

Step Four

Module Two

Mini Lesson Guide

the
marketing
Democracy™

Welcome!



There's a lot of buzz around the term: paid, owned, and earned media. Marketers want to: pay as little as they can, own as much of the brand experience as possible, and earn favorable brand mentions in a socially connected world. It's a lovely statement that, in reality, is an unsolvable riddle. We're going to replace the paid, owned and earned media riddle with a more productive formula: who + what = where. By focusing on who you're trying to reach, and what you have to say, the "where" will take care of itself. We will help you to invest your resources wisely and to value each form of media (p/o/e) for what it does best.

- Judy

Module Overview

In this module, we are going to focus on four key ideas:

- In [Lesson One](#), you will learn the definitions of paid, owned, and earned media.
- In [Lesson Two](#), you will learn why the P/O/E media riddle is unsolvable.
- In [Lesson Three](#), you will learn how p/o/e media impacts your P&L and why paid media gets penalized from an accounting perspective.
- In [Lesson Four](#), you will learn the "who + what = where" formula and how to apply it to your marketing communication strategy.

To help you optimize the use of paid, owned and earned media channels you can purchase a "Who + What = Where" Framework. This downloadable PDF is fully functional if you open it in Adobe Acrobat Reader. Be sure to click on the "listen" icon in the lower right-hand corner to learn more about this helpful tool. And, for additional inspiration, you can watch the real-world example video to see this lesson in practice.

Congratulations on taking this important step in your journey to developing world-class marketing for your business.



Lesson One

What Do We Mean By P/O/E Media?

Why This Matters

Most world-class marketing strategies leverage all three forms of media: paid, owned and earned. But what does P/O/E media mean? This isn't rocket science and it doesn't have to be so confusing. The term, P/O/E is just another example of jargon that is tossed around in marketing circles that really boils down to a simple explanation. This lesson will explain what is meant by paid, owned and earned media. You will learn about the concept in general and what each form (paid, owned and earned) means so that you can understand how each form fits your strategy and your budget.

5 Key Takeaways

- There's a lot of buzz about paid, owned and earned media (P/O/E). When you cut through all the noise, the P/O/E jargon simply refers to "who" controls the platform--you (the marketer) or someone else.
- Paid media refers to someone else's platform. Marketers pay a media company to place commercial messages onto an ad-supported media platform to reach the audiences that congregate there.
- Owned media is yours (the marketer). Any brand-controlled (owned) touchpoint with a customer that enables the distribution and sharing of content and/or conversations can be considered owned media.
- Earned media is definitely in the hands of someone else. Earned media is best described as the conversations that a marketer earns from others--either from consumers (word of mouth) or from the media (publicity).
- Some media channels do not neatly fit into one category. For example, a social media channel such as Facebook can be used as paid media, as owned media and/or as earned media.



Ask Yourself

Before moving on to Lesson Two, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Do you currently use all three forms of media: paid, owned, and earned in your marketing strategy?

What are the similarities, and what are the differences between paid, owned and earned media? Can you easily identify and describe them?

Can you see how paid, owned and earned media can work together? If you can't, that's okay! Keep going.

Lesson Two

The Unsolvable P/O/E Media Riddle

Why This Matters

Every world-class marketing strategy uses a combination of paid, owned and earned media. But what's the right combination? Is there a magic formula that you can apply? Some pundits in the industry tout what we refer to as: the paid, owned and earned media riddle. And, like most riddles, this riddle is unsolvable. In this lesson, we will share the riddle with you and then break down each component of the riddle and explain why it doesn't work. That way, you can avoid the enticement yourself and focus on a more productive use of all three media forms.

Key Takeaways

- Here's a P/O/E riddle that's impossible to solve, "Pay as little as you can, own as much of the brand experience as possible, and earn favorable brand mentions in a socially connected media world." It sounds great, but it isn't actionable.
- If you embrace the "pay as little as you can" mindset, you will likely damage the long-term health of your business. Paid media helps you to broaden the awareness of your business beyond your existing customers.
- Not every owned media destination will become a "field of dreams." If you build it, they may not come. And chances are, you will need to spend money to promote your owned media channels so your customers know where to find you.
- Marketing that "goes viral" is a rare occurrence. Just because you ask people to "like" and "share" and use your hashtag doesn't mean they will. You can't control what others have to say. You can't turn on, or off the chatter. Earned media must be "earned."
- There is no single P/O/E formula for success. Each situation requires a unique approach that leverages the best that each form of media-- P/O/E has to offer.



Ask Yourself

Before moving on to Lesson Three, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Do you fall into the "pay as little as you can" trap when it comes to setting your marketing budget? What steps can you take to keep an open mind when it comes to investing in paid media?

Do you have owned media channels that don't get a lot of traffic? Do you know how you can drive traffic to these assets? Hint: you can use paid media to drive audiences to your owned channels. Big brands do, and it pays off for them.

Do audiences have a good reason to "like" or to "share" your marketing communications? Or, are hashtags and "follow us" simply throw-away lines at the end of your marketing communications?

Lesson Three

The Finances of P/O/E Media

Why This Matters

Unfortunately, there isn't a level playing field when it comes to paid, owned and earned media. Each form of media will affect your finances differently. While marketing is indisputably an investment in long-term value creation, it doesn't show up on the accounting ledgers that way. This lesson will explain how each form of media will be expressed on the balance sheet. Despite the challenges of cost accounting, this lesson will help you to think beyond the practical realities of cost accounting to help you create meaningful investment decisions that incorporate paid, owned and earned media.

Key Takeaways

- 📍 You can't change the rules of accounting. Even though marketing is an investment, most marketing activities are expressed as an expense on the P&L.
- 📍 You can't amortize marketing expenses over time. Marketing expenses must be recorded when they are incurred.
- 📍 Of the three forms of media: paid, owned and earned, paid media fares the worst on the P&L.
- 📍 Owned and earned media have hidden costs that are usually recorded in content development, human resources and professional services.
- 📍 Your job is to manage any expense wisely. Cost cutting and expense management are two different things. Your goal is to spend to grow (profitably).



Ask Yourself

Before moving on to Lesson Four, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of this lesson?

Do you currently view marketing as an investment in business growth, or as an expense? If it's the latter, how can you shift your point of view?

Is your marketing budget the first expense item to get cut when you aren't making your numbers?

Can you think of ways to more equitably track your expenses across paid, owned and earned media? Are you accounting for the hidden costs associated with owned and earned media?

Lesson Four

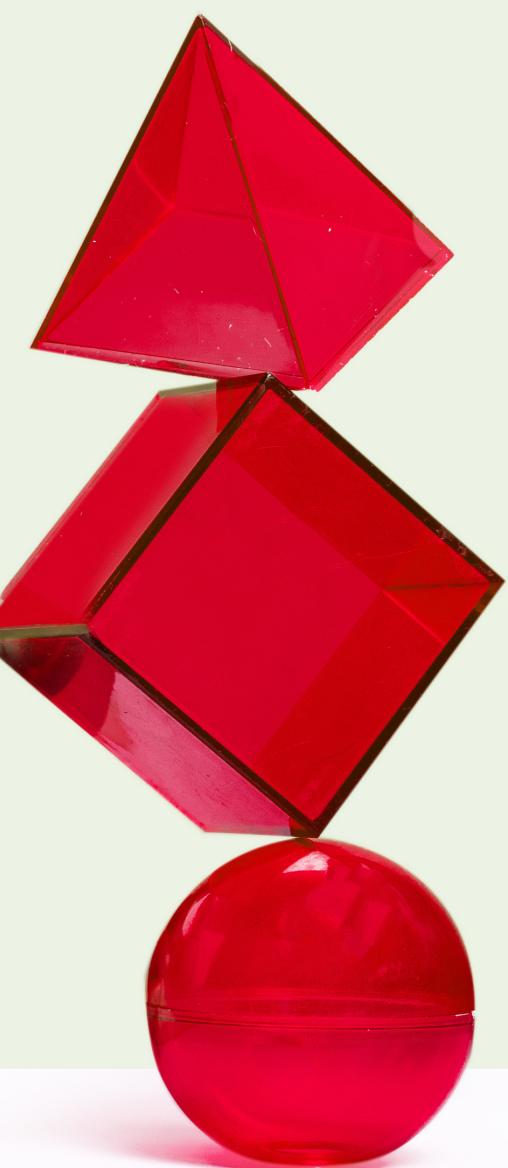
A New and Better Formula:
Who + What = Where

Why This Matters

In lesson two, we invalidated the infamous paid, owned and earned media riddle. What can you use in its place? While every situation is unique, we believe there is a new formula that can help you to determine the proper mix of paid, owned and earned media for your situation. This lesson will introduce you to this formula: Who + What = Where. This simple formula will take all of the complexity out of managing your paid, owned and earned media mix. It fits with everything that you've learned to-date: start with "who" and follow with "what" and "where" will solve itself.

Key Takeaways

- The Who + What = Where formula puts paid, owned and earned media in its proper perspective. Media decisions should not drive the process--rather media choices belong at the end.
- When you follow a customer-centered approach to marketing, it should come as no surprise that you start with "who" you're trying to reach. It's important to organize the "who" by their degree of awareness/familiarity with your business.
- After you figure out the "who" you can move on to "what" you have to say. Your marketing communication can take many forms. It can work well as an ad, or as some form of content, or as a recommendation from someone else.
- Different forms of media are suited for different communication formats. Paid media is best suited for advertising, owned media is best suited for content, and earned media is best suited for conversations.
- Once you determine the "who" and the "what" the p/o/e media channel decision--the "where" literally solves itself. All three forms of media can play an important role based upon who you're trying to reach and what you're trying to say.



Ask Yourself

Before moving on to the action plan, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Do you tend to make your media choices first, and then try to figure out what to say? That might be your first problem.

Can you identify the difference between advertising, content and conversations? This is an important distinction. And, a helpful one!

Are you trying to reach new customers, existing customers, or both? It makes a big difference.