

DCM Europe Partner Interview

Edward Boddington, Chairman, AIME

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DCM: What do you think is the top priority for digital content owners right now?

EB: Organisations need to align themselves to be able to deliver. So within a lot of traditional media companies currently, you've got the more traditional business models making far more money than digital content. The reason for that is that TV advertising still represents very good value. TV spot ads are still relatively the same price they were 10 years ago. So there's a fear of change in organisations, there's a lack of orientation, lack of priority, lack of integration. And the traditional ad sales teams feel threatened by new media departments. So you have to have strong management in these organisations working on this opportunity. I think there's also a lot of hype talked about this, everyone talked about the demise of Royal Mail 20 years ago – it now delivers more volume of mail than it's ever done. It's not to say that it's not inefficient and needs reforming, but it doesn't mean that this is now going to take over the whole world.

On the other hand there's an ability to over-estimate consumers, that they'll adopt this. Of course they will do, but it'll take time, so it's keeping propositions simple. The third thing is 'can you charge for payment?'. We're moving from a period of economic boom to a period where everyone's looking for value and organisations like The Times are trying to monetise, but there's a big question mark over whether it will work and organisations should not under-estimate the increasing trend of the more discerning consumer, or customer better put.....

DCM: What's the top priority for AIME right now?

EB: We've tended to specialise in micropayments via premium rate which is very relevant to DCM – charging people to their phone bills is an efficient way of doing it. The issue is you can get abuse from cowboy operators, so our priorities have been to work with industry to raise the bar in terms of offering value for money services with strong customer care. In this area it's all about the micropayment and payment mechanism that can be used, which don't have high barriers to entry, so you're never more than a few clicks or button presses away from making a transaction. Also not having too many products that confuse the consumer.

The most important thing I think is for all of AIME's 80 members to work together collectively and to be able to "sing off the same hymn sheet. "You don't want to hear someone from a certain media organisation saying there's no place for micropayments in the market because they're subscription-based' – you can't alienate one perfectly viable form of digital content and create a bad story, otherwise it becomes divide and rule, and there's a place for all of these revenue models but the whole ecosystem has to be singing off the same hymn sheet, which often it doesn't.

It's also identifying the biggest areas of risk where consumers can be exploited, ensuring there are compliance tools in place for that not to happen, then identifying the fast growth areas that members and potential members feel they want to be part of because they see the opportunities ahead – there's only so much a trade association can do! Like any business, we try to take a niche position and build a commanding position within that niche, and ignore any distractions around it. This is perhaps why AIME's membership has grown by over 20% this year.....

DCM: What technologies or developments excite you most?

EB: If I had to name one, I think the growth of mobile, and particularly some of the platforms such as iPhones and Androids, because mobile is like your life, isn't it? The applications that you can download and the use of the mobile as a payment mechanism, where it can become your computer on the go. That area interests me more than anything.

DCM: What are the challenges that media and content owners need to overcome right now?

EB: This relates back to the first point about this is integrated into traditional business models. It's employing the right people who are visionary but actually can deliver, and it's putting together content campaigns which are relevant to their customer bases. A good example – the reason why TV voting is working is because it's simple. The premise is: you can influence the outcome of a show, you can use your fixed line, your mobile or your red button and your vote is counted and the maximum number of votes will determine the winner. It's a simple interaction, it's easy to communicate and it's easy to use. It's also good value. The revenue model is relatively straightforward.

Those are the main challenges. Also taking the long-term view. Mobile's behind the curve in terms of where everyone expected it to be, that's not a great surprise.

DCM: Do you think the change needs to come at implementational level or at board-level?

EB: I think the bigger the company the worse it is. Ultimately, any organisation needs to be joined up from top to bottom. Large companies do have a problem because they're bureaucratic. It makes me laugh in this economy where they've made all these cost savings to become more efficient – well they should have done that in the economic boom times! It's down to lazy and incompetent management in the main.. I think in many ways, the smaller you are the better. If you look at the beginnings of Facebook, it started with a couple of guys at university with a focussed idea. It grew very quickly but you need to be joined up from top to bottom really. If you're in a board position you're probably out of touch with the majority of users of this content anyway, because by definition you're probably quite senior and getting old. If you're over 40 these days you're old! That makes me out of touch!.

DCM: Who do you think will have the biggest impact in digital development over the next 2 years?

EB: Consumers. It will be what people want, when they want it and where they want it. Ultimately you can have all these great alliances within the supply chain but your biggest relationship you've got to build is with the consumer and get them locked in. It's the old marketing model of trail, retention and ongoing loyalty. If you apply a traditional model like newspapers, The Daily Mail is a great newspaper, because it's never underestimated the opposition, it's got a very strong brand and when people buy it they know they'll get news sport, entertainment and lifestyle features – you pay your money and you know what you get, loyalty's high. In this area it's not always consistent and there's a lot of it. So building brands which people understand quickly is more challenging. To build brands in this world is easier, Google is probably the world's biggest brand. It's taken 20 years to build that, it took 100 years to build BT and the big old-fashioned brands.

DCM: If you could pick one single topic to thrash out with your peers, what would it be?

EB: I think it will be setting common goals as to what we're trying to achieve in a consistent way to the world at large. And people working together to build uniform standards, compliance which has a healthy mix of self regulation and formal regulation, and looking at things like payment mechanisms which are going to work and where consumers will trust using them. So it's a very fragmented industry because it embraces so many different things. Everyone's got their own idea as to where the gold rush is going to be, but you've got to have a common framework in which to operate, otherwise it can lead to the scamsters who rip people off, particularly when it comes to monetisation.

DCM: If you had unlimited power to change anything tomorrow, what one thing would you change?

EB: I think specifically, I'd make it a legal requirement for mobile operators to get round a table and offer a more uniform, transparent consumer product! At the moment it's all very fragmented and disparate and consumers don't really understand what you get. If you're asking which single area, that's what I'd like to see changed. It's not to say I think mobile operators are bad, far from it, but there's a lot of confusion on the one hand for the different operators and how they deal with their consumers, pricing being a very good example. On the other hand it's the handsets, what you can and can't get, it's all very confusing to the consumer.

A good example, the digital revolution is as big as the industrial revolution and what was the thing that drove the industrial revolution, it was the trains. And ultimately the trains determined WW1 happening and not stopping. An unstoppable momentum was established. To a consumer, a train is a train on a track which you get on and you ride. They're not bothered about the engine at the front, the gauge of the track and they're not particularly bothered about what the carriage looks like, as long as they can get in it and travel and feel safe. And that's how simple it's got to be. Until these things become more simplified, adopted and trusted they're not going to be ubiquitous.

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