that.

The other thing I'll say is that we as journalists don't just report something once and leave it alone. Somebody once said that journalism is the best first draft of history, and I believe good journalism organizations will go back and correct, clarify, and append when there is new information available – and that is really important. That's something we try to do all the time at [MediaPost](#).

What is your perspective, as an outsider, on the debates about online research quality?

Again, I'm not trained in methodological research, but I do understand that the best kinds of research are based on enumerated studies that represent the population you're trying to survey. So I certainly think there was a big knock on online research early on, because not everybody in the population was online. I think that's less the factor now; but I do think there are other research biases when you're just sampling people online, because there's different behaviors among online users than there would be with other research methods. But every research method brings a bias to it, whether it's a phone call, a printed diary, an observation. Metering has biases in it, too.

I think it's important to counterbalance them with other insights – good human judgment, mathematical modeling. I don't think there's one sacrosanct approach to doing anything anymore. Online research could be really good; it could also be really bad, and I think people who use it have to

look at how it was conducted and apply it with value judgements.

How would you rate research companies in terms of the information that they provide to clients and journalists?

I'd rate the research industry pretty highly. One problem is that certain companies invest a lot of money, resources and time into their research, so they kind of don't want to give it away either – so that is a problem. I'm sure there are things within Knowledge Networks or Nielsen or GFK or Ipsos that are great opportunities for them to promote or extend the information about their products, but they probably keep them close to the vest because they're afraid it'll be stolen or cannibalized.

I think where companies are falling down maybe is in how they position or differentiate or explain the value of their research relative to everybody else. It's not always easy for people to understand the differences in the base research methodologies or the statistical significance of one form of research versus another. I know companies that do back-of-the-envelope research and put it out there as gospel.

The problem is, I really only could rate the companies I deal with primarily, and I don't deal with all of the marketing research companies in the world. Of course, Knowledge Networks is the best! (laughs)