

SOCIAL MUSIC REVOLUTION

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HEARTBEATS *international*

A WHITE PAPER ON MUSIC AND SOCIAL MEDIA



FOREWORD

You are probably already aware that the social media network platforms will be of greater importance in your brand communication in the future. The questions are: How do you enter into this market of dialogue? How do you market in a digital culture where traditional advertising doesn't work? How do you engage your customers and transform this engagement into business for your brand? Could music branding be the key to unlocking the potential of these platforms?

This white paper focuses on the role of music in social media networks and how brands can utilise its power to reach audiences that are avoiding traditional advertising. It argues for a model of four Es, where *emotions*, *engagement*, *experiences* and *exclusivity* are becoming the important ingredients to catch and keep customers' attention. It also presents a case study of how Intel successfully used music to generate brand awareness and turned customers into fans.

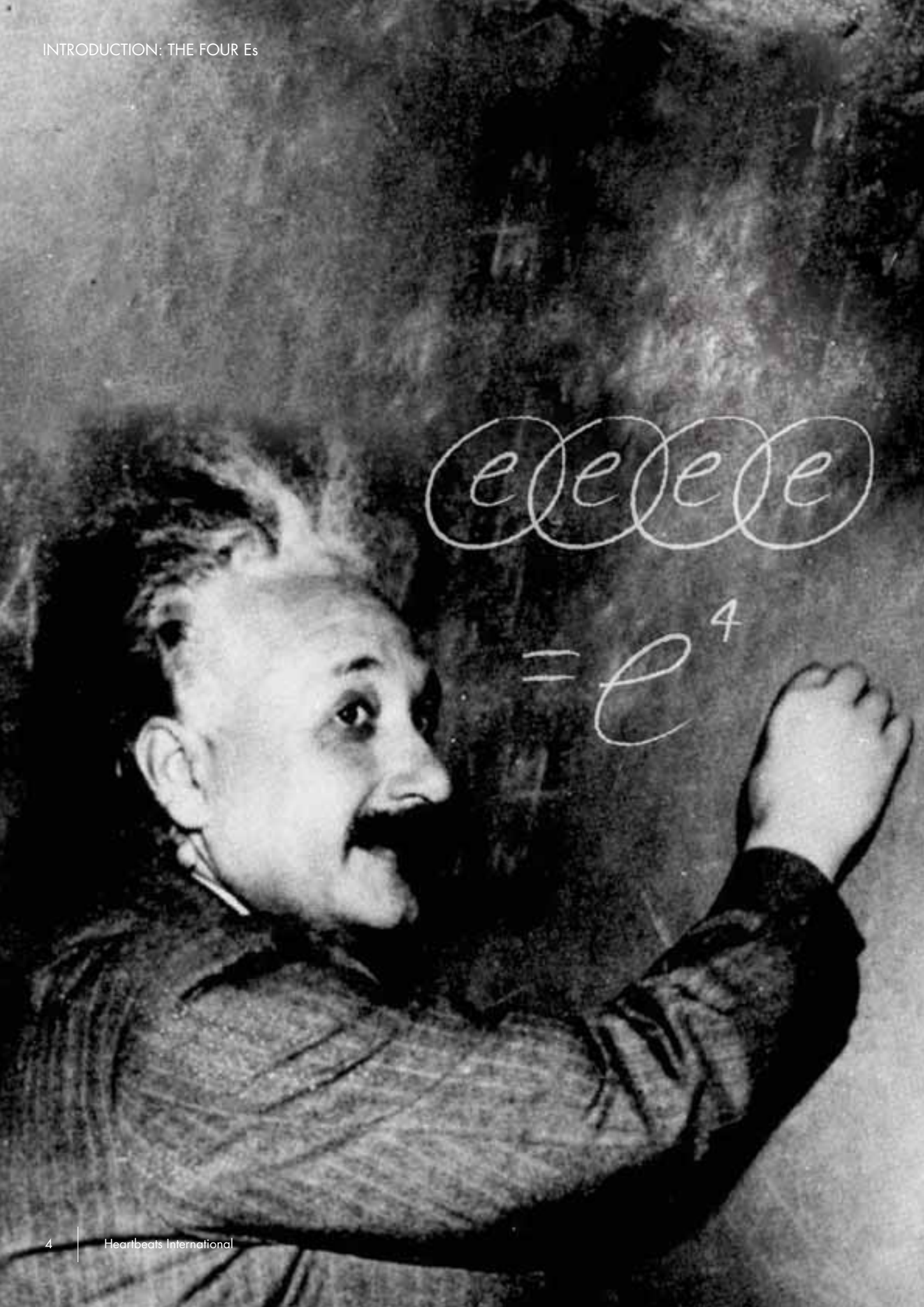


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This is an extract from the book 'Sounds Like Branding' by Heartbeats International founder, Jakob Lusensky.



INTRODUCTION: THE FOUR Es

The same digital technology that changed the music industry is changing advertising as we know it. In a world where everyone is connected all the time and customers are in charge of the remote control, the rules of communication have transformed. When research reveals that as many as 75% actively avoid advertising, whether on TV, radio, billboards or banners (*SIFO Institute*), a new approach is needed.

In a marketplace where people are paying less attention, whilst more than 20 000 brands are launched every year, old truths die hard. The old marketing mix of the four Ps of *price*, *product*, *placement* and *promotion* is becoming outdated. In the marketplace of today there is need for a new model.

In a world of branding, Ps must become Es. In today's market the new words to look out for are *emotions*, *experiences*, *engagement* and *exclusivity*, ingredients that make up the very essence of music branding.

Music branding is communication through emotions. Music engages people in conversation and when providing exclusive content creates memorable experiences. Music branding as such offers a strategic way to reach consumers in ways that traditional advertising can't.

Maybe this is why brands are looking into music branding. The 'Sounds Like Branding' survey presented earlier this year revealed that 7 out of 10 brands say music will become more important in their brand communication in the future.



“ **MUSIC BRANDING AS SUCH OFFERS A STRATEGIC WAY TO REACH CONSUMERS IN WAYS THAT TRADITIONAL ADVERTISING CAN'T** ”

MARKETING IN A SOCIAL MEDIA WORLD

If Facebook was a country it would be the fourth largest in the world. With more than 300 million users, Facebook is the giant among social networks. Add the 125 million Myspace users and services like Twitter and Last.fm, and you have a global market that makes most marketers ache with longing. Combined with the fact that people are spending more time on-line and less time watching TV, it's no wonder that brands want to get into the social media world.

Social networks aren't only growing in size, they are growing in importance. A study by Beresford Research showed that when asked to compare online social networking with offline activities, social network users only found going out with friends more important. And 50% said they considered information shared on their networks before making a purchase decision. Clearly consumers are doing more than just playing around.

“ 50% SAID THEY CONSIDERED INFORMATION SHARED ON THEIR NETWORKS BEFORE MAKING A PURCHASE DECISION ”

Social networks are the promised lands for brands. But companies trying to get in the door soon notice that the traditional rules of communication don't apply. On social media networks brands and consumers are equals. Social media networks are all about dialogue, conversation and interaction. This means that you cannot buy attention.

For brands to be successful they have to have to join the conversation and behave like friends. Friends are honest and talk to each other as equals. They offer each other things of value and they cannot be bought. These are the key elements for brands in the social media sphere. To be successful you need to give people value whilst being authentic and open.

5 RULES FOR COMMUNICATING ON SOCIAL MEDIA

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.The Twitter logo, featuring the word "twitter" in a light blue, rounded, lowercase font.The Myspace logo, which includes a blue icon of three stylized figures and the text "myspace" in blue lowercase letters, with the tagline "a place for friends" in a smaller font below it.

✓ VALUE

What value do you create by taking part in the dialogue?
Why is your brand interesting?

✓ AUTHENTICITY

People are smart (just like yourself). You cannot fool them, so be honest and authentic.

✓ DIALOGUE

You participate in a dialogue and you should communicate accordingly - more like a friend talking to a friend than a company to a consumer.

✓ ENGAGEMENT

Make your 'story' interesting, interactive and easy to spread.

✓ MEASURE

It's never been easier. Set clear campaign goals and milestones in order to clearly measure the effect of your campaign.

SOCIAL MUSIC REVOLUTION

“ IN RECENT YEARS TECHNOLOGY HAS CHANGED HOW PEOPLE CONSUME MUSIC AND THIS HAS CREATED A LOT OF NEW OPPORTUNITIES FOR US, ESPECIALLY WORKING WITH SOCIAL MEDIA AND LEARNING FROM HOW OUR CUSTOMERS INTERACT WITH MUSIC ON THESE PLATFORMS. ”

- Umut Ozaydinli, Global Music Marketing Manager at Coca-Cola

Music moves us. So much that research from Millward Brown and Brandamp shows it's the media that people would least like to live without. The same research shows that, on average, people listen to music on more than five different platforms and for a growing number of hours per day. The younger they are, the longer they listen.

The explosion of 'free' and accessible music has had a huge effect on social media networks. Some of the most talked about and popular services that have appeared in the last ten years, such as Napster, iTunes, MySpace, Last.fm, Pandora and Spotify, all revolve around music. The rapidly growing social media service Twitter has more than ten different music add-on services (such as Blip.fm, Imeem, Tweetmusic and Twitty Tunes just to name a few). More than half of those who surf social network sites do so in order to find or socialise around music, and the Entertainment Media Research reports show that two out of five social networkers have music embedded in their personal profile. Without a doubt, music is an engine that helps to facilitate the exponential growth of online social networks.

“ AFTER TV, MUSIC IS THE MEDIUM OF CHOICE FOR MOST KIDS, ESPECIALLY OLDER TEENS ”

- Donald F. Roberts, Jr., Ph.D.,
Professor of Communication at
Stanford University

STRATEGIES FOR WORKING WITH MUSIC ON SOCIAL MEDIA NETWORKS

In music branding, as in all communication, defining clear and measurable objectives should form the basis of any activity. What do you want to achieve by working with music? Is it about generating brand awareness, increasing brand equity or building loyalty? Based on a clear understanding of your objectives, you can begin to establish the strategy and/or creative concept that will help you to achieve your overall goals.

In order to follow the four Es of emotionally engaging with the target group and creating exclusive experiences, it's no longer enough to offer just music. You have to offer music that both connects with your brand and creates true value for your customers. In order to find the right solution for your brand there are some basic strategies to keep in mind. In order to understand which strategy works best for your brand, the target group demographics, online behaviour and brand values need to be analysed first.

Three examples of strategies:

1



ASSOCIATION STRATEGY

2



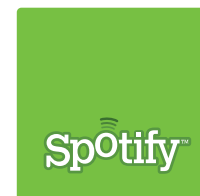
INVOLVEMENT STRATEGY

3



EXPLORATION STRATEGY

PANDORA[®]
internet radio



Apple iTunes last.fm

“**CONSUMER INSIGHT IS CRITICAL TO SUCCESS; THEIR BEHAVIOURS AND MOTIVATIONS SHOULD BE CONSIDERED AN IMPERATIVE. UNDERSTANDING AND HARNESSING HOW FANS CONSUME AND INTERACT WITH MUSIC WILL ULTIMATELY DETERMINE THE SUCCESS OF A CAMPAIGN.**”

- Sarah Tinsley,
Heartbeats International Network
(former Global Experiential
Marketing Manager at Bacardi)

1  **ASSOCIATION**
CONNECTING TO ARTISTS THAT CONNECT TO AUDIENCES

Associating with a specific artist or taking a unique position within a genre of music can be a great way for a brand to enhance brand equity and build a more emotional connection to consumers. A good example is the case of Groove Armada and Bacardi. As a record label, Bacardi signed the club act Groove Armada and offered their customers exclusive recordings available through an online media platform. The campaign made full use of the power of social media by offering free exclusive digital recordings on the premise that consumers would spread the music to their friends. With an association strategy, the Bacardi campaign resulted not only in positive brand affinity and extensive press coverage but also created a snowball effect where customers spread the music and engaged actively with the brand. In this way, Bacardi made friends and fans of the brand where before there had been only consumers.



The Groove Armada B-Live campaign from Bacardi

2  **INVOLVEMENT**
CROWD SURFING IN A DIGITAL WORLD

Music works as an engine for interaction on social media networks because of its engaging content. Music motivates people to engage with each other. This is why music is a great way for brands to interact with consumers. One way to do this is through co-creation, or what is sometimes called 'crowd-surfing'.



Crowd-surfing can be done in different ways. A popular method has been initiating remix competitions on social media networks such as MySpace or Soundcloud. Customers are invited to remix music from particular artists and to share their results with each other. This type of strategy naturally works best when the target group is either an artist community or more hard-core followers. But it can also be used for engaging with wider audiences.

Other examples of 'crowd-surfing' are the many different campaigns that are launched on the music service Spotify. With Spotify, brands give customers the opportunity to upload music mixes and share playlists with each other around a theme connected to the brand campaign. For a deeper look into a successful involvement strategy we will present a case study from Intel (see page 13).

3



EXPLORATION

THE ROAD TO NEW MUSIC EXPERIENCES

An exploration strategy means guiding people to new music and artists that they haven't heard before. This could be done through launching new artists in affiliation with the brand or by organising talent scout competitions. A good example of a brand utilising a successful exploration strategy is the 'Ramp Music' project initiated by the Proctor & Gamble brand Duracell in Scandinavia. Creating an online campaign platform, Duracell organised unsigned artists to compete against each other in a talent quest. The winner was decided by the audience through an online voting procedure and received marketing funds through the brand's marketing channels to the value of around €100 000. The campaign was an overall success. It helped to position the brand in the artist community and at the same time increase brand awareness within the target audience.



THE KEYS TO SUCCESS

We have learnt that music is a powerful tool for brands aiming to get closer to consumers. Music is a natural and integral part of the social media landscape and when used the right way it is an effective strategy for reaching the target audience.

As presented earlier, music can be used in a variety of ways by utilising a number of different strategies. No matter which strategy you choose, you should be aware that in today's marketplace it takes more than just music to create attention. At a time when music is available and is free of charge everywhere, brands need to realise the importance of exclusivity. Brands need to offer music that consumers can't find anywhere else. This may involve offering exclusive songs before their official release, exclusive interviews with the artist, unique recordings, or live shows specifically for the brand.

Another factor to take into account is the importance of making music free and easy to spread. This means avoiding so-called DMR copy protection as much as possible because this limits the word-of-mouth and viral effects that you often want to achieve. Of course this means that you need to get record companies, artists and rights holders on board.

THE FIVE KEYS TO SUCCESS

1 ADD VALUE Adding music does not necessarily mean adding value. Be clear about which strategic pathway offers extra value to your brand and target group.

2 MATCH BAND & BRAND Hitching a brand name to an artist is all about credibility. The link needs to be trustworthy to the consumers. To be successful, consumers need to believe that the brand and the band could be friends in real life. The music concept has to clearly drive brand recognition and match with your overall objectives.

3 OFFER EXCLUSIVE CONTENT To just offer music is not enough. You need to offer something new and exclusive that cannot be found anywhere else.

4 MAKE IT FREE To ensure a 'word-of-mouth' effect, the music should be 'free'. It needs to be easy to share and easy to pass on to others.

5 ANALYSE IT The campaign activity should have a clear analysis of the target group, which platforms they prefer and the type of dialogue that they engage in, before the concept and choice of artist is decided. Lack of homework will ultimately cause even the best concepts to fall short of their aim.

CASE STUDY

INTEL POWERS MUSIC



BACKGROUND

Intel was quick to establish a strategic approach to music. The key factor was that many artists make use of their technology when writing and creating music. With more than 1.8 million people in Europe creating music in some capacity, who often act as opinion leaders, Intel rightly identified them as a key target group for influencing consumer patterns. Intel identified that by communicating and engaging with this audience they could increase demand for their products.

OBJECTIVES

- To position Intel's brand and its values in the mind of the target group
- To establish a closer tie and relationship between musicians and artists and Intel's technology, products and the brand.

- To reach out with the message that professional music-making requires high quality technology and equipment.
- To create a 'cool factor' around the brand in the mind of opinion makers, in this case musicians and artists, getting them to stand behind Intel and communicate these values to their fans.

SOLUTION

In order to achieve these objectives, Intel launched the digital platform 'Intel Powers Music' as a community on the social networking site MySpace. Every member on MySpace has their own music player that allows them to present four songs. With 'Intel Powers Music', Intel wanted to offer artists something more, something that both adds value on MySpace whilst at the same time

demonstrating how technology can both simplify and improve the artists' creative process.

For all members of Intel's community, Intel developed an add-on that allowed members to upload a fifth track to their profile. Intel also offered members advice from professionals in the music industry. By doing so they provided members with true value, deepening the relationship with their core audience and Intel's message was communicated in a creative way.

Having reached artists, Intel also wanted to reach the artists' fans. Therefore Intel launched 'Intel Super Group', which is an open section of MySpace. Here Intel invited everyone to design record covers and suggest band names. This was a crowd-surfing activity that inspired members to interact with Intel and that increased the engaging aspect of the campaign.

RESULT

The campaign resulted in massive attention in both digital as well as in traditional media. The website had 6 million page views and more than 42 000 people from 46 countries joined their 'community'. At the same time, more than 19 000 bands and artists added Intel as a friend on their MySpace page. The campaign clearly demonstrates how

a brand can use music to offer real value to its customers by using an effective and credible strategy. With the campaign, Intel created friends and fans of the brand, not just consumers.



RESULT OVERVIEW

- Over 6 million page views
- More than 19 000 bands and performers added Intel as a friend on MySpace
- 42 000 people became friends with the brand via 'Intel Powers Music'
- More than 33.5% recognised and remembered Intel's activity on MySpace
- Close to 70% ranked the 'Intel Powers Music' Initiative as "Excellent / quite good"

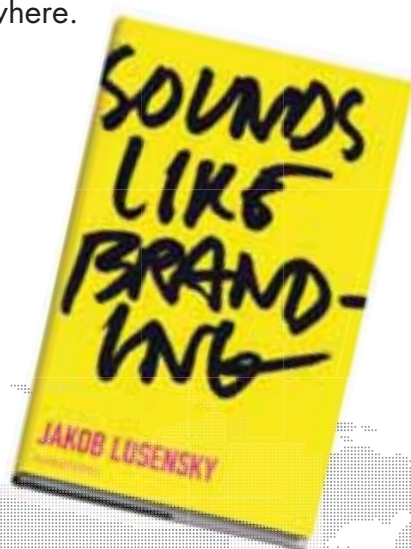
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This is an extract taken from the book 'Sounds Like Branding' that is to be released in 2010. It is written by Jakob Lusensky, founder and CEO of the brand communication agency Heartbeats International. Heartbeats International is specialised in helping brands to connect with audiences through music. From their offices in Stockholm, Tokyo and New York they are on a mission to make hearts beat everywhere.

For more cases and work from Heartbeats visit:
www.heartbeats.fm

To learn more about music's role in branding visit:
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