



# 'PESO' media strategy shifts to 'SOEP': Opportunities and ethical dilemmas



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## ARTICLE INFO

### Article history:

Received 20 January 2016

Accepted 9 March 2016

Available online 26 March 2016

### Keywords:

PESO

Paid

Earned

Shared

Owned

Social media

Native advertising

## ABSTRACT

It is well established that the internet, and particularly the unprecedented growth of social media, are changing the mediascape and media practices in advertising, public relations, and journalism. Some of these changes are leading to convergence of genre and practices as well as the technologies of media. This analysis focuses on the first two of these types of convergence, drawing on data from the first *Asia Pacific Communication Monitor*, a survey of 1200 PR and communication practitioners in 23 Asia Pacific countries. This reveals a major shift from the traditional PESO model of media use by organizations (paid, earned, shared, owned) to an emerging SOEP model (shared, owned, earned, paid). This affords new opportunities for practitioners, but also poses practical and ethical dilemmas.

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## 1. The 'PESO' model of media strategy

In contemporary public relations literature, media content has been categorized into what some call four 'quadrants'—paid, earned, shared, and owned, referred to as the PESO model in academic research (Luttrell, 2014) and industry publications (e.g., Bayles, 2015; Dietrich, 2015). The PESO model evolved from the earlier categorization of media content as 'paid, owned, earned' that Burcher (2012, p. 4) refers to as the "media trinity".

*Paid media* refers to traditional advertising and other forms of content commercially contracted between organizations and mass media. This has been the dominant form of promotional media content for the past century, accounting for more than US\$600 billion in expenditure globally in 2015 (Statista, 2016a). *Owned media* are publications and digital sites established and controlled by organizations, such as corporate magazines, newsletters, reports and, more recently, organization Web sites, blogs, and official Facebook pages. *Earned media* refers to editorial publicity that is generated by organizations through media releases, interviews, and other media relations activities (Stephen & Galak, 2012).

Of these formats, earned media has been a dominant focus of public relations and corporate communication (Macnamara, 2012; p. 183); Watson, 2012; p. 390). However, the era of social media has introduced a fourth 'quadrant' to the traditional paid, owned, earned model – shared media – and also radically changed the scope and scale of owned media.

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*Shared media* are those that are open for followers, friends, and subscribers to contribute and comment. These include internationally popular social media such as Facebook, Twitter, YouTube, Tumblr, Instagram, and Pinterest, national networks such as Sina Weibo in China, as well as blogs that allow comments to be posted. While some such digital media apply moderation (a form of editorship), a convention of social media is light (minimal) moderation, usually limited to deleting offensive content such as sexist and racist comments, abusive language, and vilification (Macnamara, Sakinofsky, & Beattie, 2012, p. 9). This convention, combined with free open access to social media, results in sharing of content ranging from comments on posts and ‘retweets’ to collaboration (Löwgren & Reimer, 2013) and co-production of content (Motion, Heath, & Leitch, 2016).

The unprecedented popularity of leading social media suggests that significant change is afoot in the mediascape of the early twenty-first century. For instance, Facebook reported that it had 1.55 billion active monthly users as at September 30, 2015 with more than one billion of them online daily (Facebook, 2016). YouTube has more than one billion users watching an average of 40 minutes of video a day in 70 countries (YouTube, 2016). Relative newcomer in social media, Instagram, has attracted 400 million active users in just a few years (Statista, 2016b).

In the United States the 2015 Pew Research Center *State of the Media* study reported that, “in tandem with rapid growth of mobile” devices for accessing news and information “has been the further rise of the social Web, where the flow of information embodies a whole new dynamic”. Pew noted that “nearly half of Web-using adults report getting news about politics and government in the past week on Facebook” (Mitchell, 2015, p. 4). At the same time, Pew reported that newspaper readership continues to decline (down 19% since 2004) and cable TV “had another rough year, with prime-time median viewership down 8% across the three channels—Fox News, MSNBC and CNN” (Mitchell, 2015, p. 5). *Forbes* magazine reported that the advertising revenues of News Corporation, one of the world’s largest media groups, declined from over \$4.1 billion in 2010 to under \$3.4 billion in 2014 and commented that “this decline can largely be attributed to free online sources that have put pressure on the company’s paid products” (Trefis Team, 2015, paras 4–5).

As well as struggling for revenue, traditional forms of paid advertising including TV commercials, print advertisements, and promotional e-mails have all suffered a decline in trust among media consumers over the last two years, according to the 2015 Nielsen *Global Survey of Trust in Advertising*, a poll of 30,000 media consumers in 60 countries. Also, interestingly, Nielsen reported that trust in traditional media editorial content has declined – down by 8% since 2013 in the United Kingdom (UK)—possibly influenced by credibility-sapping incidents such as the *News of the World* phone hacking scandal (Nielsen, 2015a, para 1–2). Nielsen noted that owned and earned media content are trusted more than paid media, but that “recommendations from people I know” and “consumer opinions posted online” (shared media) are the most trusted information sources of all (Nielsen, 2015b, p. 4). It is inevitable that such shifts in media channels and audience use will influence practices in PR and corporate communication.

## 2. The growth of sponsored content and ‘native advertising’

A number of media, marketing, and public relations researchers have noted the shift in media formats and practices away from traditional advertising and publicity. In marketing communications literature, these include Burcher (2012), Campbell et al. (2014), Campbell and Marks (2015), and de Pelsmacker and Neijens (2012). In industry, the growth in new formats is reflected in the establishment of new professional bodies such as the Branded Content Marketing Association (BCMA) with chapters in Europe, North and South America, the Middle East, and Africa. Along with ‘branded content’, a number of new descriptions of media content have entered the lexicon of marketers and media content producers including sponsored content, ‘native advertising’ (paid content that is presented in a way that does not look like advertising), as well as a number of other euphemistic terms such as ‘brand integration’, ‘brand journalism’, ‘embedded marketing’, and ‘media partnerships’ (Canter, Kirby, McFarlane, & Welland, 2013; Glick & Neckes, 2013; Kokemuller, 2013; Macnamara, 2014a, 2015; Verčič & Tkalac Verčič, 2015). A study by Macnamara and Dessaix (2014, p. 1) identified 25 terms used largely synonymously in advertising, digital marketing, PR, entertainment, and infotainment to describe new hybrid formats.

Sponsored content is broadly described by Tutaj and van Reijmersdal (2012) as media content that is produced by a brand or organization in a similar form as original content on a publisher’s platform, often in collaboration with the media outlet. So-called native advertising is defined as “advertiser-produced content that is designed to appear to the user as similar to editorial content” (Howe & Teufel, 2014; p. 79). However, Campbell and Marks note that the term ‘native advertising’ is being used to describe various types of online marketing communications and that “there is little agreement on the term’s definition or meaning” (2015, p. 600).

As a number of researchers note, paid media content in forms other than traditional advertising is not new (Balasubramanian, 1994). For instance, product placement has a long history (Gupta & Lord, 1998) and the previous definitions could just as easily describe ‘advertorial’ that has been used in the PR industry for many years (Erjavec & Kovačič, 2010; Kim, Pasadeos, & Barban, 2001). However, Macnamara and Dessaix (2014, p. 1) have described emerging sponsored, ‘native’, and embedded formats as “advertorial on steroids”. While noting that “the term ‘native advertising’ remains murky”, the industry journal *E-marketer* (2014) reported research predicting that spending on this media format will reach almost US\$6 billion in 2016 and grow to almost US\$9 billion by 2018. These emerging media formats and practices therefore warrant further close attention. On one hand, they are seen as offering new opportunities to marketers and media organizations and have been hailed as the possible “salvation” of the troubled advertising industry (Wasserman, 2013). On the other hand, there are serious implications for media independence, ethics, and the public interest in media strategies that blur the boundaries that have traditionally existed between paid, earned, shared, and owned media.

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