

Why DAM

Digital Asset Management

Should Be
Your First
Technology
Investment

For 2011

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The last several years have seen a dramatic shift from traditional media to digital media such as online marketing and social media. The move to digital media has led to an exponential growth in digital marketing content, which has in turn created bottlenecks and inefficiencies in managing this content and difficulties in measuring the performance of campaigns and in maintaining a consistent brand image.

Digital Asset Management (DAM) technology can overcome these problems by automating the process of ingesting, archiving, searching, managing, repurposing, sharing and publishing content in a seamless and collaborative environment. DAM adopters achieve substantial return on investment including reducing time to market, improving the performance of marketing campaigns, reducing marketing costs and improving brand consistency. This article will examine in detail how DAM can rapidly generate ROI by improving the performance of digital marketing efforts.

In order to give power to your marketing programs in 2011 and be more efficient in doing so, Digital Asset Management should be your first technology investment.

Generate additional revenues by reducing time to market

For most new product development programs, there's little point in developing and building a new product unless the channel and potential customers are aware of its existence and motivated to buy. In today's marketplace, building demand largely depends upon digital content such as images, video, audio, sales collateral, etc. The success of most new product introductions depends upon creating powerful digital assets and making them available to the right people on a timely basis.

Traditionally, the management of digital assets has been a manual process in which marketing staff members and contractors produce the assets and store them on local drives or network shares. The process of getting approval to use these assets is habitually a manual process that depends upon content approvers viewing and responding to emails on a timely basis. Knowledge of which assets are available and where they are located is frequently limited to a few individuals. The assets are typically distributed by email, file transfer protocol (FTP) or downloading from web pages. Marketing team members naturally distribute assets based on their understanding of current needs but continual changes in the market mean that many needs go unfulfilled. Meanwhile, sales representatives, channel partners, members of the media and others that need content are left scrambling to try and find the person in the marketing organization that can point them to the content they are seeking.

DAM addresses these problems by providing a central repository for digital media files and a set of tools to store, manage the approval of, find and convert these files to increase their value in the marketing process. DAM makes the complete or selected subsets of the organization's digital media resources easily accessible to users you choose to authorize such as the marketing organization, sales representatives, channel members, publications, etc. For instance, you could make a wide assortment of images and videos of your new product instantly available to your entire channel simply by uploading the files and setting an authorization that would provide access. Channel members would be able to view all of the files, select those that best fit their needs, and convert them to the format they need.

This approach can greatly reduce the time required to make the channel and potential customers aware of a new product. The result is that new products will produce revenues at a higher rate. For example, after implementing DAM, Reebok (now part of The adidas Group) has documented significant increases in collaboration resulting in a reduction in time to market. Reebok has also seen an increase in closing percentages by providing digital media to field sales representatives instead of physical samples which take 5 to 60 days.

Best-in-class companies reported a 23% year over year reduction in time to market and an 18% increase in average return on marketing investments.

-AberdeenGroup

AberdeenGroup found that best-in-class companies centralizing access to digital assets are two times more likely to use a DAM system for the marketing functions. These same best-in-class companies reported a 23% year over year reduction in time to market and an 18% increase in average return on marketing investments. On the other hand, time to market increased by 11% for DAM laggards and average return on marketing investment fell by 17%.²

Reduce costs of finding assets

Nearly any organization with a sophisticated marketing operation has most likely accumulated thousands, tens of thousands, possibly hundreds of thousands, of digital media files. These files have been created at a very large expense to accomplish goals such as providing images for web and print advertising, point of purchase, collateral and publicity. The problem is that these important assets are habitually scattered throughout the organization on personal drives of content creators or marketing staff, departmental shared drives, and so forth.

¹ Mukul Krisha, "Realizing the Value Proposition of Hosted DAM Solutions – A Case Study," Frost & Sullivan research report, 8.

² Ian Michiels, "The Marketers Guide to Justifying Investments in Digital Asset Management," AberdeenGroup research report.

When a channel partner requests an image of the new product for a newspaper supplement, for example, the marketing person taking the request must rely upon their personal knowledge of the available assets to find the right image. It's impossible for marketing staff members to be knowledgeable about the many images scattered throughout the organization. The result is that the staff member often has to send emails or phone calls to try and locate the image. In many cases the image can't be found or the marketing person doesn't have time for an extensive search, so the image is re-created at considerable expense.

DAM solves this problem by providing a central repository through which content is stored, cataloged, managed and distributed. Metadata such as the type of content, creator, date, keywords, etc. are associated with each digital asset which makes them easy to find with a simple search. Users inside your company or authorized users in partner companies can easily navigate through the full range of available content. Everyone involved will save a considerable amount of time by finding digital assets much faster than in the past. The ability to search the full range of assets will often eliminate the need to re-create existing files because they would be too difficult to find. By being able to search through the full range of assets, users will be able to find more suitable digital media files and repurpose them for multiple projects.

A third party firm surveyed marketing and creative professionals and found that 62% spent between 1 and 6 hours per week managing files. According to GISTICS Research, creative professionals spend an average of one hour out of ten managing files, mainly searching for files, at an average cost of \$8,200 per person.³ GISTICS said that the average creative person looks for a media file 83 times a week and fails to find it 35% of time. The research further states that a DAM system will help cut the amount of time searching for assets by more than 85%. As an example, after implementing DAM, Reebok increased the number of times that each digital asset was re-purposed over its lifetime from one to six.⁴

Reduce costs of distributing assets

Creative and marketing professionals also spend a considerable amount of time distributing digital media assets to sales representatives, channel partners, print and online media, and others. The amount of time and money spent on digital asset distribution is increasing as digital media assets grow at a rapid rate. The Custom Publishing Council says that marketers spent twice as much on branded content in 2009 as in 2008.⁵ Frost & Sullivan says that:

³ Teri Ross, "Digital Asset Management, The Art of Archiving," TechExchange.com.

⁴ Krishna, "Realizing the Value Proposition of Hosted DAM Solutions," 8.

⁵ Custom Publishing Council, "The ContentWise and Custom Publishing Council's 2009 Spending: A Look at How Corporate America Invests in Branded Content," 2009.

“As companies add more rich digital media to their brand strategy, file sizes are exploding. Stakeholders to these assets are many times geographically dispersed but still need to easily access and collaborate on the same assets from different locations. Through integration with third party systems using Web Services and providing conditional access and control, DAM systems have now become an ideal platform to enable such collaboration in a seamless workflow.”⁶

Jim Magruder, Senior Marketing Manager at InSinkErator, said the company previously faced a growing problem managing and distributing brand assets. Marketing staff members regularly received calls from customers, sales reps, ad agencies and PR firms requesting assets. Often these requests were vague such as: “I need a digital image and don’t know what format I need.” There was no easy way to provide them with what they needed in a timely manner. For every asset request, marketing staff would have to stop what they were doing to find the right asset, convert it and ship it. DAM provides a more efficient method of managing these assets and removed the burden of having to manage and distribute assets the old way.

Click on the link below the image to watch the video about InSinkErator’s issue before Digital Asset Management.



[*Click here to watch the video.*](#)

⁶ Krishna, “Realizing the Value Proposition of Hosted DAM Solutions,” 6.

Michael Kowalkowski, Catalog Manager North America for Brady Worldwide, Inc., said that DAM empowers sales people to carry out their jobs and supports relationships with their distributor networks. Sales people now are freed from reliance upon the marketing team with a digital asset library that enables them to easily locate specific assets, survey available assets and then download them instantly in the format they need to complete the project.

When Aberdeen asked “best-in-class” asset management companies how DAM investment impacted their performance, 69% reported decreased asset creation cycle time, 40% said they spent less time transferring files and 63% indicated agency fees were reduced.

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Click on the link below the image to watch the video about the impact of Digital Asset Management at Brady Worldwide.



[*Click here to watch the video.*](#)

Save money on physical samples

Many companies currently provide physical samples to channel partners such as retail stores to create images needed for point of purchase displays, online sales, print and television advertising. These samples are expensive to produce, handle and ship. The samples are

frequently lost by the retailers, and the bills sent to retailers for lost samples are rarely paid. Large numbers of files often must be produced and shipped to each retailer to represent various product variants. The time required to produce, ship and photograph samples can delay sales revenue.

DAM makes it practical to replace physical samples with digital assets that can be created and distributed to channel partners at a fraction of the cost and in much less time than physical samples. Digital representations can be created of physical products that in many cases have not even been created yet. Cost savings include the reduction in the expense of producing, storing, shipping and handling physical samples. Another key advantage is the reduction in time to market through online delivery of digital assets required in the marketing effort.

Before deploying DAM, Reebok marketed NFL branded products with 32 teams and 10,000 to 15,000 different products. Reebok previously produced 30 to 40 physical samples of each product that were sent directly to retailers. Reebok was planning to add the National Basketball Association (NBA), Major League Baseball (MLB), National Hockey League (NHL) and National Collegiate Athletic Association (NCAA) with a total of over 600 teams and over 200,000 images that would be needed by retailers. Reebok estimates that this expansion would have involved a \$10 million annual expense to Reebok in producing and handling physical samples and a \$20 million annual cost to its customers in producing digital assets from these samples.

Reebok greatly reduced the costs of supporting retailers' marketing efforts for branded products by implementing a DAM system. The DAM solution has cut the number of physical samples that are needed by creating base assets from which colors and graphics can be applied to create digital representations of physical products that often do not yet exist. For example, from one photograph of an NFL jersey, Reebok creative staff can create versions of the home and away jersey for each player for all 32 teams simply by applying the proper graphics. After the images are created, they are uploaded to the DAM system. Authorized retailers can access the content as needed and save the costs of creating their own digital assets.⁷ The DAM system has reduced requests for physical samples by an average of 5.6% each year since it was installed. Reebok has reduced the cost of distributing digital assets by 44%. Reebok's customers have saved 93% of what they previously spent in creating brand images.⁸

Improve brand consistency

The proliferation of digital media has made it much more difficult for marketers to maintain a consistent brand image. Users of digital content such as wholesalers, retailers or publications, often need an image very quickly. If they cannot find the right image, or are not aware of the proper brand representation, they may be prone to pull an outdated or incorrect file off a hard drive or download the wrong image from the Web. Using an improper brand image runs the

⁷ Mukul Krishna, "DAM as SaaS 2.0: Monetizing the Content Lifecycle," Frost & Sullivan research study, 9.

⁸ Krishna, "Realizing the Value Proposition of Hosted DAM Solutions," 8.

risk of confusing or alienating customers and could even be used by a competitor to attack the validity of the brand.

DAM makes it possible to maintain full control over the representation of the brand by making it easy for employees and partners to access digital content that can easily be controlled to provide the correct brand image. If a change is made to the brand, then the digital assets can quickly be changed and outdated images can be made inaccessible. The ability of DAM systems to protect valuable brand equity is usually enough to justify their purchase even without considering the potential advantages of increasing revenues and reducing marketing expenses.

Jim Scarlata, Senior Marketing Operations Manager for Knaack LLC, said that in the past there was no easy way to ensure the most current brand assets were always available in order to achieve brand consistency across all marketing channels. Since implementing DAM, Knaack has a single online location for all of the most current digital content that is now

Click on the link below the image to watch the video about DAM serving as a “brand guardian” for Knaack LLC.



[*Click here to watch the video.*](#)

globally available to any approved user. DAM serves as the brand guardian that ensures that internal and external users receive an asset that is current, one they can use, and in the right format needed to complete the project.

Michelle Bedard, Vice President of Marketing, Sub-Zero, Inc. and Wolf Appliance, Inc., said that Sub-Zero and Wolf are all about the brand and making sure that customers have a consistent brand experience across all touch points. Online digital management tools provide representatives in the field and channel partners with access to the latest brand-approved digital assets including images, video and marketing/promotional materials. The result is that Sub-Zero and Wolf brands look the

Click on the link below the image to watch the video about DAM and brand consistency for Sub-Zero and Wolf.



[*Click here to watch the video.*](#)

same from every form of media. The centralization of images, videos, ads and marketing materials allows Sub-Zero and Wolf to have greater control in managing access to digital assets and makes it much easier to manage the obsolescence of digital assets.

Conclusion

The use of digital assets as marketing content is growing at exponential rates. As companies expand the use of digital marketing channels, improved methods for managing the rapidly growing volume of digital assets are becoming essential. This white paper demonstrates that DAM delivers a substantial and rapid ROI by reducing time to market, lowering the cost of finding and distributing digital assets, slashing the costs associated with physical samples and maintaining brand consistency. For these reasons, DAM should be the first technology investment in 2011 for any company interested in increasing revenues while reducing marketing expenses. These facts are coming to the attention of many marketing executives because Frost & Sullivan's latest analysis shows that the DAM market is expected to grow at a compound annual growth rate of well over 30% and achieve revenues of over a billion dollars by 2013.