Barriers and Drivers in Media Adoption: the Chief Marketing Officer’s Perspective

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Resumé

The aim of the thesis is to identify the drivers and barriers in media adoption, with a specific focus on new media adoption. After having reviewed the literature on new technology adoption, the analysis has been based on eleven interviews at CMOs that operate in the Danish market. The conclusion is that five are the variables that influence media adoption: (1) the CMO’s mindset, (2) the CMO’s perception of market’s reaction to new media, (3) lack of skills and investments, (4) higher performance, and (5) cost efficiency. The variables (1), (2), and (4) have a positive influence on new media adoption, while the variables (3) and (5) have a negative influence on it. Each variable is influenced by different factors and their interrelation is shown through a casual loop diagram. Implications for companies and media agencies are provided.

1. Introduction

During the last ten years, the media environment has been evolving due to technological and social changes. From one side, technological developments are improving the way we communicate, providing us with devices that allow to communicate everywhere with our network. From the other side, the way we are living today implies to be interconnected at any time. This last point is relevant for both companies and customers: the former wants to be present everywhere and try to get their audience’s attention, the latter wants to be in touch with what is relevant for them at any place (family, friends, colleagues, or any kind of information).

In the first part of the research, the latest innovations in the media environment have been analyzed. The analysis starts from 2000, when the Internet has become a prerogative for our way of communication. It has taken into consideration all the changes that happened until today. As a conclusion, a possible scenario has been drawn, in regard to what is more likely to happen in the next five years given the above described evolution pattern.

1.1 The Danish Media Industry

According to Datamonitor’s reports (“Media in Denmark” from the year 2005 to the year 2009), “the media industry consists of the advertising, broadcasting and cable TV, publishing
and movies, and entertainment markets.” In the advertising sector, it is included the market of agencies providing advertising services. The publishing segment refers to books, newspaper and magazines. Broadcasting and cable TV means both digital and analog television broadcasters. The movies and entertainment segment regards producers and distributors of public entertainment format, such as movies, music and sport.

Studying the reports of the different years, it has been found that the Danish media industry is growing. However, the growth rate has not been stable: in 2005 there has been a turndown in the industry. During this year, the Internet has been showed as a threat for the publishing sector: the web has been becoming a substitute, especially for newspapers. Therefore, the print sector has been changing the way to cope with the market, including online services in its offer.

In the following two years, the growth rate is increased again. In 2007, new technologies have become part of the publishing sector. In 2009 the growth rate has been of 0.1% and it is has been forecasted to grow to 8.5% by 2014.

**Figure 1. Danish Media Industry Growth**

![Graph showing media industry growth from 2006 to 2013](Source: Datamonitor)

During the years 2005-2009, the main revenues have been generated by the publishing segment and the broadcasting and TV cable segment. However, it has to be noticed that the percentages of the influence of each segment are changing. The publishing and movies and
entertainment segments are decreasing, while broadcasting and cable TV and advertising are increasing their presence on the media industry in Denmark.

Figure 2. Media Industry Segmentation

1.2 Publishing Sector

According to the 2009 report, the publishing sector has been having less influence on the market, but it does not mean that the print will disappear. Indeed, needs such as business, education, and entertainment, can be met through specific magazines (Datamonitor, 2009). The Internet can be used as a new way to reach customers and to target them with more details (Datamonitor, 2009). Moreover, updating and reviewing editions online reduces costs, compared to printed editions (Datamonitor, 2009).

1.3 TV Sector

TV seems to have a predominant position during the years. During 2009, it has been the digital switchover in Denmark. Therefore, all the households are now provided with digital TVs, which offer higher quality and interactive services. Through digital TV, picture and sound quality is better and the transmission is clear. The user can view the listing instead of flipping through random channels. Thanks to the broader bandwidth, there are more thematic channels and multimedia services. Therefore, not only users have advantages, but also content providers have the opportunity to offer value-added services. However, the main change that is relevant regarding the purpose of this research is that the Internet can be viewed via the TV:
the computer is not necessary, but the user needs a set-top box provided with an internal modem. The way of living the TV experience might change because of this reason. Indeed, TV companies can now use the cable network to enter the Internet market, representing a threat for the Internet providers by lowering the barriers to enter the market (Datamonitor, 2007). However, it has to be considered that the number of Internet users is increasing and the demand for broadband connections would require more investments in infrastructure (Datamonitor, 2007).

1.4 Internet Sector

According to Datamonitor reports on Internet Access in Denmark (2005-2009), the Danish market for Internet access has been characterized by weak competition and high prices until 2005. However, due to the Scandinavian competition and falling prices, the market has been changing but still growing. The main change is the switch from narrowband to broadband connections: the demand for faster connections is increasing due to the trend of mobile broadband applications, online gaming, and music downloading (Datamonitor, 2005), and higher demand for e-government services (Economist Intelligence Unit, 2004). Moreover, the diffusion of wireless technology is driving the growth: Denmark can be considered among the market leaders in innovation of wireless technology. Not only home networks, but also companies require a faster connection (Datamonitor, 2005). In 2003, Denmark has been the leading European country in broadband penetration. According to the Economist Intelligence Unit (2004), 89% of the businesses in 2004 had Internet access. Whereas in 2005 the narrowband covered the 83,8% of the Internet users, nowadays the broadband regard 50% of the Internet connections (Datamonitor, 2005; Economist Intelligence Unit, 2009). Furthermore, the number of Danes that have Internet access on their mobile phone has been around 42% of Internet users in 2008 (Economist Intelligence Unit, 2009).

The number of Internet users had a consistent increase until 2005. From then on, the growth rate is decreased and it is forecasted to be stable until 2013 (Datamonitor, 2009).
The Internet has had a relevant role, starting from the boom in 2000. It has been changing the way of doing business, interacting with other people and other businesses and also with the government. According to the Economist Intelligence Unit (2003), the Internet allows to save cost and reach customers: therefore, it has been seen as an opportunity to develop businesses. One of the major changes has been the advent of e-commerce: companies have a new distribution channel, and a new way of branding and building awareness. According to a study of PricewaterhouseCoopers (Economist Intelligence Unit, 2004), Copenhagen has been identified as the best European site for e-business potential, due to the high level of education, computer literacy and English language skills. Moreover, according to the index of e-readiness (a study conducted every year by the Economist Intelligence Unit in order to classify every country according to its level of IT development) since 2003 Denmark and the whole Scandinavia has been the leading countries, overtaken US – where the Internet is born. This is due to the economical situation, the IT education, the technological developments in telecoms, and the governmental initiatives.

Up to 2004, the Internet has had high rate of growth. Initially, the Danish population has been using the Internet for surfing, and not for shopping – mainly because traditional ways of payment were preferred (Economist Intelligence Unit, 2004). According to a study on telecoms in Denmark (Economist Intelligence Unit, 2009), in 2004 online shopping has been
forecasted to increase and it is nowadays become one of the main activities Danes do online. The reasons behind the increase in e-commerce are the broad diffusion of Internet connections, both in the household and in the workplace, and also the fact that online payments have been tailored to the Dankort (national Danish debit card).

According to the Economist Intelligence Unit (2005), during 2005 Denmark has been considered as a convergence leader: the country is promoting broadband connections, and telecoms companies are promoting services that include telecommunications, Internet and interactive TV.

In 2007, the ICT developments have brought further changes in the Internet environment. The number of broadband connections is increased, Web 2.0 applications and business models have been developed, VoIP (Voice over Internet Protocol) has become free and easy, and there has been the boom of social networking sites (Economist Intelligence Unit, 2007). It has been changing the way “individuals and businesses communicate, share information and work” (Economist Intelligence Unit, 2007): therefore, countries as Denmark have been able to support new businesses, following the wave of changes and promoting favourable conditions for innovation and development.

It has to be noticed that the crisis have been affecting the changes during the years 2008-2009. However, the results in the ICT development have indirectly been influenced by what has happened in the rest of the business environment. The main change in the last year is given by the fact that with higher mobile and Internet penetration rates the way with which data are consumed is changing (Economist Intelligence Unit, 2009). Therefore, businesses must be careful when considering how consumers’ data are used – and misused.

1.5 Mobile Sector

Another media that should be taken into consideration is the mobile one. The Danish telecommunications market is growing and there is a high distribution of mobile telephony (Economist Intelligence Unit, 2004). In 2002, the 77.6% of the Danish population had a mobile phone subscription (Economist Intelligence Unit, 2004). Thanks to the lower prices, the number was forecasted to increase. Through the period 2007-2010, it has been registered an increase in the number of mobile subscriptions and a decrease in the fixed-line ones. Furthermore, consumers started to feel more comfortable with using mobile devices (Economist Intelligence Unit, 2007). In 2008, 95% of households had a mobile phone (76% had a fixed-line subscription) and the number of calls via mobile phones overtook the fixed-
line ones (Economist Intelligence Unit, 2009). Moreover, technological developments, such as the introduction of 3G phones (Third Generation) in 2001, are changing the way mobile are used: not only for calls, but also for surfing the Internet and shopping. According to the Telecoms Industry Report Denmark (2009), mobile phones are mainly used for SMS (which number is higher than phone calls), MMS and new broadband services (for instance, telecoms companies have developed a service through which consumers can pay up to 225 DKK by sending an SMS or calling a number, and the cost will be in the telephone bill). Moreover, according to the Economist Intelligence Unit (2009), telecoms companies are investing money in developing new packages (telephone service, Internet and digital television) due to the high competition and the new technological developments.

1.6 Overview
Due to the high number of fixed-line, mobile phones, PCs, Internet and broadband penetration, Denmark is considered as one of the main technologically developed countries (Economist Intelligence Unit, 2009). The role of the government in these circumstances has a relevant position: the Danish government has invested in initiative and promotion of telecoms infrastructure (Economist Intelligence Unit, 2009). Moreover, it is also providing high quality public services and high effectiveness – thanks to the high taxes paid by the Danish population (Economist Intelligence Unit, 2009). According to the 2009 E-readiness rankings, Denmark is still leading as an ICT leader worldwide, despite the crisis because of its strong economic position. However, even though people and businesses invest in the latest technology, it is expected that consumer confidence will be lower because of indirect effects of the financial crisis (Economist Intelligence Unit, 2009).

The aim of this research is to find which are the drivers and barriers when companies choose the media for their communication campaigns. Through a three-month internship in a media agency, I had the opportunity to interview eleven CMOs from Danish and international companies. Thanks to these interviews, their opinions have been analyzed and a possible future pattern for new media has been tracked.
2. Literature Review

In reviewing the literature, this study has considered three different fields: the innovation and technology adoption process, the drivers in media planning, and the service-dominant logic.

2.1 Innovation and Technology Adoption Models

One of the first theories that have been applied to the decision of adopting a new technology is the theory of reasoned action, or TRA (Fishbein and Ajzen, 1975). The theory is based on studies on human behavior and on the assumption that humans are rational beings, which take decisions given the information available (Hill, 1977). According to this theory, the intention to pursue a certain behavior, called behavioral intention, is influenced by attitude toward behavior and subjective norm. The first factor is given by the individual beliefs regarding the consequences of the intention and the desiderability of these consequences; the second factor refers to the individual perception of what other individuals important for the decision maker think about the intention and the consequences of the behavior (Fishbein and Ajzen, 1975).

Another relevant theory is the Theory of Acceptance Model, known as TAM (Davis, 1989). While TRA is based on human behavior studies, this theory refers to new technology’s adoption on the job. Basically, it refers to TRA making use of different variables. According to TAM theory, the behavioral intention to use a new technology is influenced by perceived ease of use and perceived usefulness (Davis, 1989), which indirectly influence the inclination to innovate (Ordanini, 2006). The perceived ease of use is the individual perception of having a high job performance thanks to the technology adoption (Davis, 1989). The perceived usefulness, that influences also the first factor, is the individual perception of using less effort when adopting the new technology (Davis, 1989). It is a relevant theory because it highlights the importance of perceptions and personal traits in innovation decisions (Ordanini, 2006).

One of the main limitations of TRA model is given by the fact that there is no limitation to action. Therefore, time constraint, lack of skills, or unconscious habits would not have an influence in the decision-making process. This limitation is solved by the same author through the introduction of another variable in the TRA model (Ajzen, 1991). The TPB model, or Theory of Planned Behavior, adds to TRA model the variable of perceived behavioral control. This implies all the individual perceptions that influence in a positive or negative way the adoption of the new technology (Ajzen, 1991).

A further theory is called TTF, which means Task Technology Fit (Goodhue, Thompson, 1995). The theory considers technology as a tool to help users in completing a task, and it is
based on the assumptions that the technology must be utilized and it must fit the task (Goodhue, Thompson, 1995). Therefore, TTF is the degree to which a technology helps an individual in completing his or her task. It is determined by eight factors: quality, locatability, authorization, compatibility, ease of use/training, production timeliness, system reliability, and relationship with users (Goodhue, Thompson, 1995). Following from TAM theory, it takes into consideration perceived ease of use, as individual characteristics that influence the adoption of a new technology (Goodhue, Thompson, 1995). The theory can also be applied in an organizational context, thanks to the study of Zigurs and Buckland (1998). It has been proved the performance impact of the adoption of new technology. This means that efficiency, effectiveness and quality are improved, due to the use of new technology (Goodhue, Thompson, 1995). The prove comes also from the fact that there is a prevalent role of feedback, which ensures the higher or lower performance impact of the new technology (Goodhue, Thompson, 1995).

A theory that needs to be taken into consideration is the Innovation Diffusion Theory (Rogers, 1995). While the previous studies refer to the perceptions of using the innovation, he refers to perception of the innovation itself (Moore, 1991). According to Rogers (1995), five are the attributes of innovation that influence the process of adoption: relative advantage, compatibility, trialability, and observability. The relative advantage is the economic or social advantage that can be reached through the adoption of the innovation (Rogers, 1995). Compatibility means the degree to which the innovation matches sociocultural values, previously introduced ideas and clients’ needs (Rogers, 1995). Trialability is the degree to which the innovation can be experimented and tried by the decision maker (Rogers, 1995). Observability refers to the degree to which the innovation and its results are visible by others (Rogers, 1995).

Rogers’s model has been reviewed by Moore (1991). According to the latter, the perceived characteristics of innovativity (PCI) are eight: relative advantage, compatibility, trialability, voluntariness, image, ease of use, result demonstrability, and visibility. Voluntariness is “the degree to which an innovation is perceived as being voluntary or of free will” (Moore, 1991). According to Roger (1995), image is included in relative advantage; however, in Moore (1991) it is considered as an independent variable. Ease of use is considered as in TAM (Davis, 1989). Result demonstrability is the degree to which innovation’s results are tangible (Moore, 1991). Visibility refers to the actual visibility of the innovation itself (Moore, 1991).
In the attempt of finding a unique method of research regarding new technology adoption, Venkatesh et al. (2003) develop the UTAUT theory, where the acronym stays for Unified Theory of Acceptance and Use of Technology. Besides the fact that the theory it is based on the adoption of information system, it has been proved that it can be applied to usage intention (Venkatesh et al., 2003). The main advantage of this theory is that it reviews all the previous ones, finding what they have in common. It gives a structured view for interpreting new technology adoption, introducing the role of variables mediators. According to the theory, there are four direct determinants when adopting a new technology: performance expectancy, effort expectancy, social influence, and facilitating conditions. The effects of these determinants are mediated by four variables: gender, age, experience, and voluntariness of use. Performance expectancy can be explained as the perceived usefulness of TAM or relative advantage of Rogers. This factor is indeed the degree to which the user expects his or her job performance to increase when adopting the new technology (Venkatesh et al., 2003). It has been proved by the authors that this is the strongest predictor. However, it is influenced by gender and age: it is stronger for younger males (Venkatesh et al., 2003). The effort expectancy is the ease of use perceived by the user, and it is stronger for older women with less experience (Venkatesh et al., 2003). The social influence means what other individuals next to the user think about the new technology (Venkatesh et al., 2003). Therefore, it sums subjective norm from TRA and TPB, and relative advantage in terms of social status from Rogers. This variable influences older women with less experience in mandatory context (Venkatesh et al., 2003).

Facilitating conditions represent the perception of the user that the system in which he or she works facilitates the adoption of the new technology (Venkatesh et al., 2003). They can be viewed as perceived behavioral control in TPB, and compatibility in Rogers.

In the literature review, it has been taken into consideration the study of Ordanini (2006). Through a study on IT adoption in small businesses, he refers to the theories described above and to the resource-based view developed by Barney (1991). He states that four are the main drivers in adoption: strategic necessity, organizational readiness, environmental pressure, resource availability. Moreover, he finds out five implications for CEO of small businesses. The first implies that IT adoption is always necessary to operate in competitive markets, and there will be always less freedom to choose whether adopt or not (Ordanini, 2006). The second implication is that financial barriers are not relevant when adopting IT solutions (Ordanini, 2006). Thirdly, strategic purposes and plans need to be set up before adopting new
technologies (Ordanini, 2006). Finally, the firm must invest in organizational capabilities in advance to the introduction of the new technology (Ordanini, 2006).

A last contributing study in technology adoption is given by the European Economic Consult Report (Zerdick et al., 2005). The report analyzes the changes in the media market: how media are developing, how information and communication technology is developing, and how the market (institutions, companies, and customers/users) is reacting to these changes. According to the report, five are the main reasons why users do not adopt new technologies: financial factors, for adopting and replacing the media; knowledge and skills, depending on the level of education and training; psychological factors, such as perceived usefulness/functionality, user friendliness, social factors; time availability; irrational behavior, given by emotions, lifestyles and rituals. Although these reasons, the report states that the rate of adoption of ICT is growing because of the following trends: rapidly declining costs and increasing power of the hardware; improved ease of use; increasing availability of point of presence for local Internet service provider access; decreasing cost of Internet access; network externalities associated with email and chat. These trends prove that the digital divide is decreasing and users are more open to adopt new technologies (Zerdick et al., 2005).

2.2 Drivers in Media Planning

According to Sissors and Baron (2002), when choosing media four are the main principles: an optimum amount of frequency, cost efficiency, minimum of waste, and within a specified budget. However, as the market is becoming more and more fragmented, traditional measures are not effective as before because media are changing and targets are changing (Sissors and Baron, 2002). According to the authors, traditional measures are frequency and reach: the first is a “measure of repetition, indicating to what extent audience members were exposed to the same vehicle or group of vehicles”, (Sissors and Baron, 2002; p.99), while the second measures the “message dispersion, indicating how widely the message is received in a target universe”, (Sissors and Baron, 2002; p. 99). Through these measures, the number of people that have been exposed to the message can be measured. The main limitation of these measures is that the rate conversion into sales cannot be measured yet: this is possible only on the Internet, where new measures are able to calculate the number of online sales (Sissors and Baron, 2002). Therefore, media planning needs to be opened to new ways of measurements. Moreover, as fast as new measures will be developed, media planners need to know what is changing in the market (Sissors and Baron, 2002).
A principle that needs to be followed is that media selection should reflect marketing objectives (Sissors and Baron, 2002). However it has to be considered that being cost efficient is becoming a necessity, especially after the downturn that has affected our economy in the last years. According to the authors, it is becoming important also being creative: creativity means to promote a different and innovative use of conventional media or to use media which are less expensive than mainstream media (Sissors and Baron, 2002), in order to have an advantage over competitors. The authors point out that the same principles are applied when choosing the Internet. However, in this case additional measures are taken into consideration – such as number of visitors, concentration of these numbers, number of visitors who click on banners (Sissors and Baron, 2002).

Another relevant point is given by the fact that “consumers have specialized needs that media can meet, such as wanting to know more about certain kinds of products or brands” (Sissors and Baron, 2002): they choose different media according to their needs. Therefore, knowing customers’ habits, in terms of media usage is a valuable knowledge in the fast changing world (Sissors and Baron, 2002). Besides being updated regarding customers and their behavior, the authors state that companies need to know and understand how media are developing. Thus, when planning a media strategy many data are required. Unfortunately, given the today’s dynamic market, very often it is not easy to find this kind of data (Sissors and Baron, 2002). As stated by the authors, a further point that needs to be taken into consideration when deciding on the media planning is the competitors’ analysis: a good media planner should know how the competitive environment is changing in order to react to the new strategies.

Some important points are found in Brown and Hayes (2008). Their study highlights that today marketing is not efficient as in the past: even though companies are spending between a quarter and three-quarters of budgets, results on sales cannot be demonstrable yet. The authors state that one of the issues is that marketers refer to old and traditional marketing notions, instead of reviewing them: in many online strategies, the same principles of traditional marketing are applied. Since marketing results are not positive as before, many companies require more and more data from CMOs: the focus on marketing metrics and measures is increasing (Brown and Hayes, 2008). According to the study, a failure in most of the marketing activities is not including alternative media in the media plan – such as PR, events, direct mail, online, sponsorship – while CMOs are more focused on spending the available marketing budget in activities with low level of return. A further point highlighted by Brown and Hayes (2008) is that managers are not willing to invest in updating their skills,
their knowledge, and new marketing capabilities. This implies that communication strategies will be based on traditional media, well known from CMOs, with low interest in exploiting alternative potential channels.

To summarize, new technology adoption and specifically new media adoption are influenced by five main drivers: individual characteristics, social influence, technology’s expectation, features of innovation in decision-making, and organizational factors. It has to be noted that each factor can influence each other among these main groups. The following chart summarizes the different theories, highlighting the main drivers and groups of drivers.

**Figure 4. Literature Summary**

![Diagram of literature summary]

<table>
<thead>
<tr>
<th>Individual Characteristics</th>
<th>Social Influence</th>
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<tbody>
<tr>
<td>Perceived behavioral control (skills, habits)</td>
<td>Individual perception of what others believe</td>
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<tr>
<td>Relative advantage (economic/social)</td>
<td>Compatibility (sociocultural values)</td>
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<td>Facilitating conditions</td>
<td>Observability</td>
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<td>Voluntariness</td>
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<th>Technology’s expectations</th>
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<td>Perceived ease of use</td>
<td>Strategic necessity</td>
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<td>Relative advantage (economic/social)</td>
<td>Organizational readiness</td>
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<td>Compatibility (technological)</td>
<td>Environmental pressure</td>
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<td>System reliability</td>
<td>Resource availability</td>
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<td>Network externalities</td>
<td>Financial factors</td>
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<td>Marketing objectives</td>
<td>Lack of knowledge and skills</td>
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<th>Features of Innovation in Decision-making</th>
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<td>Perceived usefulness</td>
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<td>More efficiency and effectiveness</td>
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<td>Trialability</td>
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<td>New ways of measures</td>
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**2.3 Service-Dominant Logic**

In the literature review, a further theory that needs to be taken into consideration is the service-dominant logic developed by Vargo and Lusch (2004; 2008). According to the authors, traditional marketing has been focusing on tangible goods and customers’ targeting; given the changes in the business environment, the focus is now shifted toward intangibles,
specialized skills and knowledge, and processes that integrate goods with services (Vargo and Lusch, 2004). It has to be noted that goods and services are not separated: service is indeed the usage of knowledge and competences applicable to all marketing offerings. Marketing is not perceived anymore as a transfer of unit of exchange, where immaterial products are considered as aids to the transfer. Marketing is a social and economic process (Vargo and Lusch, 2004) and a continuous learning process (Vargo and Lusch, 2004) with the aim to offer a better value propositions than competitors.

According to the theory, it is relevant the distinction among operand and operant resources. Operand resources are those on which an effect is produced (Vargo and Lusch, 2004) and are the focus of goods-centered view. Operant resources are those employed to act on operand and other operant resources (Vargo and Lusch, 2004), often intangible and dynamic such as skills, knowledge, core competences and organizational processes. Since they produce effects, they are considered primary in the service-centered dominant logic.

The authors put a particular focus on core competences, perceived as intangible processes and tacit routines based on skills and technologies, and rooted in the firm and its history. Therefore, marketing is the integration of business functions that leads to working across organizational boundaries (Vargo and Lusch, 2004). A further characteristic of the service-centered view of marketing is that is both customer-centric and market driven: this means that the marketing view has moved from “make-and-sell” to “sense-and-respond” strategy, that implies collaboration with customers (Vargo and Lusch, 2004).

Eight are the foundational premises of the view. First of all, the fundamental unit of exchange is based on specialized skills and knowledge, since specialization is efficient both for individuals and for society. Secondly, the fundamental unit of exchange is masked by indirect exchange due to the specialization of the different business functions. Thirdly, goods are distribution mechanisms for service provision because they help in achieving satisfaction, self-fulfillment, and esteem. The fourth premise is that knowledge is the fundamental source of competitive advantage, especially in a dynamic and evolving competitive market. The fifth premise implies that all economies are services economies, thanks to the differentiation of specialized skills. The sixth premise is based on coproduction with customers, rather than customers’ targeting. The seventh point is that companies can only make value propositions, throughout the relationship with the customer. The last point is that the service-centered view is customer oriented and relational.
In conclusion, the aim of the service-centered view is customized offerings, realized together with the consumer. Operant resources and core competences are perceived as the key to obtaining competitive advantage and need to be developed and coordinated to satisfy customers: firms need to be competitive and collaborative (Vargo and Lusch, 2004). Therefore, marketing is more than a functional area, but it is a predominant organizational philosophy (Vargo and Lusch, 2004).

3. Research Questions

The analysis of the Danish media market has highlighted that it is a fast-growing market, characterized by developments in technology and increasing number of new technology-adopters. Therefore, it is interesting to understand how CMOs see these changes and if they are actually taking advantages of this situation through the adoption of new media.

First, it will be studied the CMOs’ perception of innovation in media. According to Morgan and Berthon, innovation can either be incremental or radical, implying changes in the company’s technology, in the company’s market (new markets or new customers), and in the organization. This model will be applied in the media field.

Therefore, the first research question is as follows:

1) How is innovation in media perceived by CMOs?

Moreover, the aim of the study is to find drivers and barriers in new media adoption from a CMO’s perspective. Having understood the perception of innovation, the second point is to highlight which are the drivers and barriers in the process of media adoption.

Therefore, the second research question is:

2) From a CMO’s perspective, which are the drivers and the barriers in media adoption?

4. Hypotheses

According to the literature, five are the hypotheses that have been developed and then tested through the interviews. First of all, one of the main drivers in adopting a new technology is
given by individual characteristics (Ajzen, 1991; Davis, 1989; Fishbein and Ajzen, 1975; Goodhue, Thompson, 1995; Rogers, 1995; Moore, 1991; Venkatesh et al., 2003; Zerdick et al., 2005). The more the individual is open to technological innovation, the more he or she is willing to adopt new media: this depends on his or her mindset, experience and personal attitude toward innovation.

Hypothesis 1: The positive individual attitude towards innovation is a driver in new media adoption.

The second hypothesis is linked to the CMO's perception of how the market and the target group would react to new media. In the literature, a driver that has been highlighted is how the innovation is perceived by other individuals, who are relevant for the adopter (Fishbein and Ajzen, 1975; Goodhue, Thompson, 1995; Moore, 1991; Rogers, 1995; Venkatesh et al., 2003): in the media environment, the two kinds of individuals that are relevant for CMO’s decisions are the firm and the customers. Following marketing objectives, how the media landscape is changing and how the customers perceive the change is a valuable knowledge that can lead to the use of new media (Sissors and Baron, 2002).

Hypothesis 2: CMO’s positive perception of how the firm and the market react to the new media is a driver in new media adoption.

According to the literature, a driver in new technology adoption is the compatibility of the innovation with the actual technology and capabilities (Ajzen, 1991; Goodhue, Thompson, 1995; Moore, 1991; Ordanini, 2006; Rogers, 1995; Venkatesh et al., 2003; Zerdick et al., 2005; Zigurs and Buckland; 1998). However, there seems to be low investment in skills and capabilities for new technologies (Brown and Hayes, 2008).

Hypothesis 3: Lack of skills and investment in new media is a barrier in new media adoption.

According to various authors, adopting innovation lead to higher performance (Goodhue, Thompson, 1995; Ordanini, 2006; Venkatesh et al., 2003). Technology helps the adopters in performing their tasks (Goodhue, Thompson, 1995; Ordanini, 2006; Venkatesh et al., 2003) and it is becoming a necessity for many firms (Ordanini, 2006). Thus, the fourth hypothesis
that has been identified in the research is the higher performance, which can be achieved through the use of new media. However, as explained in the literature, in order to prove media performance, it is relevant to measure it. In the dynamic market, finding efficient measures it is becoming hard (Sissors and Baron, 2002): new measures are needed, both in the quantitative and qualitative way (Sisors and Baron, 2002). Some new measures for the Internet have been developed, but they could be more effective (Brown and Hayes, 2008; Sissor and Baron, 2002). Moreover, the focus on measures is increasing and more data are required from CMOs (Brown and Hayes, 2008).

**Hypothesis 4: The higher performance achievable through new media is a driver in new media adoption.**

The fifth variable found in the study is cost efficiency. According to the literature, a relevant driver in adopting new technologies is the financial availability. Marketing strategies have to be cost efficient, in order to achieve a competitive advantage (Sissors and Baron, 2002): adopters are more willing to invest in media that lead to improved efficiency (Davis, 1989; Goodhue, Thompson, 1995; Moore, 1991; Ordanini, 2006; Rogers, 1995; Venkatesh et al., 2003; Zigurs and Buckland, 1998).

**Hypothesis 5: Cost efficiency is a driver in new media adoption.**

### 5. Methodology

During an internship at a media agency in Copenhagen, it has been presented the opportunity to develop the project “What Clients Really Want”. Two were the objectives of it: to find out how clients perceive the media market, and how they perceive the relationship with the media agency. Therefore, the interviews were structured in two parts, one for each objective. According to the aim of this study, it seemed to be relevant only the first objective and the first part of the interview. However, when discussing with the informants about the second part of the interview, main characteristics of media’s perception emerged. Due to this reason, the interviews have been analyzed entirely since relevant meanings could be found during the conversation with the CMOs.
5.1 Sample Selection

The interviews have been conducted during three months in different areas of Denmark. The choice of the Danish market is given by the fact that the agency operates in it. Being inside the media agency has given the opportunity to know data about the market and the firms that are part of it and to contact CMOs in Danish companies. Moreover, as explained in the introduction, the Danish media market is developing at a high rate and this could be a reason to further investigate the subject in this area. The criteria for interviewees’ selection were two: different industries in which they operate, and being or not client of the media agency. Thus, there was the opportunity to have variability in the information, and different views and positions. The different industries in which the interviewees operate were: fast moving consumer goods (or FMCGs), retail, bank, entertainment, travel, and mobile. Six of them were clients of the media agency, four of them were clients of other media agencies, and one had no media agency. A total of 11 interviews were conducted, each lasting between an hour and an hour and a half. Five of them were conducted in the Danish capital city of Copenhagen, while the other six were held in the rest of Denmark, depending on the firm headquarters’ location. Among the ones conducted in Copenhagen, two of them have been conducted at the media agency’s office, and other two at Copenhagen Business School, where there has been the opportunity to rent a special room.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Industry</th>
<th>Media Agency</th>
<th>Interview Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>Retail</td>
<td>Client</td>
<td>Headquarter</td>
</tr>
<tr>
<td>Interview 2</td>
<td>FMCGs</td>
<td>Client</td>
<td>Headquarter</td>
</tr>
<tr>
<td>Interview 3</td>
<td>Retail</td>
<td>Client</td>
<td>Headquarter</td>
</tr>
<tr>
<td>Interview 4</td>
<td>Mobile</td>
<td>Client</td>
<td>Media Agency's Office</td>
</tr>
<tr>
<td>Interview 5</td>
<td>Bank</td>
<td>Other Agency</td>
<td>Copenhagen Business School</td>
</tr>
<tr>
<td>Interview 6</td>
<td>Retail</td>
<td>Other Agency</td>
<td>Headquarter</td>
</tr>
<tr>
<td>Interview 7</td>
<td>Entertainment</td>
<td>Client</td>
<td>Headquarter in Copenhagen</td>
</tr>
<tr>
<td>Interview 8</td>
<td>Travel</td>
<td>No Agency</td>
<td>Headquarter in Copenhagen</td>
</tr>
<tr>
<td>Interview 9</td>
<td>Travel</td>
<td>Client</td>
<td>Media Agency's Office</td>
</tr>
<tr>
<td>Interview 10</td>
<td>Retail</td>
<td>Other Agency</td>
<td>Headquarter</td>
</tr>
<tr>
<td>Interview 11</td>
<td>Travel</td>
<td>Other Agency</td>
<td>Copenhagen Business School</td>
</tr>
</tbody>
</table>
5.2 Method Selection

The used interview type was a semi-structured interview: it has been developed an interview schedule (Berger, 2000) in order to guide the interviews according to the research’s objectives. Moreover, this method allowed adapting the interview to each respondent and asking him or her for more details on interesting or misleading points (Daymon, 2002). Another advantage is that the semi-structured interview allows taking similar data from different informants (Daymon, 2002). Finally, the interviews were anonymous, so that the interviewees felt more comfortable when talking about sensitive topics. In Appendix 1, the interview schedule is shown.

According to the topic guide suggested by Chrzanowska (2002), the semi-structured interview has been divided in different parts. First of all, it was given a short introduction in order to explain which the aim of the interview and the project was, and how long the interview would have lasted; it was asked an approval for registering the interview, guarantying that it would have been remained anonymous. The second part was a presentation of interviewer and interviewee, including the background of both, information on the company and on the role of the informant inside the company. The questions were then divided into two sections: the first about the media market, and the second about the relationship with the media agency. Each question started with a general topic, which was then developed into particular subtopics. The majority of the questions were open in order to let the interviewee talk about his or her experience regarding the topic. However, closed questions have been used to get a general meaning of the answer and a feedback on it. Nonetheless, they were asked as much spontaneously as possible, in a way that the interview seemed more a conversation. Practices to show that the interviewer was listening have been used, such as prompts, echoing and summarizing the answers (Chrzanowska, 2002; Daymon, 2002).

The interviews have been audio taped. Five of them were taped through a traditional interview recorder, while the other six have been taped on a mobile phone and the digital content has been transferred to the computer. Next, the eleven full transcripts of the interviews have been written in digital form. Additional notes, such as punctuation marks, highlight how the informant responded to particular questions (Oberecker et al., 2008). Since the interviews were anonymous, they were identified with a number.
The interviews have been developed as an explanatory case study, with the aim to explain casual links between CMOs’ perception of media and the actual usage of media. According to Yin (1994; 2003), case studies are defined under three conditions: research questions imply the understanding of “how” and “why” of a phenomenon, the investigator has little control over events, and the focus is on a contemporary phenomenon. Moreover, case studies always refer to detailed theoretical propositions in order to state the conditions under which a phenomenon is likely to happened, and it is the research strategy preferred for generating hypotheses. The multiple case study has been applied in order to compare different cases, having more robust evidence.

The four criteria for judging the quality of research were then proved (Yin, 1994; 2003). Construct validity was proven through listening to interviews’ recordings, transcribing the eleven interviews, reviewing interviews’ transcripts, and analyzing them in order to demonstrate a “chain of evidence” between CMOs’ media perception and media adoption in the company. Another component of construct validity was given by consulting multiple
sources: the data from the Danish media market presented in the introduction strengthen the research’s quality. Internal validity was proven through pattern-matching, which consisted in comparing empirically based patterns with predicted ones: the patterns emerged from the research have been compared to the theoretical approaches discussed in the literature review. External validity was proven thanks to the feedback received from the media agency where the research has been developed. First of all, acknowledgment has been given by colleagues in the company; secondly, results have been presented to the agency’s CEO, who recognized the quality and trustworthy of the study; finally, since the CEO wanted to share these results within the agency, the report has been presented to 100 employees. Reliability was proven by a case study protocol, represented by the interview schedule (Appendix 1). The protocol summarized project’s objectives, field and schedule procedures, interview procedures, questions, and recording.

Table 2. Quality Criteria

<table>
<thead>
<tr>
<th>Construct Validity</th>
<th>Proven</th>
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<tbody>
<tr>
<td>Listening to recordings</td>
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<tr>
<td>Transcribing recordings</td>
<td></td>
</tr>
<tr>
<td>Reviewing transcripts</td>
<td></td>
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<tr>
<td>Chain of evidence</td>
<td></td>
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<tr>
<td>Data from the market</td>
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</table>

<table>
<thead>
<tr>
<th>Internal Validity</th>
<th>Proven</th>
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<tbody>
<tr>
<td>Pattern-matching</td>
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<tr>
<td>Literature review comparison</td>
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</table>

<table>
<thead>
<tr>
<th>External Validity</th>
<th>Proven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgments from colleagues</td>
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<tr>
<td>Acknowledgments from CEO</td>
<td></td>
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<tr>
<td>Results sharing in the media agency</td>
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</table>

<table>
<thead>
<tr>
<th>Reliability</th>
<th>Proven</th>
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<tbody>
<tr>
<td>Case study protocol – Interview Draft</td>
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</table>

5.3 Analysis and Interpretation

According to Ereaut (2002), the qualitative research was divided into two phases: analysis and interpretation. Even though the two phases have to be considered as a continuum, this method has been followed to analyze and interpret the interviews. In the analysis phase (Ereaut, 2002), the first step was revisiting: it consisted in listening to tapes and reading transcripts to get a general overview (Berger, 2000; Daymon, 2002; Ereaut,
The interviews have been analyzed with notes and comments on the side of the transcripts, underlying key words, themes, issues and remarks (Daymon, 2002; Miles and Huberman, 1994; Oberecker et al., 2008). According to the research’s objective, the relevant material for each research topic was found (Berger, 2000; Ereaut, 2002). Different topics were found while going through the transcripts and each topic has been abbreviated and marked by a label or code (Berger, 2000; Miles and Huberman, 1994). Codes are tags used for organizing data, reducing their number, and finding differences and commonalities (Daymon, 2002; Miles and Huberman, 1994). Next, the relevant parts were isolated in order to obtain transcripts that contained only relevant information (Glaser and Strauss, 1967; Miles and Huberman, 1994; Oberecker et al., 2008). Each code was then reviewed during the analysis and turned into categories (Berger, 2000; Daymon, 2002; Miles and Huberman, 1994). Different sub-groups were found among respondents and were compared (Ereaut, 2002). They were then organized into the different research topics and the result is shown in a matrix (Ereaut, 2002). The matrix is presented in the Appendix 3. As a feedback, the coding was checked in order to see if it was appropriate and the categories were developed in more descriptive ones (Berger, 2000).

The interpretation phase was divided into two steps: micro- and macro-level (Ereaut, 2002). At the micro-level (Ereaut, 2002) it has been decided “what to notice and what to ignore” (Ereaut, 2002, p.91): according to the research’s objective, it was found the “unit of analysis” (Ereaut, 2002, p.91), which is both answers/opinions, and feelings/ambivalence (Ereaut, 2002). Secondly, it was interpreted “what the respondent means, what it means in the context of the interview, and what it means in the context of the research” (Ereaut, 2002, p.92). Codes and data were integrated in order to find patterns and central themes (Daymon, 2002; Miles and Huberman, 1994). Patterns were used to reduce the amount of data and to help the researcher in developing a cross-case analysis (Daymon, 2002; Miles and Huberman, 1994). At the macro-level, the first step was to theorize and generalize (Ereaut, 2002; Miles and Huberman, 1994) in order to understand specific aspects through the interviews; the generalization explained how respondents thought about a certain aspect, identifying patterns, clusters, and anomalies. It implied putting meaning on the data and comparing them with relevant studies (Daymon, 2002; Miles and Huberman, 1994).
5.4 Systems Thinking

Systems thinking basically refers to a system, as an entity that works thanks to the interaction among its parts (Forrester, 1969; Midgley, 2003; O’Connor, 2003; Roberts et al., 1983; Senge, 1990). The systems components are called “objects”, which are characterized by attributes and relationships between each other (Midgley, 2003; O’Connor, 2003; Senge, 1990). Each system usually refers to an environment, whose objects can be affected by changes in the system and viceversa (Midgley, 2003). When applied to organizational problems, the systems thinking approach is used for understanding complexity and change, thanks to the ability to look at a problem from a holistic perspective (Cavana et al, 2004; Forrester, 1969; Midgley, 2003; O’Connor, 2003; Senge, 1990): instead of focusing on details, it focuses on dynamics, interrelationships between the objects, and why the part of the system do what they do (Atwater and Pittman, 2006; Forrester, 1969; O’Connor, 2003; Senge, 1990; Spatig, 2008). The main advantage of this approach is that it helps in anticipate problems instead of reacting to them, through underlying fundamental relationships, make the structures explicit and identify leverage points for modifying the structure itself (Jambekar, 2005; O’Connor, 2003; Senge, 1990; Spatig, 2008).

Systems thinking models are based on feedback loops. Feedback represent multiple, nonlinear interactions between parts, often characterized by time delays: the more complex the system is, the more time is required to the system to find the equilibrium (Atwater and Pittman, 2006; O’Connor, 2003; Senge, 1990). The loops can be of two kinds: reinforcing loops and balancing loops (Atwater and Pittman, 2006; O’Connor, 2003; Spatig, 2008). The first ones represent changes in the same direction, that reinforce the action within the system whereas the second ones represent changes in opposite direction, that soften the initial action within the system. The system is also characterized by reinforcing and balancing feedforward loops: the first ones are called reinforcing when a prediction happens and makes the system moving forward, while the second ones regard predictions that make the system move in the opposite direction (O’Connor, 2003). In some cases, the diagram can refer to system archetypes: these are diagrams of generic and classic scenarios that can frequently occur (Atwater and Pittman, 2006; O’Connor, 2003; Senge, 1990).

According to Roberts et al. (1983), in order to develop a systems thinking model five are the main steps:
- Problem definition: this step consists in recognizing and defining the problem to be studied. It has been followed through data market analysis, literature review, and research questions’ formulation in order to develop hypotheses of the problem.

- System conceptualization: it is a model-building process. The study has been based on CLD (casual loop diagram), identifying variables, cause-effect relations and how an action influences another part of the system. Key variables have been identified and only the relevant ones have been represented. Reinforcing and balancing loops represent how variables influence each other.

- Model representation: models are represented into the computer in order to be tested.

- Model behavior: a simulation through the computer is run to prove the model's validity.

- Model evaluation: numerous tests follow to evaluate the model's quality.

- Policy analysis and model use: the model is used to test alternative policies.

In the study, the first three steps have been followed.

**Figure 6. System Thinking Steps**

![System Thinking Steps Diagram]

The theory was then applied to the research’s objective, in order to see whether the interpretation did fit the objective. Finally, the research reflected the objectivity of the findings, and managerial implications based on the research were recommended.
The following figure summarizes the procedure of analysis and interpretation.

**Figure 7. Analysis and Interpretation**

- **Analysis**
  - Listening to tapes
  - Reading transcripts
  - Notes and comments
  - Topic identification and coding
  - From codes to categories
  - Matrix

- **Interpretation**
  - Patterns identification
  - Generalization and clusters identification
  - Comparison between data and theory

- **Findings**
  - System thinking approach
  - Comparison between interpretation and research’s objective
  - Managerial implications

**6. Data Analysis**

The chapter has been divided into two sections: media perception, and variables analysis. The first section analyzes which media are used by CMOs and how they are perceived to evolve in the future. The second one explains how interviews have been analyzed, how cases have been classified, and how variables that influence the media adoption process can be interpreted.

**6.1 Media Perception**

In order to study how CMOs perceive the media market, the analysis started with understanding which media are actually used and which is the perceived trend for this media in the future.

The media which is most used is the website: all the companies considered in the study have one. Therefore, the second element in a usual media planning is the activity of search engine
marketing and search engine optimization, in order to facilitate customers in finding the company’s site. However, there are also two traditional media that are highly used: TV and newspapers. On the third place, the main media used are magazines, customers’ communities (surrounded by activities on both traditional and new media, in order to use a more targeted approach with the customer) and webshops. Mobile and Facebook activities have been developed respectively in six and four companies over eleven. Online media such as ads on websites different from the company’s one, YouTube and newsletter are used by three companies among the interviewees; however, traditional media as well such as sponsorship and catalogues are used by three companies over eleven. Finally, print letters and outdoor advertising is chosen by two CMOs over eleven, while banners, Twitter and Bing are used only in one company - as what happens with the leaflet. The results are summarized in the following chart.

Figure 8. Media Used

Given this picture, it cannot be understood why Danish companies focus mainly on websites than other media. Moreover, the reason why a CMO chooses a media instead of another one needs to be explored. Therefore, as follows each media is analyzed by itself according to the different points of view from the informants. The Appendix 2 presents verbatim from the interviews that give reliability to the study.
6.1.1 Television

Regarding ads on TV three are the main opinions from CMOs. According to a first group of interviewees, television is considered the most important media. TV campaigns are successful because of two main reasons: first of all, there is a tradition in the companies who choose it as the main media and the skills to develop ads on television have been becoming better during the years; secondly, it is a tradition for the Danish people, which actually like watching TV commercials as interesting and entertaining. Television is used in order to increase awareness, communicating core values, building an emotional bond, and acquiring new customers. Moreover, after the crisis, prices of TV ads have been decreasing and this allowed companies to put more pressure on the market improving their TV campaigns. On the other side, television is a mass media and therefore it does not allow targeting the population, and it is expensive: marketers need to understand how to use it and have the more benefits from it, in order to deliver quality ads and be efficient. Besides the contras, CMOs are willing to use this media in the future as well, because it has a great success among customers, and it will require at least ten years before it will actually change.

A second group of respondents sees TV as a great mass media because of its broad reach, and thus uses it for building brand awareness. It is a media that has not been changing much over the last years, and therefore it is easy to understand how to use it. Even though these companies think that advertising on television is not going to disappear soon, they are aware that often TV ads are not remembered, thus it is a media that has low efficiency; moreover, online media can substitute it since it can offer the same mix of image and sound. Therefore, the budget spent on TV is decreasing and this trend will continue in the future as well.

In a third group television is viewed as a no effective media. The reason is that there are measures to prove TV reach, but these measures do not tell what people are actually doing during TV commercials or how they perceive them. Moreover, there is no business case that can prove its efficiency. Negative aspects of television are the very high cost of it, the fact that spots need to be ready in advance and are not easy to change. This group as well is aware that TV is linked to a particularly strong tradition in Denmark and therefore they need to invest in it. However, they think it will change not before five years, and it is going to be used for branding campaigns and as a supplement to online media; in the future, it will have a more tailored approach and probably ads will be chosen by the viewer.
### Table 3. TV Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company's tradition</td>
<td>No targeted message</td>
</tr>
<tr>
<td>Market’s tradition</td>
<td>Low efficiency</td>
</tr>
<tr>
<td>Awareness</td>
<td>Substitutable from online media</td>
</tr>
<tr>
<td>Core values</td>
<td>No exact measures</td>
</tr>
<tr>
<td>Emotional bond</td>
<td></td>
</tr>
<tr>
<td>New customers</td>
<td></td>
</tr>
<tr>
<td>Lower prices</td>
<td></td>
</tr>
<tr>
<td>Broad reach</td>
<td></td>
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<tr>
<td>Supplement to online media</td>
<td></td>
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</tbody>
</table>

#### 6.1.2 Print

As emerged from the interviews, print is considered as a media category that contains newspapers, magazines, leaflets and catalogues. Even though some companies do not use all of them, three groups of informants have been considered.

According to the first one, print is important because of different reasons: it is used for quotes that can influence customer’s perception, it can create a buzz around the company, it is not going to disappear because it is linked to the reading experience and it is a supplement to other media. Specifically, newspapers are the most important because they are a mass media that allow reaching a large number of people, and they represent an everyday activity for many people; moreover, the ads can be changed from day to day. Other important print media are leaflets and catalogues, which are related to the Danish tradition to receive them home and used as a marketing and driving tool that will be important in the future as well.

For a second group of CMOs, print is going to change after five years and will be more an on demand media. These companies do not use it much or at all because it is not efficient as other media and it does not allow being creative, since print’s parameters need to be followed.

A third respondents’ group states that two will be the main changes in print: from one side, newspaper will disappear because there will be online news and information available for free and with better quality; on the other side, magazines, brochures and leaflets will be part of the media plan because they allow a more targeted approach and are linked to the reading experience - thus, they cannot be transferred to a digital format.
Table 4. Print Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence customers</td>
<td>Low creativity</td>
</tr>
<tr>
<td>Create a buzz</td>
<td>Low efficiency</td>
</tr>
<tr>
<td>Reading experience</td>
<td>Substitutable from online media</td>
</tr>
<tr>
<td>Broad reach</td>
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<tr>
<td>Day-to-day changes</td>
<td></td>
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<tr>
<td>New customers</td>
<td></td>
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<tr>
<td>Market's tradition</td>
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<tr>
<td>Broad reach</td>
<td></td>
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<tr>
<td>Supplement to online media</td>
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6.1.3 Online

Given the high variety of the activities implied in online media, in this section an overview on online marketing will be given first. Then, an analysis of the different online activities will explain how these are used.

From a general perspective, the online marketing is growing in all the companies. The budget allocated to these activities is increasing, and this trend is forecasted to continue in the future. Through online media, engagement and involvement with the customers can be created and developed; moreover, the online skills developed in one market can be easily transferred and used in other ones. However, it has to be considered as a part of the media mix and not as the only channel.

According to the interviews, two are the main opinions regarding the company’s website: one group of CMOs uses a developed website, while the other group is improving it. The first group uses the website for communication, branding, and awareness. They know that the website is easy to modify, and that it allows more creativity, compared to other media. Moreover, they consider the high broadband and mobile broadband penetration and they are aware that the website needs to be optimized for mobile phones as well. The second group considers the website as a supplement to other media, and is working on it since the online marketing in general is changing a lot and they are aware that the website needs to be advanced.
Search engine marketing and search engine optimization are considered very important, as a must-have. When talking about search engine marketing, the main provider that one has in mind is Google; it has become also the main online media, together with YouTube and Facebook. However, other search engines and meta-search engines need to be taken into consideration. Developing strategies of search engine marketing means being on continuous improvement, and this implies a high expenditure on it. The negative side is given by the monopoly that Google has on search engines, and it is going to make it more difficult and more expensive in the future. Moreover, the difficulty is heighten by the fact that search will be location-based. A common issue for companies operating in different markets is also the language, which needs to be different for each country.

Webshop is considered as a great opportunity to increase sales, and companies that are using it see it as the main sales channel.

The customers’ community allows customers to receive specific benefits, through the registration on the company’s database. In some companies, it is represented by a group of very active users; some companies are working on it, while others have been using it in the past but did not know how to use data generated from it.

Regarding Facebook, two are the main groups of CMOs: a first group is actually developing strategies for the social media, while a second group is not because of different reasons. In the first group, there are included companies that are using Facebook as a company’s website, with employees that take care only of this. The advantages of being on a social media are many: awareness, image, positioning, recommendations, testimonial, customers’ insights, customers’ engagement, customers’ attitudes, customers’ understanding, dialogue with people, potential customers, instant feedbacks, and each activity can be connected to the product or the brand. Furthermore, it is cost-effective: for instance, in one company employees that were previously working on SEO, are now working on Facebook; another company has been able to acquire 120,000 new customers in four days through a competition. The main issues are that the language needs to be different in different markets, and that it is a mass communication media that does not allow a targeted approach.

The second group is interested in social media, and is aware of Facebook’s advantages as a communication tool. However, these companies are not on Facebook because they feel they do not have the right strategy or the right people, and they know they need to be good in order to have success on a social media. Moreover, they are aware of the issue of the language as
well. Only one respondent states that Facebook is not interesting and is not reliable as a marketing tool.

Other online media that are used, but by a lower number of companies are YouTube, ads on other websites (considered relevant from the customer’s perspective), and newsletter. Banners are considered too expensive, and not efficient: according to CMOs’ perceptions, they need to be more interactive and entertaining in order to not annoy the customer. Twitter and Bing are used only by one company, even though they are not big in Denmark.

Table 5. Online Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet growth</td>
<td>Not only channel</td>
</tr>
<tr>
<td>Engagement and involvement</td>
<td>Need to be optimized</td>
</tr>
<tr>
<td>Flexible skills</td>
<td>High expenditure on SEO</td>
</tr>
<tr>
<td>Awareness</td>
<td></td>
</tr>
<tr>
<td>Branding</td>
<td></td>
</tr>
<tr>
<td>Easy to modify</td>
<td></td>
</tr>
<tr>
<td>High creativity</td>
<td></td>
</tr>
<tr>
<td>Instant feedback</td>
<td></td>
</tr>
<tr>
<td>Supplement to online media</td>
<td></td>
</tr>
</tbody>
</table>

6.1.4 Mobile

Mobile is a new media for many companies, and in the research three groups have been found: one of CMOs that are using a mobile strategy today, one of CMOs that are going to use it in the future, and another one that is not convinced about its efficiency.

According to the first group, mobile is already used even though the customers’ base is small (e.g. in one company there are 25,000 mobile subscribers, compared to 150,000 newsletter subscribers). It is used for communicating offers reserved to specific customers, or for in-store communication. It is also included in future projects: for instance, one CMO is going to use it broadly in one year as a sales driver. The main benefit is that every person carries his or her mobile phone everywhere, and that he or she trusts what is on it; the main obstacle is represented by technical issues that the companies are trying to solve.
The second group of CMOs does not use mobile yet, even though they are developing projects about it. Using mobile as a marketing media is interesting because the device is 24/7 with the customer, but at the same time this is viewed as an issue because it is important to deliver interesting information. In the future, it will be even more interesting, because it will be integrated with online media and social media, and thanks to location-based features it will allow a more tailored customer’s approach. However, this CMOs’ group is convinced that the device is not ready to be considered as a marketing platform yet. Furthermore, it does not have a broad reach and people need to learn how to use the different features.

Finally, the third group is the most skeptical about introducing mobile in their marketing plan. From one point of view, there is an issue of measurability of results or cases that can prove its efficacy; from another point of view, the customers are not ready for that, because it is a personal device, some features are still unknown to most of them, and only relevant information can be delivered. Furthermore, it is expensive and there are and there will be legal issues regarding the privacy. Thus, it is not seen as a marketing media yet.

Table 6. Mobile Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>No broad reach</td>
</tr>
<tr>
<td>Sales</td>
<td>Be relevant</td>
</tr>
<tr>
<td>24/7 with the customer</td>
<td>Technical issues</td>
</tr>
<tr>
<td>Customer’s trust</td>
<td>Measurability issues</td>
</tr>
<tr>
<td></td>
<td>Expensive</td>
</tr>
<tr>
<td></td>
<td>Privacy issues</td>
</tr>
</tbody>
</table>

6.1.5 Sponsorship

It is considered as a good media because it indirectly allows presence on other media (e.g. sponsoring a football team means being on television when the team plays). It is also proven to increase brand awareness. However, for one of the interviewees it has been a test that showed that sponsorship can be effective only in specific businesses; in other cases, it can be used for temporary events, or together with other media.
### Table 7. Sponsorship Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence on other media</td>
<td>Only for specific events</td>
</tr>
<tr>
<td>Awareness</td>
<td></td>
</tr>
</tbody>
</table>

#### 6.1.6 Outdoor

According to the respondents, outdoor advertising will be more involving and more interactive in the future, when it is going to be location-based. The main issues are the lead time, since ads need to be ready in advance, and the life-cycle of the product (when this is short, it is not convenient to develop outdoor campaigns).

### Table 8. Outdoor Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement</td>
<td>Lead time</td>
</tr>
<tr>
<td>Awareness</td>
<td>Product life-cycle</td>
</tr>
</tbody>
</table>

#### 6.1.7 Direct Marketing

Direct marketing is becoming more important since it helps in building relationship marketing. The advantages of direct marketing are customers’ activation, and intelligent and highly targeted information: these benefits allow the creation and implementation of a database, and a more targeted approach. It is applied by the companies through community, newsletter, print mails, and mobile.

### Table 9. Direct Marketing Usage Reasons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Contras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship marketing</td>
<td>Costs to create and develop</td>
</tr>
<tr>
<td>Customers’ activation</td>
<td></td>
</tr>
<tr>
<td>Targeted approach</td>
<td></td>
</tr>
</tbody>
</table>
6.1.8 Summary

In the following section, a short summary on media perception is provided. First, it can be said that new media, as online marketing, are having more relevance than traditional media. The website is used by all the interviewed companies for branding and awareness; however, it is becoming also a new sales channel due to the webshop’s diffusion. In order to develop a good website, search engine marketing and search engine optimization are increasing too: even though they are expensive and require a continuous implementation, they are considered as a must-have, in order to optimize the website’s efficiency. Besides new media, traditional media are still an important part of the media plan. Both television and print media are going to be used in the future as well, since they have a broad reach and are part of the everyday life of the Danish population. An increasing use has been found for mobile marketing and social media marketing, even though some CMOs are skeptical about them, given privacy issues and intrusiveness. Finally, a way of integrating new and traditional media is represented by direct marketing activities: in order to have a more targeted approach, new and traditional media are use together in a flexible way that can reach the customer accordingly to his or her needs and attitudes.

7. Variables Analysis

After having understood which media are used, the reasons behind this decision need to be examined. In the following section, each variable is analyzed in order to understand which are the drivers and barriers in new media adoption. In the Appendix 3 it is showed how cases and variables have been analyzed. Appendix 4 provides verbatim from the interviews in order to better explain how variables have been interpreted.

Five variables influencing the process of media adoption have been highlighted, according to the literature on new technology adoption which has been explained in the literature review. The variables are: CMO’s attitude toward innovation, CMO’s perception of market reaction to new media, lack of skills and investments, higher performance, and cost efficiency. The analysis of each variable follows in order to understand which are the drivers and which the barriers when adopting new media.
7.1 CMO’s Attitude toward Innovation

According to the literature, one of the main drivers in new technologies adoption is the individual attitude toward innovation. Therefore, understanding CMO’s attitude toward innovation will lead to understand their beliefs and attitudes toward new media adoption. The categories that have been found in this variable are three: reluctant, careful and proactive. The first category seems pretty diffident that new technologies will change the way companies communicate: the reasons supporting this diffidence are mainly given by the fact that the efficiency of new technologies cannot be exactly measured. Furthermore, according to the category, it is important to choose media that are actually used by the target, since it is not worthy to invest in technology that has no success.

The second category, names as careful CMOs, seem to be open to innovation, but with a careful approach. They are willing to invest in innovation and to try and test new media and new efficiency measures, but being careful at the same time. They are aware that digital media such as the Internet will have a main importance in the media mix of the future, but that at the same time traditional media will develop as well and find a way to be part of the media mix. Their mindset is open to new ideas and experiences that might come from the media agency, other partners, or other companies. They are forward-looking and want to be creative. Finally, they are open to try and learn from mistakes in the past.

The third category seem to be open to innovation. They have experience in industries that have been innovative during the last years, such as banking, travel, entertainment, and online activities. They like challenges, new opportunities, and questions. These CMOs are aware of what is changing, and thus prepared to innovation: they are willing to bring online the marketing activities and to try new media - even those that are not big in Denmark yet. They are confident with new media, and have a perception of the media in the future that will be more tailored and targeted. They are open to innovation in delivering their products or services, and they know digital is changing not only their business, but also the media market. They want to learn from media experts how to be more efficient, but at the same time they want to have control over communication activities and be core competent. They know their company can grow, but they need to be open to listen to their marketing partners and collaborate. Another point to be considered is that they are focused on competencies and on “thinking out of the box”, leaving the habit thinking, which is seen as a threat. They want to be ahead of the competition and be leader through risks and lessons learned from mistakes.
According to the findings, the CMO’s mindset has an influence in media choice. The more the marketing director is open to innovation and willing to take risks, the more the media choice will be oriented to new media adoption. Therefore, a CMO’s mindset open to innovation can be considered as a driver in new media adoption.

Table 10. CMO’s Mindset

<table>
<thead>
<tr>
<th>Cases</th>
<th>Attitude toward Innovation</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 case (Int.1)</td>
<td>Reclutant</td>
<td>No exact efficiency measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No market’s usage</td>
</tr>
<tr>
<td>4 cases (Int. 10,11,2,4)</td>
<td>Careful</td>
<td>Willing to invest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Try new media</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Try new measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aware of Internet development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aware of traditional media development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Open mindset</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Forward looking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Learn from past mistakes</td>
</tr>
<tr>
<td>6 cases (Int. 3, 5, 6, 7, 8, 9)</td>
<td>Proactive</td>
<td>Innovative industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aware of changes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Open to online marketing activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tailored and targeted communication</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Open to innovation in business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Be core competent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flexible mindset</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Think out of the box</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Be leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Try and take risk and learn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Like challenges and questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Be number one for marketing partners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Focus on competencies</td>
</tr>
</tbody>
</table>
7.2 CMO’s Perception of Market’s Reaction to New Media

As seen above, three are the categories for this variable as well: reclutant, careful and proactive.

The first category seems particularly attached to traditional media. In one of the company, this is due to the fact that the main marketing media is the leaflet, which can reach 2,000,000 households: from the CMO’s perspective, this number, compared to the 25,000 email subscribers, gives more reliability. Furthermore, new and digital media are not perceived as efficient as the leaflet because customers are not aware of many functions of new media. Therefore, new media are seen as a supplement to traditional ones.

According to the second category, the media will change depending on use and usage. They know how technology is evolving, but they consider learning time as highly important. Therefore, companies need to wait for people to get used to new media and eventually educate and teach them through commercials or experts. Considering the high e-penetration in Denmark, it is important that the CMO looks at media from the customers’ perspective, focusing on ease of use. The media needs to be adapted to the kind of use the people make of them. CMOs knowledge regarding how media and media habits are changing is limited: some refer to a media agency, while others - especially those companies that base their marketing activities online – are implementing this knowledge.

In the last category, the proactive, the CMO’s perception of how the media usage is changing can be considered as a driver in new media adoption. First of all, the focus is always on customers. CMOs are aware that the Danish media market is developed and traditional ways of communication are not efficient as before because people are tired of them. They know that the Internet is used by a large variety of people every day; this use does not regard only looking for information, but also shopping. This trend is expected to grow in the future. If from one side it is true that those people who are not familiar with new technologies are decreasing, from the other side it has to be considered that the younger ones are more and more into new technologies. They are called “digital natives” because they have high digital skills. The increased use of new technologies can be seen both in products and media usage.

The CMO’s perception of how the market reacts to new media can be considered as a driver in new media adoption. In most of the interviews, CMOs seem to be aware that technology is changing and the population is adapting to it. A limit in this driver can be represented by the time of adoption: however, teaching the population and increasing the ease of use of new technologies lead CMOs in adopting new media.
### Table 11. CMO’s Perception of Market Reaction

<table>
<thead>
<tr>
<th>Cases</th>
<th>Market reaction</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 case (Int. 1)</td>
<td>Reclutant</td>
<td>No usage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Broader reach of traditional media</td>
</tr>
<tr>
<td>5 cases (Int. 2,4,9,10,8)</td>
<td>Careful</td>
<td>Respect learning time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Educate people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adapt to innovation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Limited knowledge on media development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Modify budget accordingly</td>
</tr>
<tr>
<td>5 cases (Int. 3,5,6,7,11)</td>
<td>Proactive</td>
<td>Customers focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>People are tired of traditional ads</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Danish market is developed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growing Internet usage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growing e-shopping</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digital natives generation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes in products and media usage</td>
</tr>
</tbody>
</table>

### 7.3 Lack of Skills and Investments

One of the issues found in the literature about new media adoption is represented by the lack of skills and investments. This implies that companies are not investing in updating their employees’ skills and therefore they lose the opportunity to adopt new media.

For this variable as well there have been identified three categories of CMOs: reclutant, careful and proactive.

The reluctant CMO, in order to cover the lacking competencies, refers to the agency. With the help of it, he or she is able to develop the brand, develop contents, analyze customers, implement digital strategies, and find new possibilities, new ideas, and trends. This kind of chief marketing officers are aware of their skills, but having the right media is not easy. Probably the strategic plan can be insourced, but the main knowledge is in the media agency’s hands. Another issue is the buying media power that many companies do not have. Therefore, referring to an external agency, they can get lower media prices. CMOs do not have the time or the knowledge to check whether the ad will work or not, and they do not know the media landscape: they need the expertise of one specialized person or team. They also need the right information in order to avoid the risk of information overload. They also need creativity.
Another issue is that the market is changing every day and very fast: investing in skills would require a relevant effort that would be useless when the market changes and new and different skills are required.

The careful category is open to new skills and to investments in order to implement and update them, even though it is not an easy process. One of the issues is the lack of employees. As seen above, another problem is represented by creativity. First of all, this comes from different environments. Secondly, creativity decreases when media activities are integrated in the business model: working with an external partner implies a market mechanic that works as a driver in developing better capabilities and better media plans; this mechanic does not work when the knowledge is integrated and the company deals with colleagues and not with suppliers. In some cases, investments are not in internal skills but mainly in partnerships in order to be more effective in the market and to grow together with marketing partners. All the information that the company acquires through partnerships, can be then matched in-house. CMOs do also believe that sometimes the help from a media agency would be welcomed if offered by experts, such as seniors, because some competencies cannot be found or developed if not in a media agency: what can be of importance would be a strategic help from the media agency. For companies that operate in international markets, it is important to have knowledge regarding markets abroad: referring to a partner outside is easier and cheaper than developing this kind of knowledge in-house. Some CMOs have decided to develop media capabilities and knowledge inside the company, investing huge amount of money in it. Having these competencies in-house allows having a closer relationship with marketing partners and having a better service, since detailed business knowledge is shared through employees. However, even in this kind of companies there is a need for knowledge and expertise, which is fulfilled through the choice of a media agency.

For the proactive category, it seems important to invest in skills and capabilities. From one side, it would be cheaper having these capabilities outside the company. Furthermore, it is hard for the company to know how to reach customers with all the different media and thus they sometimes refer to a media agency. Other issues are the lack of media usage data and of international markets data, as explained above. However, these companies do not refer very often to other partners. They prefer to insource media capabilities mainly because they do not have trust in the media agency’s ones. They do not see any added value to have these competencies in an agency or company. Another reason that leads to invest in skills is the trust in in-house capabilities and internal development that implies having good and qualified
marketing people. Through insourcing, the company acquires a competitive advantage: it does indeed have more control over communication activities and can help its products and services to grow. Insourcing provides more control and better results. Another advantage of developing in-house skills is to retain relevant information for the company itself. Having these competencies in-house can be important according to the pace at which the media plan needs to be changed. Online activities represent another reason why CMOs prefer to invest in internal development. First of all, media agencies do not have good Internet skills. Secondly, online competencies are flexible and can be integrated in every company. A further advantage, which is specific for international businesses, is that online competencies are the same in different markets.

Increasing the investments in skills and capabilities can be viewed as a driver in new media adoption. When CMOs refer to external partners, they save time and they can have creative ideas from the outside; they achieve a strategic flexibility that allows changing partners whenever there is dissatisfaction. But, in this case, one of the issues would be the difficulty to understand what is not working, since the CMOs have limited knowledge about the media market. On the other hand, developing certain skills in-house lead to a competitive advantage thanks to the retention of relevant information, the fast reaction to market changes and the flexibility of certain skills – such as the online ones.

Table 12. Lack of Skills and Investments

<table>
<thead>
<tr>
<th>Cases</th>
<th>Skills and Investments</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 cases (Int. 1,2,3,4)</td>
<td>Reclutant</td>
<td>Right media</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Media agency expertise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No time and no knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Right information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need of creativity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fast and every day changes</td>
</tr>
<tr>
<td>4 cases (Int. 9,10,6,7)</td>
<td>Careful</td>
<td>Lack of employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need of creativity from different environments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No market mechanic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment in partnership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic help from media agency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge about international markets</td>
</tr>
<tr>
<td>3 cases (Int. 5,8,11)</td>
<td>Closer relationship</td>
<td>Knowledge sharing</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Proactive</td>
<td>No trust in media agency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No added value from a media agency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competitive advantage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Control over communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business growth</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Better results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retain information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fast reaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No Internet skills in agency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integration of flexible Internet skills</td>
<td></td>
</tr>
<tr>
<td></td>
<td>International Internet skills</td>
<td></td>
</tr>
</tbody>
</table>

### 7.4 Higher Performance

In the traditional literature, adopting new technologies leads to higher performance, thanks to increased ease of use, lower costs and saved time. When applying this statement to new media adoption, the reasons behind a good or bad performance can be different.

For this variable, two categories of CMOs have been found: those that are focused on the overall performance of the company, and those that are focused on the media performance.

According to the first category, the media choice does not influence the company’s performance. The issue is not given by the performance, but rather by using creativity in media planning: what matters are the right media mix and the right measurement criteria.

In order to understand whether media choice influences the company’s performance, it is first needed to understand how media performance is measured. Some CMOs are convinced that new ideas must be based on facts and numbers, and consequently adopting new media can be possible only if its influence can be measured and proved. The focus on measures has become extremely important because marketing budgets are lower and variable. Therefore, CMOs need to find new measures for each channel and they need to consider an overall performance. Some CMOs consider traditional measures as more effective than new ones. However, new media and new measures as well can be effective in reaching communication’s objectives. In both cases, as explained above, being fact-based is considered a priority.
According to the second category, using innovative measures is more effective than using traditional ones. This is due to different reasons: first of all, media measures are not considered as effective as before. For instance, measures used for proving TV ads effectiveness cannot be considered valid as before because it cannot be really known what viewers are actually doing at home. According to some CMOs, it is easier getting exact measures on new media, such as in online activities. Therefore, the use of traditional media decreases because its effectiveness cannot be proved as efficiently as with new media. This is leading to be performance-related in order to track and evaluate the media effects: for instance, writing the web address on the catalogue allows tracking the conversion rate from print to online media. Some other companies are testing new measures, such as the number of Facebook’s fans or the number of comments in a Facebook’s page.

As a conclusion, achieving a higher performance is linked to new media adoption. However, this depends on how the media performance is measured: the more innovative the measures, the higher would be the measured impact on the overall performance.

<table>
<thead>
<tr>
<th>Cases</th>
<th>Higher performance</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 cases (Int. 1,4,5)</td>
<td>Focus on company’s performance</td>
<td>Media choice do not influence the performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance is influenced by right media and right measurement</td>
</tr>
<tr>
<td>5 cases (Int. 2,3,10,7,8)</td>
<td>Focus on media performance</td>
<td>Need of facts and numbers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower and variable marketing budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need of measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovative measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TV measures not effective</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online measures are more effective than traditional ones</td>
</tr>
<tr>
<td>3 cases (Int. 6, 9, 11)</td>
<td>Not mentioned</td>
<td></td>
</tr>
</tbody>
</table>

7.5 Cost Efficiency

According to the literature, a variable that influences new technology adoption is represented by cost efficiency. Being cost efficient, as seen above when discussing about performance,
has become a priority due to lower and variable marketing budget. Therefore, a linkage between cost efficiency and media adoption has been found in the research as well.

Two are the categories found for this variable: those CMOs who perceive cost efficiency as not related to the media choice, and those who are more focused on achieving results.

According to the first category, being cost efficient does not depend on traditional or new media, because there is a need for integrated marketing media plans. The marketing budget should be allocated in all the different media in order to reach a broad audience. Therefore, one should be able to choose the right media and to invest in an integrated media solution.

From this point of view, flexibility in media planning plays a main role in order to be efficient, and this depends more on the right media mix than on its cost. Compared to what happened in the past, today it is not easy to say which budget’s percentage needs to be allocated to a specific media. Thus, the cost does not always influence media adoption.

According to the second category, what matters is achieving results: efficiency means meeting the right target with traditional or new media, while prices are not considered with the same priority.

Operating with new media does not always imply saving costs. According to a company that operates mainly online, cost-efficiency can be achieved through online media. However, there will be more online business in the future and, as a consequence, prices will be higher in this media as well.

Finally, cost-efficiency is not considered as a driver in new media adoption for five over eleven CMOs. Using traditional or new media does not make any difference: the lower the prices, the higher can be the pressure on the market, independently on traditional or new media.

As a conclusion, cost efficiency cannot be considered as a driver in new media adoption. Companies try to be cost efficient independently on the media used. But the main aim is to achieve good results, accordingly to the marketing budget.
Table 14. Cost Efficiency

<table>
<thead>
<tr>
<th>Cases</th>
<th>Cost Efficiency</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 cases (Int. 1,3,4)</td>
<td>Not related to media</td>
<td>Independent on new or old media</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Being online lower costs</td>
</tr>
<tr>
<td>5 cases (Int. 2,5,7,8,11)</td>
<td>Not high importance</td>
<td>Lower prices, higher pressure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not linked to results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Being flexible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost reduction</td>
</tr>
<tr>
<td>3 cases (Int. 6,9,10)</td>
<td>Not mentioned</td>
<td>What matters are results and meeting the target</td>
</tr>
</tbody>
</table>

7.6 The CMOs categories

Thanks to the analysis of the five variables that influence the process of media adoption, three main categories of CMOs can be identified.

The first one can be considered as the “Not Ready” CMOs. This kind of CMOs is skeptical about innovation. Even though the CMO might work in innovative industries, his or her background implies to not consider too much the chances given by innovation. Furthermore, if the past media plan has had success, then the CMO feels more safe in maintaining the same with no additional risk. From one side, they lack knowledge regarding new media and this is considered as a barrier for trying new media. Furthermore, they leave what concerns media to the media agency, without deepening the knowledge in this field and focusing on other marketing activities. Finally, they are afraid that the market’s adoption time for new media is long and therefore they prefer maintaining traditional ways of communication.

The second category can be referred to as the “Careful” chief marketing officers. They are aware of how technology is changing and which are the latest innovations in the field. On the other hand, they lack knowledge on media and especially on measures and that is why they are sometimes afraid to choose new media. They want to take chances and risks, but at the same time they wait for the innovation to be confirmed by the market because often the market is evolving at a different pace than what a CMO might think. Compared to the first category, the “Careful” CMO is highly focused on building brand value through communication and they consider activation and interaction as the future of communication: this is possible by including new media in the media plan.
The third category has been named the “Proactive” CMOs. Thanks to their individual attitude to innovation and their background in innovative industries, these CMOs are willing to test new media and to invest in capabilities for it. By considering the high e-penetration in the Danish market, they know in which direction the market is going and want to be ahead of the competition. In order to achieve these results, they are open to understand different businesses and through partnerships they are focused on growing together. Their media knowledge often comes from the media agency, thus they are updated on the latest innovations and ready to react to market changes. Their openness to try and risk is justified by the fact that they want to learn from chances and mistakes in order to become better at what they do. A further characteristic is that they are customer-oriented and new media would help in improving the relationship with customers. At the same time, ease of use and traditional media need to be taken into consideration as well, since the future of media planning is perceived as a flexible media platform.

The following table summarizes the CMOs’ categories and the classification of the 11 interviews, accordingly to the variables’ interpretation explained in the previous chapter.

**Table 15. CMO’s Categories**

<table>
<thead>
<tr>
<th>Cases</th>
<th>Category</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>Not ready</td>
<td>All</td>
</tr>
<tr>
<td>Interview 4</td>
<td>Not ready</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 2</td>
<td>Careful</td>
<td>4/5</td>
</tr>
<tr>
<td>Interview 7</td>
<td>Careful</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 8</td>
<td>Careful</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 10</td>
<td>Careful</td>
<td>4/5</td>
</tr>
<tr>
<td>Interview 3</td>
<td>Ready</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 5</td>
<td>Ready</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 6</td>
<td>Ready</td>
<td>4/5</td>
</tr>
<tr>
<td>Interview 9</td>
<td>Ready</td>
<td>3/5</td>
</tr>
<tr>
<td>Interview 11</td>
<td>Ready</td>
<td>3/5</td>
</tr>
</tbody>
</table>
7.7 Drivers and Barriers in Media Adoption: Model

The model that has been developed through the literature review and the interviews’ analysis and interpretation can be summarized in the following chart.

Figure 9. Drivers and Barriers in Media Adoption

The results have been developed through the system thinking process and the casual loop modeling (Forrester, 1969; O’Connor, 2003; Pagani, 2008; Roberts et al., 1983; Senge, 1990). The focal variable of the map is the media adoption, while the variables that influence media adoption are five, as explained in the previous chapter. Since each part in the systems is connected to another, the most important point in the model is the feedback loop. The loops are represented by two or more variables linked together through arrows, showing a closed loop (Atwater and Pittman, 2006; O’Connor, 2003). The variable next to the arrow is influenced by the variable at the other side of the arrow. The positive signs indicate a reinforcing loop, while the negative signs show balancing loops (O’Connor, 2003; Spatig, 2008): the positive sign means that an increase in a cause-variable represents an increase in
the effect-variable, while in the second case an increase in the cause-variable represents a decrease in the effect-variable (O’Connor, 2003).

8. Discussion

The result of the study is that the perception and adoption of media innovation from the chief marketing officer’s perspective depend on five variables. One of them is the chief marketing officer’s attitude toward innovation. According to the literature and to the interviews’ interpretation, the more the individual is open to technological innovation, the more he or she is willing to adopt new media: this depends on his or her mindset, experience and personal attitude toward innovation. Therefore, the first hypothesis has been proved: “The positive individual attitude towards innovation is a driver in new media adoption”.

The second variable is related to how the CMO perceives the market’s reaction new media adoption: according to the interviews, the majority of CMOs are aware that the media market is changing, but often at a slow pace that needs to be respected in order to achieve the greatest advantage from new media’s usage. This confirms the second hypothesis: “CMO’s positive perception of how the firm and the market react to the new media is a driver in new media adoption”.

In order to try and adopt new media it is important to invest in it: therefore, using money to increase and update knowledge and skills is the third driver that has been identified. According to the interviews, those companies that do not invest in skills are more oriented towards traditional media, and do not take chances offered by new media because they lack knowledge regarding the advantages of it. Investments can be either in employees’ skills or in partnerships with media agency or other marketing partners that allow to broad the knowledge on the media landscape and its opportunities. The advantage of improving skills and investments is to have detailed knowledge, fast reaction to market changes and therefore a competitive advantage. The lack of investments and skills regarding new media is considered as a barrier, as explained in the third hypothesis: “Lack of skills and investment in new media is a barrier in new media adoption”.

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According to the literature, technology helps in achieving higher performance. During the interviews, it has emerged that what is most important is to reach the objective through a flexible media plan, because of lower and variable marketing budget. An issue that has been highlighted both in the literature review and in the interviews’ interpretation is that of media measure. New media measures and innovative measures are considered as more effective and it can be said that using new media could be then more effective: for instance, each activity that the customer does online can be tracked, while the same cannot happened with traditional media such as TV. Therefore, the fourth hypothesis has not been validated: “The higher performance achievable through new media is a not driver in new media adoption”.

Finally, as explained in the literature, cost efficiency is a driver in new media adoption. However, according to the interviews, given the fast changes in the market, it is essential to spend the marketing budget in different media and the cost efficiency can be reached through both traditional and new media: what matters is achieving results independently on the adoption of new or traditional media. The fifth hypothesis has not been proved: “Cost efficiency is not a driver in new media adoption”.
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Datamonitor (2005) Media Industry Profile: Denmark

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Datamonitor (2009) Internet Access Industry Profile: Denmark

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www.dst.dk (Danmarks Statistik)
Appendix 1. Interview schedule

State of the business: threats and opportunities

1) “Dynamic” is one of the key words of these times, everything changes faster and faster… how do you cope with it? Which are the threats and opportunities in your business and how will things change in the next years?

To keep the dialogue on: For example the crisis challenged business, leading down prices and making consumers more focused on saving money and satisfying primary needs…

Objective: start a conversation, know the interviewed and understand which is his/her vision (more traditional or more innovative, for example). The interviewer will try to understand how the CMO expects customer’s habits to change and how to reach customers.

The development of media

2) Among the markets that have been object of fast changes, there is the media market. What do you see as the most important changes?

To keep the dialogue on:

- “Some says that traditional media are dying and digital is the future, others think that traditional media are just changing their form and they will be always a relevant media.”
- “Television will be soon replaced by video on demand on the web and the intrusive TV advertising that we know will change, so there will probably be less and short advertisements.”
- “Print is not working as in the past, because consumers can easily find information on the web; and on the web, advertising is different and traditional online marketing, such as banners and hyperlinks, are not working as before, as users ignore it. So, different online activities are developing, such as the viral marketing
which implies high user’s involvement in the brand or product – and it’s not easy to build, it’s more natural.”

- “The number of smartphones is constantly growing…”
- “Fixed line is disappearing”
- “4G is coming soon on the market”
- “Social media and social networks are having more and more members every day and many companies are looking for the best way to use them, even though there is no a clear way to measure results”
- “SEO seems to be more effective that traditional online marketing”
- “Semantic search could replace Google search as we know it today”.

Objective: understand the perceived importance of trends such as mobile, social media, semantic search.

Looking ahead: business and marketing objectives

3) In this context that is continuously changing, which are your marketing objectives? What are you focused on? What do you expect from your marketing plan in the fast changing world?

During the recession, marketing budget are decreased: because of that, some companies try to achieve the same financial results with less money, while some companies focus more on building trust and loyalty (for example they focus on relationship, experiential or social marketing).

4) What role does marketing play in achieving your business objectives? What role do your various marketing partners play?

Objective: understanding the marketing strategy, since the relationship with the media agency is influenced by this.
5) What is the importance of communication and how do you communicate with your customers?
Before we talked about how the media market is quickly changing. However, which media do you think is more effective today for your strategies (traditional vs new trends)?

*Objective: understand if communication, and then what a media agency can do, is important in the company’s strategies or if they are mainly oriented to distribution. The interviewer will also try to understand in which media they believe.*

*This part of the interview could be customized for each company, since they have different business models and strategies (e.g. e-commerce or offline sales; goods or services). We can also refer to specific campaign and ask whether they actually helped in achieving the objectives.*

The role of the media agency: now and tomorrow

6) Now, let’s talk about media agencies. What is the role of a media agency? Will this role change?

*Objective: understand how they perceive a media agency.*

Expectations from the media agency

7) What do you expect from a media agency? Can you describe how the relationship with your media agency is?

*We expect them to talk about the following topics: relationship, competencies, products and services, so that we can pick up key points and then deepen them. If the interviewed does not mention these topics, we will ask him/her about them.*
Products/services

8) Which kind of products and services do you need? Which are the most used by your company?

To keep the dialogue going on: Media agencies are offering more than media and communication planning. Due to technological developments, they are able to offer insights, data, ROI modeling… Of course, the choice of services and products is related to your budget – but what do you think is more important?

*Objective: understand if they are looking for the core service or for other services.*

Competencies

9) What kind of knowledge and competencies do you need and do you expect from a media agency?

*Objective: understand what kind of competencies and knowledge is needed in order to give the requested service and to strengthen the relationship (proactivity, availability). Moreover, the interviewer will try to discuss and understand the relevance of the competencies mentioned by the interviewed (e.g. networking, comprehension, originality.)*

Relationship

10) How would you like to interact with a media agency and what are the most important features of the relationship with a media agency?

*The interviewer tries to understand the relevance of trust, commitment, cooperation, interaction, team structure, and the meaning of the concepts of flexibility and being challenged. About team structure: The objective is to understand whether the media agency should become another division of the client, if the client prefers to refer to one person responsible of everything or each person responsible of every single part of the project.*
Choice for media agency: criteria for choosing and leaving

11) How do you choose a media agency? Which are the reasons of dissatisfaction with a media agency?

Objectives:
- which criteria are more relevant in the choice (peers, services evaluation, top3 agencies)
- which are the antecedents of dissatisfaction (no-creative work, disagreement over objectives, lack of advices, being not close enough to business, changes in the external environment)
- on which basis they measure the agency’s performance (market share, sales, profitability, stock price).
Appendix 2. Media Perception

TV first group
“Ours is a very conservative company, as you probably know, so our main media has been TV and will be TV as well in the future, we have heard... it is many years now that TV is going to die and so... (She laughs) it has not happened... since the signs are that people are even watching more TV, no?” (Interview 2)

“... Here it is people actually, at least that is what our research shows, a lot of people are still looking forward to see the commercials because maybe the quality is good, maybe... I think what the television companies are trying to do is to keep the high quality of commercials, make them funny or whatever, because then you still have an audience, will it last? Yeah, I still think that it will last, sometime.” (Interview 11)

TV second group
“I think... it is hard to, to get any numbers or real knowledge of how much you gain from advertising on TV. The main reason we do it, it is to be on top of mind of people.” (Interview 3)

TV third group
“... the big problem with TV is that whenever there is a commercial break, people use it for doing other things, checking the e-mail or also updating their Facebook status, or going to get some more coffee, whatever... so, and also because of these new DVD hard disks where you can basically recall it and then you can skip all the commercials. So it is easy not to, not to actually see all of the TV commercials.” (Interview 4)

Print first group
“... newspapers is a dying media but still, you know, a million people pick up a newspaper every day, sure if you need to get your message out there, you need to create a buzz around your... around your brand, you need to use the platforms that most people see at once every day.” (Interview 5)
“I do not think on the short term it (digital marketing) would take over to this (the leaflet) kind of media, because it is very very Danish, and it is very very cultural, and there is so many people who have their Sunday morning or something, and they seat with their cup of coffee, and they LOVE to seat and watch, and they have this physical experience, it is not the same to watch a computer, and then you have to do the same thing. It will need something else for you, and women are our most important target group, and some of the women are tired when they get home during the night, and they do not want to open the computer again, so it is not... it is another media, it is not the same.” (Interview 1)

Print second group

“Unless you do not get out of a normal print ad, then you have to think out of the box” (Interview 9)

Print third group

“I can clearly see why newspapers will have problems in the years to come. But, as... how people consume magazines is a completely different story. I cannot see people browsing websites in the same – for the same reason and in the same way as people are reading magazines on a sofa.” (Interview 10)

Online marketing overview

“I think we will always have a base of TV advertising probably because that is the way to build awareness, but as soon as you have build the proper awareness you start to engage and involve the consumers and you need to go into other medias and there online is probably the best media at the moment to do that.” (Interview 6)

Website first group

“And it (online) is easier to move around, it can be easily cut down or chopped up. And it is possible to do something a little bit more creative...” (Interview 4)

Website second group

“We are working with a website, trying to do that better...” (Interview 10)
SEO

“And, I have to say, the only problem is at the moment that we made a lot of technical changes to our website to optimize to match Google. But when Google changes the rules, we have to make it all again and it is an ongoing process, because we have at the moment I think 8,000 different goods in our shop, but we are going to extend that to 12,000 this year and we have to optimize every single, one of the products to match Google. It takes a bit more time, but it is worthy. It is, as we say, it is when you have done it, it is free and you do not have to pay.” (Interview 3)

Webshop

“The advantage of the online is that you are just one click away from your sales, so the customers click and then they sign up basically.” (Interview 4)

Customers’ Community

“... we have a club, we have a CR club, Club (name of the brand), and that very much lives on the Internet, sending newsletter via e-mail, having a home page, etc etc.” (Interview 6)

Facebook first group

“I do not think that we as an entertainment company can effort not to be part of social media... for us it is, I mean... it is very cost effective... and actually... it is easy to get feedback, if you post the message... if you post something new, you can get instant feedback...” (Interview 7)

Facebook second group

“Actually we are not ready into social media YET. Obviously at some point we need to look into that. Some of the brands that we distribute are on social media, but very much so in the US. [...] So, every time we are talking about blogs for instance, and things where you need to translate and customize it into the local language, it is a really though investment for us, because it is a relatively small market in term of languages, and we cannot just do English because our target group is children, who do not understand English. So that is definitely a limiting factor for us. [...] I think we will be there in some shape or form and we need to find out on which brand we can do that because also some of the brands that we work with in the toy industry, they have a very short life cycle, there is a hype and then it dies, [...] and often it
is not a worth investment to set up blogs etc etc in Northern languages to support something that will be there for a relatively short period of time. So that is the limiting factor.” (Interview 6)

YouTube
“... it was a huge success, we were all surprised about that... and I believe that... it is... it is going to play a big role over the future... and maybe with other technologies.” (Interview 2)

Other websites
“Interesting is partnerships... it is by distributed presence, so I want to be with my specific message in a site where that specific message has greatest impact.” (Interview 5)

Newsletter
“... We have a very high opening rate on our email sign up and very very satisfactory conversion rate as well on the email side.” (Interview 9)

Banners
“...banner advertising is, it is - I mean in my mind - just as analog and offline as TV or print, you know, that is an old fashioned format on a new platform.” (Interview 5)

Mobile first group
“I am using it now, I have 25 thousand mobile numbers picked up from the last email sign-up. And we also got a mobile phone and right now I am using it for like... tonight at 10 o’clock we will open for this New Year sale – we did it at New Year – have a New Year sale, and they got it a half day before everyone else saw it in the media. So if you were on our mobile database, you would get the advertisement before anyone else, so you would be able to get the cheapest tickets.” (Interview 9)

Mobile second group
“But that is also why you have to be careful not to cross lines, I mean, if you... if you over expose or if you just spam people with SMS or different video contests for instance I mean it becomes... a bit too personal, because it is something that you have on you all the time and you do not want... it has to be a service to you.” (Interview 7)
“the mobile platform as you see it today has to develop greatly before you can use it as a marketing platform” (Interview 8)

Mobile third group
“I have still not completely concluded why, but somehow people get... excuse my English, pissed off when you suddenly are in their pocket, so somehow when you get on the mobile phone it has being here (in the pocket, on the heart), and they do not like it: - Well, do not touch my heart! - you know?” (Interview 11)

Sponsorship
“... We support local sports, a football team, so we have some electronic panels down the side of the football pitch. [...] So we are covering television all over the country...” (Interview 3)

Outdoor
“And not just... a board, that is something... but... something you can actually interact with, for instance, I do not know, you get a game, or if you stay stand next to, you can actually, or there is an use so you get the trailer, so you can actually see what it is about, not just a plan piece of paper. So, I think that is the type of outdoor would definitely evolve or has to evolve, and... and there is definitely and... a future for outdoor as well. It is one of the groups that has... increased and also for us, I mean, well I think will increase for the future.” (Interview 7)

Direct marketing
“Now it is moving very much to a direct relationship because it is much more efficient: so you are communicating directly by establishing databases, frequent flyer programs and bonus programs and that is a very interesting media channel now because you know, you know exactly how your customer load.” (Interview 11)
Appendix 3. Variables Analysis

The cases have been analyzed as follows: a matrix has been developed, showing the different cases and the five different variables emerged during the study. For each case, the main sentences regarding the variable have been noted on the matrix boxes. Afterwards, each box has been read several times in order to highlight positive or negative influencers of the media adoption process. The positive influencers have been indicated by the green color, while the negative ones by the red color. Those influencers that had both positive and negative meanings have been noted with a yellow color.

In the figure below, an example of matrix analysis is given. For each variable, sentences and notes are taken from the interview. If the notes are positive and thus seen as a driver in new media adoption, they are colored in green. If they are negative, the box is red. If they are not considered as a driver or a barrier, they are indicated by the yellow color. The last column on the right shows the overall classification: since the main color is red, the informant has been classified as a traditional CMO and the box is colored in red as well.
Table 16. Case Analysis Example

<table>
<thead>
<tr>
<th></th>
<th>CMO's Attitude Toward Innovation</th>
<th>CMO's Perception of Reaction to New Media</th>
<th>Lack of Skills and Investments</th>
<th>Higher Performance</th>
<th>Media Measurement</th>
<th>Cost Efficiency</th>
<th>Overall Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>&quot;They say online is more effective&quot;; &quot;People don't have time to be always at the computer&quot;; High focus on ROI, measures and cases</td>
<td>2,000,000 leaflets VS 25,000 online users; Digital can only be a supplement for now in Denmark; People are not aware of mobile functions</td>
<td>Thanks to the agency: brand developing, leaflet improvement, customers analysis, digital strategy, low prices. No knowledge or time to check if the ad works: need of expertise of one contact person</td>
<td>It does not depend on the media, but on the product</td>
<td>Leaflet performance tracked online; media measures not effective as before</td>
<td>Required when choosing a media agency</td>
<td></td>
</tr>
</tbody>
</table>

After coding the variables in this way, the cases have been divided into three groups. The red group contains those cases that have more red variables, the yellow group those that have more neutral variables, and the green group those who mainly have positive variables. The white color means that in the research material no information regarding that variable has been found.
Table 17. Matrix Case Analysis

<table>
<thead>
<tr>
<th></th>
<th>CMO's Attitude Toward Innovation</th>
<th>CMO's Perception of Reaction to New Media</th>
<th>Lack of Skills and Investments</th>
<th>Higher Performance</th>
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It happened that in the red group has been included only one case, therefore it can be considered as an outlier. However, it is important to take into consideration this case as well and to proceed with the analysis.
Appendix 4. Variables Analysis’s Verbatim

CMO’s Attitude Toward Innovation

- Diffident toward innovation (Interview 1)

The CMO does not seem to be confident in new technology: for instance, she states “The analysis bureau has used the web application so many years now... so they say they are reliable, so that is the way of making tracking today” (Interview 1).

Another consideration that lead to judging negative the attitude toward innovation is given by the following: “I do not have the time, in the morning I get the newspaper and I am standing there, turning on the light, having my cup of coffee, and I have to go and just glance and check - Wow this is interesting, this is interesting - and if I should see the same through a computer there would be much, too much noise around and the... I am not placed in an area where it is natural for me to have a computer” (Interview 1).

“people are not that keen on just sitting and watching the computer all the time”

- Confident but carefully (Interviews 10,11,2,4)

“... For sure it is going to change... but I am pretty convinced that TV stations will find their way...” (Interview 2)

“I think that you still have to respect that people are not necessarily at the edge of technology, they are still on a very different level. Because we as marketers find incredibly interesting and nice that things are moving that way – yeah, but probably at a different pace that we sometimes think.” (Interview 10)

“We have had a community trough one of our websites, we developed that 8 years ago, before that some years it was called social media, we developed a community for architect students, a place for them to display their projects in portfolio, which was a success. But we just learned from that how many resources it actually takes, to continue to develop a website, a community, and also keep it alive and bring new things there, tools, and news, and events. It was, it was a challenge.” (Interview 10)
- Open to innovation (Interviews 3,5,6,7,8,9)

"... It takes a lot of experience and then sometimes it takes a little bit to be brave and just do it, just say - Whoa, forget all the figures now we just do it - and then you will succeed.” (Interview 9)

“So you need to somehow surprise the people and therefore you need to continuously develop new ways, new channels.” (Interview 9)

“... My main objective was to take a travel agency that was at that point in time very very low key in online activities and bring online activities into the marketing pallet, right?” (Interview 8)

“Well, that is the same for us. I mean, the way that we will make ourselves heard and seen and also being relevant to our consumers is more shifting into the electronic medias that they are using right now, so... where the marketing plan a few years ago was about TV and has a bit of children´s magazines or mothers magazines, now it is a broader mix of different media, including obviously the web.” (Interview 6)

“... Be proactive and know what is happening out of the media market of course. And also seeing you opportunities, I would really like to be ahead of the competition, so I am the one doing all the new stuff media wise, how can we reach our target audience, how can we get underneath and be like very proactive in that way. That is what... I hate standard media plans, I hate it!” (Interview 9)

“... the thing is that this company used to have a web shop 10... 9 years ago [...] It was REALLY first movers. And the thing is that the two guys who are managing directors now they used to be very much into IT, they had their own IT company etcetera, so they were at the front row for all of that, but they were too early.” (Interview 6, talking about webshop)

“But I think that within the near future in the travel business all the traditional media will be reduced to next to nothing right, and if everything is online and the online is, is... and the online media world is like that, then you only have to be good at Google, Facebook and YouTube and you are the leader.” (Interview 8)
“It is tolerable that we together take some chances, but it is not tolerable if we do not learn from the chances and if we do mistakes based on something that we should have known. But sometimes you need to take some chances.” (Interview 6)

“And not think too much, either. I mean, that is... that is why we want to do something this year, we do not want just to talk about it, we just want to do something.” (Interview 7, talking about mobile)

“I mean we have came to the conclusion that we need to do something, sort of to be on top of what is moving and make our own assessment of what we need to be in terms of mobile, it becomes... a little of buzz word as well, so we are not overly enthusiastic about it, but we do not want to close our eyes to the opportunity either.” (Interview 7, talking about mobile)

“... but I remember a person, actually from this company that said something very wise: - We as marketers within this type of business where things evolve relatively quickly, we should actually fire ourselves every five years - because things evolve so quickly that you actually need new blood to tell you what is going on or again to challenge what you have done in the past... “ (Interview 7)

“... You just have to be like digitally adaptive and many, a lot of young people adapt today, they know that things are changing all the time. I need to be good at everything, I need to be... and I am not scared of doing a Facebook profile, if I am used to search engine optimization, I am not scared of trying that out, so people they just need to be positive and changing.” (Interview 8, talking about employees’ competencies)

**CMO’s Perception of Market Reaction to New Media**

- Not ready (Interview 1)
  “... and I think that still a lot of people do not know how to use the mobile, and as long as they do not do it, it is a waste of money to invest in it.” (Interview 1)

- Careful (Interviews 2,4,9,10,8)
“apply to your customers what they ask” (Interview 10)

“Well, of course we are aware that we can earn money on this area, but we also know that we need to educate the population first, we need to get them to use the mobile phone and kind of feel confident with it. Because generally there is a tendency of people thinking that it costs a lot of money, and they do not know how much, how many bites they are actually using for downloading one page. And as long as they do not have some kind of idea about how much expenses they have, it is hard for customers to get confident.” (Interview 4)

“We know a lot about our consumers in terms of how they use products, how... their shopping behavior, while the media agency knows the consumer’s use of the media.” (Interview 2)

“... if the readers stay the same, we will probably be... have the same amount of budget allocated to print for instance, because that print ads work for us. But as the customers are decreasing the print usage, we have to decrease our budget accordingly. So, we know that people reading newspapers are decreasing, so we need to allocate more money where people are.” (Interview 8)

- Ready (Interviews 3,5,6,7,11)

“... and then of course you take care of your customer.” (Interview 11)

“I think the media mix is getting much more fragmented, you really need the impulse to play on all parameters in the media mix. You need to understand it and I think that as a company and as, you know, as a media company, you need to all the time redevelop new channels, because people begin to be tired of one and then you have to redevelop the other... “ (Interview 11)

“I think – I do not have the exact number – but I think some way around 10% of the people in Denmark are buying things online and that number is growing because more and more of the younger people or that generation are getting trough the education and getting jobs and have more money, so I think it is a very good business to be in. The future is going to be very bright.” (Interview 3)
“... You know, the number of people who are not using the digital bank is dropping, decreasing, because they are dying. We [have] very very high e-penetration, we have broadband, we have the type of access that you need to benefit from the various services that providers such ourselves deliver to people.” (Interview 5)

“[Consumers] know that when they buy on the Internet they charge the price, so they are not buying on the Internet necessarily because it is cheap, but it is convenient. So I think THAT is the big shift.” (Interview 6)

“... my sister for instance she was playing with a Barbie doll when she was 10 or 11, today girls at 10 or 11 they do not play with the Barbie dolls, they do their mobile, they are on the Internet, they do the Nintendos, they play Wiis, etc. so they stop playing with traditional toys when they are about 7/8, maybe 9 years old. So obviously that... that is a threat for us, that the playing age is going down so... you go, as a consumer, as a child, you move out from a traditional toy at an earlier stage that you used to do. That is a threat, definitely.” (Interview 6)

“I think there will be place for both, but the way we consume them will probably be very different.” (Interview 7)

**Lack of Skills and Investments**

- Not investing (Interviews 1,2,3,4)

“I would say that the way you look at it today, the most important partner would be the media agency... because our advertisement strategy or advertisement layout is kind of... is structured and it is... yeah... anyone who actually reads our guidebook can make it, so... it is more important to find the right media and get the best deals on the media, and most importantly find the right mix of medias...“ (Interview 4)

“We would need to buy all the knowledge they have from other side, and then still it would not be fitted, so we will be loaded by information, probably, and the media agency... they, they, they pick up the right information for us.” (Interview 2)
“... It is better to have them in the external part where they can share with other customers. And always have their fingers on the pulse, so to speak, so that they always know what happens in the media market. So it is better to have them placed in a media agency than internally.” (Interview 4)

“... we have talked about it (insourcing)... but we think it is hard to find the right person, because the market is changing every day, Google is changing everyday... and if we were to hire one employee to only take care of that, compared to [the media agency] ... they are maybe, I do not know, 15 or 20... it is a team. I think it would be more expensive for us to have... to move it in-house. Of course there will be some advantages of it, but I think it would be too expensive. Or be too hard to find the right person...” (Interview 3)

- Willing to invest, but having difficulties (interviews 9,10,6,7)

“We do not have the critical mass to have one or more persons just working on this.” (Interview 6)

“I mean, they should really be the ones who take in the media landscape into, because we cannot be expert on everything and I want my media agency to be the expert.” (Interview 6)

“... You have to be in a creative environment in order to be creative and I think – and that is why I do not want them to sit in together in the same house, I really want them split, but I think you can get very good ideas...” (Interview 9, talking about cooperation between media and advertising agencies)

“On the negative side it is [...] that we are taken as a colleague and not a customer, so the order would come no matter what it seems to be part of the attitude, so it is not the same service, it is not the same need to develop skills, to develop campaigns, new ways of thinking... so it becomes a bit lazy, it does not have this sort of market mechanics that the... the survival instinct they need in order to stay on top of new things, and I think that is probably the biggest disadvantage.” (Interview 7, they have an internal ad agency)

“I want to see the competencies, and I believe in the competence that we can move ourselves, including me, up to a higher level – I mean, the way we challenge each other, in order to
become better at what we do. Well, as long as I believe in it I will stay with [the media agency]. But I am very much, exactly what I said before, what… well, everybody can make a media plan basically, it is a commodity, definitely. But I think outside that, and I believe in the competencies.” (Interview 9)

“… but I also knew that we need to step this up, I mean, we needed more and more, so rather then become too dependent from the media agency, so we said: - Okay, maybe it is time now that we… we hire these people and we do it ourselves - because that way around we do not depend on them and we get first time knowledge, [...] and maybe the media agency would help on a higher level, a strategic level saying: - You… this is happening now, you need to watch this and this - or - We have done this with another client you should try this - so maybe more strategic planning, or they can become part of the project that we have, where we need specific help or specific knowledge, or we can sort of run the basic business ourselves or they could maybe become sparring partners on a higher level…” (Interview 7)

“Also often we would be able to have cases from other markets because most often Nordic is not the first mover on toys, so we would have cases from for instance other stores in the US, Australia, it could be UK, in some cases Italy… where we can say: - Okay, in these different markets these different medias have been the drivers of the success - so we can refer back to that and incorporate that in our media plan”. (Interview 6)

“[…] it is of course that we have better prices, we control the cost base and […] we have them close by, I mean it is very easy, they sat just one floor down, surely if there is a problem I can walk down to them and scream or pat them on the back. So it is very easy, I mean, you meet them every day, it is not something an agency that is placed in the city.” (Interview 7)

“the media agency is really advising on which channels to be in, where are the messages, communicate with this.” (Interview 10)

“... we need specialists, we need the media specialists to help us on the different developing because the things are happening rapidly and we cannot stay on top of everything ourselves, so they need and that is why we need their knowledge and competences on that, we need them to give us that knowledge, and that is why they will not have a place. But again back to what
role they have, they need to develop into that strategic partner rather than just be the ones that book media for us.” (Interview 7)

- Investing (Interviews 5,8,11)
“... It is simply cheaper for us to do it externally, otherwise we would have hundreds of people developing these ideas. Which also means that it creates a financial flexibility for me, you know, if I do not like them I just fire them and then I can get something new, you know especially today everyone is hungry so: - You do not want to go 20% down in prices, well, good luck, bye, I am going to take someone else! - So for me it is extremely important to have that strategic flexibility in terms of being able to change suppliers, right?” (Interview 11)

“Media agencies are the nerds of the advertising industry. They are... they are big machines that can calculate affinity between a market... a marketer and his customers. They are very unsexy and they are very boring and they have not yet, any of them, delivered a significant strategic value to us or any other company as far as I know.” (Interview 5)

“... before I entered the company, they had a few agencies connected to do... [...] like helping doing print ads, and they had an agency doing some of the online activities, but on a very very low key level. But, it just did not add up anything, it did not give any... they decided they would rather do it themselves and now we have within every area of marketing expertise, we have almost everything covered in-house.” (Interview 5)

“I think it is very important that you have an evolving internal marketing business as well, that you know how to get the right people of course, and it is an important every aspect in the world today – that the world is changing all the time, that it is changing faster and faster, so the people that you hire need to be able to accommodate to that process [...] But it is in fact a bit of a problem, because people tend to become very... to cage themselves in specific job areas, but that is why it is more important than ever to get the right people in this positions, or the right people in that perspective, people that are able to change [...] Talents, yeah.” (Interview 8)
“Nurturing my product, [...] doing something extra about it, how can we make people see this product in a different light, how can we make them interact with it. So I want them [the media agency] to be the air at Parma to cure the meat.” (Interview 5)

If the company has a certain size and financial capabilities, “it is irresponsible not to in-source communication strategic thinking, because that means that you are separated from your business model” (Interview 5), otherwise “you will never going to create the value that you should create for your company” (Interview 5).

“... companies only develop their own departments and people if they feel that other they can control it better, the result would be better or nobody can provide what they want to.” (Interview 11)

“Why we do it ourselves? Fast reaction, cost reduction, keeping the... keeping the information or the experience to ourselves, like we know that we do this good, we have the best earning rate of the business and we think we have it because we are good at what we do. And we do not want to share it with everybody.” (Interview 8)

“We do like, every week we have a media planner who... which campaign are we going to do next week and then we just do it. We have a very very fast reaction, like we do not have: - This is our media plan for 2010 – we do not have that at all. We have: - This is our media plan for the next week - and then the week after it changes. [...] We think that we are able to do a lot of things ourselves and we also think that you can have much faster reaction, level of reaction process when you handle it yourself.” (Interview 8)

“I would say that in the online environment, I do not think any media agency is really strong enough. [...] I have not found anybody who is extremely strong in the Internet business, also because it is still a new thing, and I mean some of the little kids we have sitting doing all this search optimization and follow up I go like: - Okay, where is these people come from? - so it is still very... new.” (Interview 11)

“I think that within the near future in the travel business all the traditional media will be reduced to next to nothing right, and if everything is online and the online is, is... and the
online media world is like that, then you only have to be good at Google, Facebook and YouTube and you are the leader. [...] it is much much easier to get that competence yourself and to migrate that competence into all the other countries that you want, because it is the same, it is exactly the same.” (Interview 8)

“But if you go to online it is exactly the same, whichever country you pick, the... it is exactly the same. So Google is number one, Facebook is number two and YouTube is number three. You can pick any country in the world... yeah, apart from Thailand, Japan and Russia maybe. [...] If I focus on the Danish market online is Google, Facebook and YouTube, but now it is so fantastic: if I am good at Google, if I am good at Facebook, if I am good at YouTube, I can take all my, my fantastic campaigns in Denmark and I can bring them to any country in the world because it is the same channels that are already... out there. So what we are doing now is that we are taking all our, our... our campaign history and using that for Sweden and Norway because we know that we can get fantastic conversion rates if we do a campaign like that, if we do not do a campaign like this, we take all that – what do we call it – like material and use it for Sweden and Norway, but we can use it for any country in the world.” (Interview 8)

**Higher performance**

- Not related to media (Interview 1,4,5)

“Sometimes are there reasons why you are not selling, it is not because of the media plan, it is because of the product, it is failing, or it is something else...” (Interview 1)

“When you say creative, I think it would just be applying strategic skills, nothing necessarily too creative about it, but to look at the media market and actually, well... actually, approach it creatively and take some calculative chances, understand what we want to do as a bank and as a brand, what we want to do with our products... so, you know, private banking we are still online, we have owned some online domains with our commercial message, but I have not got the idea, the extra idea saying - Well, we should, you know, own every golf club in Denmark -, it might not give you the affinity of persons, but it would give you that impact.” (Interview 5)
“We measure it because most of the people read the physical leaflet, so we use the web analysis system today because in Denmark the old fashioned way of personal visiting some people to ask: - Have you received…-... they do not do that anymore and we have... the analysis bureau has used the web application so many years now…” (Interview 1)

- Related to media, but independent on new or traditional media (Interviews 2,3,10,7,8)
Some companies have developed and are using tracking report systems “reporting any activity we do in the marketing department and everything is added up in these documents so that we can draw it telling us: - Okay, so this specific tour... what kind of marketing activities were involved in this tour and how did it sell, with which one we sold tour - We can track everything” (Interview 8)

“... a key performance indicator is actually the number of fans that we have in our Facebook group, because we will use them constantly, we ask them questions, we ask them about: - Okay, we should do this? Should we do that? - [...] So, I mean, we try to do many different things on social media... measurement is always difficult but it becomes more and more possible to actually do that, we are actually in a test... test phase of some tools that will able us to do just that... I mean how many comments do we have and... etcetera” (Interview 7)

“It is difficult to measure what is worth. There is no visible return on investment, there is no response curve, there is no additional sale that we can try. But it is not so important, because it is important for our brand and we think in long term, we believe that it is important for our business.” (Interview 10, talking about sustainable economy)

In the same company (Interview 10), there is a “culture where we do not need to measure everything very specific”.

“Yes, does it [ROI] payoff? Yes or no? Yes, it does. No, it does not. But it is hard to do it with the offline. It is very hard to tell what marketing offline provides you, it is much easier with the online... [...] So you have a much better feeling with the return on investment... online.” (Interview 3)
“... you get a budget and then you get it reduced 20% tomorrow or it gets doubled because now things are happy again, you know, so you cannot just maybe commitment and say: - I am going to give you 1,000 kroner or maybe a million kroner next year. - I want different model I can buy from you because I do not know what my budget is, and of course that is today a problem for most companies... nobody knows what their budget is.” (Interview 11)

“... and that is the beauty about the TV media. Here, in the TV media, in a market like Denmark for instance where we have the TV meter, you can – you know exactly how many consumers have been hit with your message. Whereas on other medias, online is also relatively good, but other medias are not as fact-based so to say. [...] Social media is not, that is right. But at least there should be some correlations to what is our objectives, so for instance we say that awareness is our objective so... and then if we measure our awareness and we say that we have much increased our awareness on a certain brand with 20% - how do we do that the most effective way? And if that is done most effectively by social media, then we should do that... if it is done most effectively by TV, we should do that...” (Interview 6)

Cost Efficiency

- Not related to media (Interviews 1,3,4)

“If you want to get your message out broadly, then you need to use a lot of different media platforms, because there will always be people who do not watch TV, and there will always be people who do not come outdoor to see the outdoor, etc... people who do not spend much time online. So, you need to use all the different platforms if you want to reach broadly” (Interview 4)

“I think the tendency will be that more companies get aware of online marketing and that might push the prices up online.” (Interview 3)

- Not high importance (Interviews 2,5,7,8,11)

“I think... the most important part is to be flexible, well, probably in the past being very traditional, that we need, we need to have a media mix that contains TV, contains a little bit of Internet, a little bit of... everything... and we need to... be very specific on what movie it is
or product, whatever it is, and... and what target group and then being able to choose the right media mix to that group and... to that product. So I think we have to be flexible, and it is difficult to say that it is X percent to that media, whatever. [...] if you, as a marketer, cannot deliver on that, I think you will die or you... you will burn a lot of money, because it is something about the effectiveness of your media spent as well.” (Interview 7)

“Do not just come with the price, I mean, I am sure that a lot of companies is just taking the cheapest price, but if you know, if you have been working with media agencies or ad agencies and so on, marketing for many years, you know price, you know, you get a good price and you get a bad result, so...” (Interview 11)

“We would probably choose a media agency if they can show us that they could... if they could take our marketing budget and... and be absolutely certain that we could do some major cost reductions on our campaigns. [...] But maybe the media agency would be able to reduce the cost on the print and TV and other like traditional media, but... we are, we are uncertain if that is the case. Because we have had, we have used... we are one the largest spenders in print ads in Denmark and we get very very good prices.” (Interview 8)

“The lower the prices, the higher our pressure can be in the market” (Interview 2)