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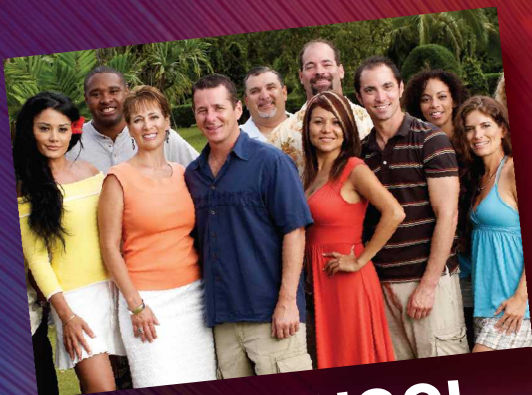


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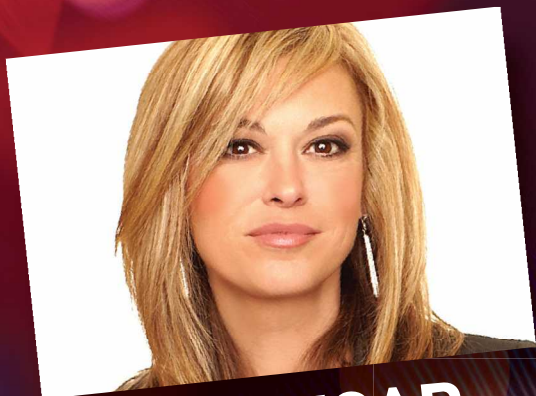


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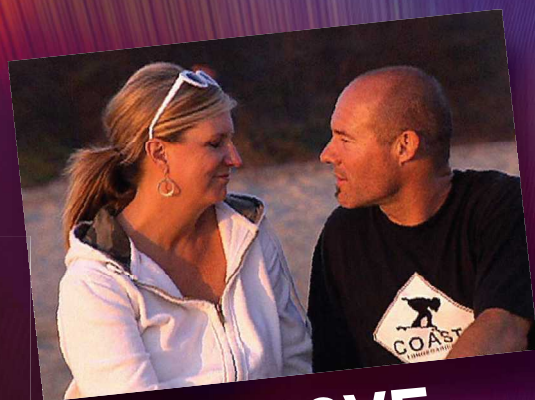
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GARY HE

Lever's CMO throws down the social-media gauntlet

Clift chides marketers for not recognizing their brands are not their own

By JACK NEFF
jneff@adage.com

BRANDS AREN'T SIMPLY brands anymore. They are the center of a maelstrom of social and political dialogue made possible by digital media, said Unilever Chief Marketing Officer Simon Clift, who warned that marketers who do not recognize that—and adapt their marketing—are in grave peril.

"No matter how big your advertising spending, small groups of consumers on a tiny budget might hijack the conversation," he said. "So this

Inside

- Don't miss the stories, highlights, video, photos and tweets from Ad Age's Digital Conference. **P. 2**
- Why packaged goods are so far behind the curve on social media, and how some are trying to play catch up. **P. 3**

internet thing is much bigger and more interesting than just finding successors to TV advertising."

Mr. Clift was speaking to a packed house at Ad Age's Digital Conference last week, in an address that did much to define an internet-driven sea change that's put consumers in control and at times threatened to overwhelm marketers and their agencies, who—despite

See **CLIFT** on Page 20

Five new rules for marketing

The flat-earth, digitized world described by Unilever CMO Simon Clift is one in which the marketing norms have changed. Here are Ad Age's "New Rules." Feel free to argue or send us additional rules you think you should be added to the list.

1. Listening to consumers is more important than talking at them. As Mr. Clift said, "We may be ahead of our competitors, but we're most

See **NEW RULES** on Page 20

Why free-ride YouTube is finally winning ad dollars

Google sells ads against 9% of site's streams, but there's a long way to go

By MICHAEL LEARMONTH
mlearnmonth@adage.com

FORD MOTOR CO.'S much-heralded social-media campaign to introduce the Ford Fiesta to young people shows just how deeply embedded YouTube has become in the

strategies of even the straightest-laced marketers. But it is also an example of why it is such a tough business for Google.

The Ford campaign, which will have 100 social-media influencers upload their exploits with the car to the "Fiesta Movement" channel, includes no corresponding media buy. Ford is, in effect, using YouTube as the core of its

See **YOUTUBE** on Page 20

Study: ROI may be measurable in Facebook, MySpace after all

By JACK NEFF
jneff@adage.com

PACKAGE-GOODS BRANDS are still cautious about social media, figuring that the return on investment can't be accurately measured. After all, marketing on Facebook or MySpace might generate a conversation but not necessarily a sale. Now, however, a method is emerging to relate one to the other, potentially eliminating a major impediment.

Recent research from ComScore, MySpace and Dunnhumby presented at the

See **ROI** on Page 21

What it reaped

MySpace marketing ROI for unnamed personal-care brand:

- Total consumers exposed: **76.9 MILLION**
- Percentage of internet population: **40%**
- Total impressions: **1.1 BILLION**
- Media outlay: **\$1 MILLION**
- Offline sales generated from campaign: **\$1.28 MILLION**

Sources: ComScore, MySpace, Dunnhumby

Ad Age takes gander at cable TV upfront

Why top-tier operators are among the few likely to smile this year.

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'State of Play' and the 4th estate's sad state

Media Guy says film lionizes old newspaper journalists who no longer exist

PAGE 16

A MALL COP TEACHES TINSELTOWN TO MARKET

Five fast and furious lessons Hollywood can learn from three films with surprisingly big box office

By CLAUDE BRODESSER-AKNER
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BOX-OFFICE REVENUE is up almost 15%, while movie admissions are up almost 13% year on year. Conventional wisdom holds that the multiplex has simply become a cheap alternative for recession-frazzled consumers, and Hollywood taking any credit is like a rooster taking credit for the dawn.

But what's really driving this year's box-office surge? Three movies: Sony's "Paul Blart: Mall Cop," Fox's "Taken" and Universal's "Fast and Furious" have grossed

more than \$350 million combined, surprising analysts and outperforming even movie-mogul expectations.

Just how big has the box office been for those films? "Taken" is just shy of \$140 million domestically; "Paul Blart: Mall Cop" is at \$143 million. And "Fast and Furious" just set an April-weekend record with a \$71 million opening.

A closer examination of their success suggests Tinseltown's studios and stars aren't merely reaping the benefits of a nasty recession; they're also creating those benefits by making substantial changes in marketing and distribution—



PAUL BLART: Actor Kevin James went on the road in small markets to promote the film and did so tirelessly. The result: The film opened 50% higher than Sony's \$39.2 million forecast.

tweaks that retailers and consumer brands should note too.

LESSON 1: HIT THE BRICKS

By now, everyone knows that "Paul Blart: Mall Cop" overperformed—it's how it overperformed that was surprising. The comedy's star,

Kevin James, paid personal visits not only to the usual junkets in New York and Los Angeles but also to press events in Dallas, Chicago, Miami and Minneapolis.

"Those are markets that don't

See **'MALL COP'** on Page 21

PROGRAMMING GUIDE FOR THE WEEK OF APRIL 13

Your map to highlights from Ad Age and Creativity

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EDITORIAL: BIG SHOPS NEED TO GET SOCIAL MEDIA

What kind of shops will get the biggest share of budgets is one of the biggest and most-pressing questions facing the agency business in the post-advertising age. Will it be the big, global networks that have suckled on the likes of Unilever for decades, or will it be the little social-media upstarts now multiplying like rabbits?

WPP FOLDS ENFATICO INTO Y&R BRANDS

Only 16 months after it set out to build a 1,000-person marketing agency to serve Dell's needs, London-based holding company WPP has folded the start-up into its Y&R Brands division. Ironically, the merger with Y&R comes as executives say Enfatco finally landed its first non-Dell client.

ADAGE.COM

MILLER: WHAT'S BLACK ABOUT BLACK WEBSITES?

"If black people the world over are on a continual quest to define what it means to be black, chances are that the definitions used by marketers are out of date. Black media-websites in particular-might not offer all the answers but might start marketers with the right questions."

ADAGE.COM/BIGTENT

SONGS FOR SOAP: TRANSPARENCY AND RESTRAINT

Cornerstone's Rob Stone writes that "in today's world of texting, Facebook-ing and Twittering, brand managers need to protect their reputations with everything they have. There are no more secrets." And that means you need three things: transparency, commitment and restraint.

ADAGE.COM/SONGSFORSOAP

TRY MARKET-BASED PRICING

Jonah Bloom writes about TeesandTats' Jeremy Parker, who revitalized sales with what he called his "customer recession-proof plan." When people bought a T-shirt, they'd be given the closing price of the Dow for that day. For every 100 points the Dow dropped within two months after the time of purchase, they'd receive a \$5 refund.

SEE P. 13

LIBERAL BLOGGERS DEMAND ADS

Major liberal bloggers have called out Democratic groups for not buying ads on their blog networks. And they have a point. These groups shouldn't view advertising on these blogs as advertising in the traditional sense of the word. They should consider advertising on these blogs as an investment in customer-relationship management. And a cheap one at that.

SEE ADAGE.COM/CAMPAIGNTRAIL

IN THIS ISSUE



CHILI'S EFFORT BEATS UP BLAND

Bob Garfield likes Chili's-at least more than their competition. But he thinks the chain's latest effort, which makes fun of food that tastes like cardboard, carries a one-note joke too far.

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MOST READ STORIES ON ADAGE.COM

What our readers are checking out

1. DiGiorno Turns to Twitter for Flatbread-Pizza Launch

READ IT AT ADAGE.COM

2. What Orangutans Taught Simon Cliff About Social Media
3. YouTube Moving the Needle on Ad Sales
4. MillerCoors Hands Miller Lite Account to DraftFCB
5. WPP Folds Ill-Fated Dell Agency Enfatco Into Y&R Brands



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SANDBERG: Facebook COO Sheryl Sandberg

Highlights from Advertising Age's Digital Conference

Over two days, more than 40 speakers offered inspiration as well as practical tips at the 2009 Ad Age Digital Conference in New York. We've aggregated videos and slides from several of the speakers, including Union Square Ventures Partner Fred Wilson, Best Buy VP-Emerging Channels Michele Azar and Scott's Senior VP-Global Marketing Jan Valentic. For those multimedia presentations-and the stories below-surf over to [HTTP://ADAGE.COM/DIGICONF09/](http://adage.com/digiconf09/)

Photos from the 2009 Ad Age Digital Conference
More than 500 of the digitally savvy and curious gathered at the Metropolitan Pavilion in New York last week to hear keynotes such as Unilever Chief Marketing Officer **Simon Cliff**, Verizon CMO **John Stratton** and Facebook Chief Operating Officer **Sheryl Sandberg**. See who was there, discussing how social tools, two-way communication, 3-D interactive experiences and targeted TV are changing the way marketers reach consumers.

How Embracing Digital Can Change Corporate Culture
Best Buy opened its product data for employees, consumers and developers to remix, and one worker spent his free time building a mobile site in seven days. Pizza Hut hopes to hit \$1 billion in online revenue by 2012. And Delta, when it realized it wasn't ready for social media on Delta.com, moved it onto blog.delta.com. Digital isn't just shaking up consumers but also the companies' own internal operations.

Verizon Promises Targeted Advertising By End of Year
The telecom giant is merging the web and the internet with its Fios TV service and will start targeting advertising on a household level by the end of the year, said Chief Marketing Officer John Stratton, himself a \$3 billion-budget-wielding ad spender. "My worry is that people have fallen asleep and become married to inertia, even with the undeniable evidence that there is a need for change," he said. "It's important we move rapidly here; time is not on our side."

Agencies Need to Think More Facebook, Twitter, Less TV
"There are still a lot of marketers out there buying their media when they could earn it, and earn it a lot less expensively," said Union Square Ventures partner Fred Wilson, who has funded several of the more successful ad-supported start-ups. He suggested links passed through "earned" or social media convert two to four times those of paid promotion.

The Secret to Obama's Success: Mixing Old Media With New
It's not always the super-sexy digital tools that bring in the biggest business results. Joe Rospars, founding partner of Blue State Digital and new-media director for the Obama campaign, said the key to the President's successful use of digital looked more like Marketing 101 and less bleeding edge: It was integrating digital early into the larger strategy and measuring the right metrics that gauge success.

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Package-goods players warm up slowly to the social-media scene

Kraft, Coca-Cola, P&G dip cautious toe into Twitter and Facebook

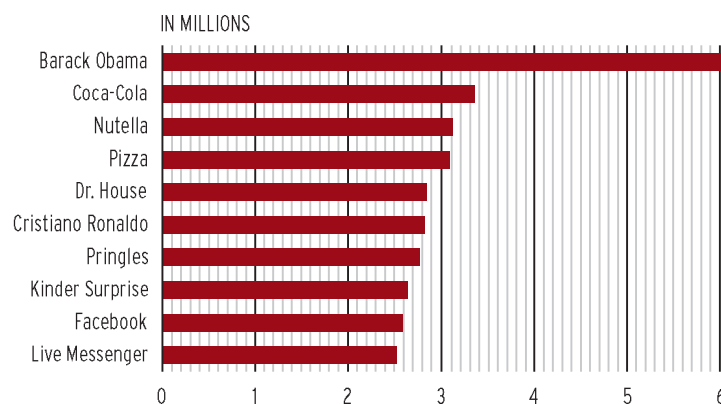
By EMILY BRYSON YORK
eyork@adage.com

KRAFT AND COCA-COLA spend millions of dollars to blanket the airwaves with expensive TV ads tout-ing cheese and soda, but when it comes to social media, the marketers and their consumer-pack-age-goods brethren are busy playing catch-up to consumers—and other categories.

Oh, the reasons uttered for why these titans of marketing are slow to adapt to a social world: No one wants to be friends with toothpaste; marketing-mix models reinforce tried-and-true paid-media tactics; conversations don't scale for companies that need to move millions of

YOU'VE GOT A FRIEND

Coca-Cola, Pringles and Nutella are among the top brands on Facebook



products a year. But as consumers flock to the services, the behemoths are trying to tackle the shift.

At P&G and Kraft, social marketing is being adopted on a brand-by-brand basis. The idea is that

every brand with a successful case study will help encourage others to venture into the space.

Consider, for example, how Kraft is wading into Twitter. Its Oscar Mayer Wiernmobile driv-

ers tweet about where to expect the next sighting and have nearly 800 followers. More recently the company decided to tap Twitter users to launch the DiGiorno Crispy Flatbread Pizza by delivering pizza to "tweetups," or in-person, social-media gatherings. (DiGiorno Pizza also has a Twitter handle but had just 28 followers at press time—including this reporter.)

Social media at Kraft—which is arguably further along than competitors such as General Mills—starts in its department of new services, headed by Moshe Tamssot, or with a brand manager, and is filtered down to brand-specific public-relations teams for execution. The most recent success was Kraft's iFood iPhone application, which had consumers paying 99¢ to access Kraft recipes on the

See **SOCIAL MEDIA** on Page 22

Bloggers be warned: FTC may monitor what you say

Proposed plan would hold web writers liable for false brand discourse

By MICHAEL BUSH
mbush@adage.com

THINKING ABOUT letting a big-name blogger test-drive your new hybrid in the hope he'll post a glowing review about it, or maybe sending some beverage products to an influencer, hoping she'll spread the word?

You might have to think twice, if the Federal Trade Commission follows through with its proposed plan to start regulating viral marketing and blogs.

As part of its review of its advertising guidelines, the FTC is proposing that word-of-mouth marketers and bloggers, as well as people on social-media sites such as Facebook, be held liable for any false statements they make about a product they're promoting, along with the product's marketer. This could present a significant issue for marketers, including the likes of Microsoft, Ford and Pepsi, who spend billions on word-of-mouth and social media. PQ Media projects that marketers will spend \$3.7 billion on word-of-mouth marketing in 2011.

Rich Cleland, assistant director of the FTC's advertising-practices division, said the commission is updating the guidelines to stay in step with evolving marketing practices. "The commission is attempting to update guidelines that are 30 years old so that they address current marketing techniques," he

See **FTC** on Page 21

Why watch Obama? Here are 13 million reasons

President's e-mail push offers marketers big lessons in engagement

By MICHAEL BUSH
mbush@adage.com

THE ELECTION'S LONG over, yet the e-mails keep coming in. Those who signed up to support Barack Obama during last year's campaign are discovering that they've become part of the "permanent campaign," the ground troops in the Democratic National Committee's ongoing battles. And the effort may serve as a template for marketers looking for ways to keep consumers engaged beyond the point of purchase by using a tool as old-fashioned as e-mail.

During the presidential campaign, President Barack Obama



OBAMA: Campaign is now permanent.

amassed a database of 13 million fervent supporters who were tasked with everything from making donations to recruiting more advocates. But after winning the election it was unclear just how he would use that database or if it would actually serve him any purpose going

forward.

Turns out the database has continued to be one of his biggest assets, and the "permanent campaign," as it has been dubbed, continued to roll on after the election, with e-mails from President Obama, First Lady Michelle Obama and campaign manager David Plouffe asking supporters to identify ways to get involved in their communities, donate money to the DNC and to the inauguration ceremony. Right around the time of the inauguration, it was announced, via e-mail of course, that management of the database and the grass-roots effort would be taken over by the DNC and be renamed "Organizing for America" (OFA). Mitch Stewart, a member of the campaign team, was named executive director, although Mr. Plouffe remains very involved

in Organizing for America's activities and development.

Natalie Wyeth, press secretary for the DNC, said the goal is to keep involved the people who were "so engaged" during the campaign. She said the DNC has not used the database to solicit donations yet, "but it should go without saying that we will need the financial backing of our supporters to keep OFA active," and that the frequency of the e-mails and who receives them is based on the White House's legislative agenda and what's going on in congress. It's not mailing the entire database every time. "Our strategy and activities will be dictated by what will work best to help President Obama accomplish his agenda items," she said.

See **DNC** on Page 20

Nationwide revives classic tagline in bid to show its comforting side

Insurer joins ranks of advertisers seeking to soothe amid recession

By EMILY BRYSON YORK
eyork@adage.com

NATIONWIDE'S ON YOUR side again—and so are a lot of other marketers these days.

With recession-weary consumers apparently less inclined to laugh, Nationwide is trading in its humor-

ous "Life comes at you fast" for the tried-and-true tagline "Nationwide is on your side." It's hardly alone in making a change, as a host of marketers from Home Depot to Visa and Nationwide rival Allstate switch to more-comforting messaging while the downturn grinds on.

Nationwide is putting its \$176 million budget behind a documentary-style campaign that features its insurance agents discussing how they help clients, with the tagline "I'm on your side."



"If you told me eight months ago that we would be doing an educational and testimonial campaign, I would have jumped off a bridge," said Steven Schreiber, Nationwide VP-advertising and brand management. But he said with consumers losing faith in financial-services marketers and the like, Nationwide wanted to strike a more reassuring note.



While "Life comes at you fast," which showcased Sanjaya Malakar, Kevin Federline and Fabio, "did a really good job of putting Nationwide on the map," he said, humor has become less of a point of difference as the commercials have been parroted and parodied in the past five years.

The goal was to stand out in a sea of reassuring insurance messages

'NATIONWIDE IS ON YOUR SIDE': Documentary-style ads features agents discussing how they help customers.

and get noticed in a price-driven category. (Nationwide is outspent more than three times by Geico, which laid out \$612 million in measured media spending last year, excluding internet and spot radio, according to TNS Media Intelligence.) So the insurer began by hiring documentarian Errol Morris, who won an Academy Award for "The Thin Blue Line," which tells the story of a man on

See **NATIONWIDE** on Page 22

Do shops need a recession unit?

Ogilvy has formed a dedicated practice, but others don't see the point

By JEREMY MULLMAN
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AS NAVIGATING THE recession remains marketers' primary focus, agency networks are debating how overtly they ought to package their slump-related offerings. Is offering recession-battling skills a client-winning proposition or simply the job of an agency regardless of the economic environment?

The former is obviously

espoused by Ogilvy & Mather Worldwide, which made headlines in November when it announced the launch of a global recession-consulting practice drawing on the network's long history with clients such as IBM and Unilever. The theory is that it can offer guidance to marketers trying to boost sales with a smaller budget.

Today, the unit offers 21 separate recession-related "solutions" to clients that it says it can implement in four to six weeks, and the likes of Six Flags and British Airways have signed up to get them. "The response has been exceptional," said Marc Fleishhacker, managing direc-

tor of Ogilvy Consulting North America, who manages the recession practice. He did not, however, discuss specifics of the programs and how they are being used by clients.

When it comes to major networks, Ogilvy is pretty much out there on its own. Nina Abnee, executive VP-account management at Chicago-based Leo Burnett, which handles economically sensitive brands such as Procter & Gamble, McDonald's and Allstate, said the agency sees little need for a separate practice to handle downturns, noting that feeling out the economy is the job of traditional account planners. "Marketing is about under-

standing the role your brand plays in people's lives, and it's really not any different during a downturn than it is during a boom," she said. "Our 'recession something' or whatever you want to call it is good marketing."

Mr. Fleishhacker disagrees, saying the unprecedented (in recent times) scale of the crisis has created urgency that traditional account planning is ill-equipped to handle. He said the approaches sold by his recession practice can use technology to measure consumer responses and engagement better and faster

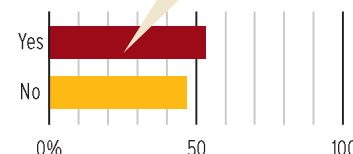
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WHAT YOU SAY

THE QUESTION:
DID THE GOVERNMENT OVERSTEP ITS BOUNDS BY DEMANDING THE RESIGNATION OF GM'S RICK WAGONER?

53%

said the Obama administration was right to ask the CEO to go.



When we asked this question, we expected a pretty strong "Yes" response from a pro-business readership. That the majority was a mere 53% was a bit of surprise.

Sure, there were the Obama worshippers and the Obama haters. But long, passionate cases were made on both sides of the question by folks like **Jack Daley**, who responded:

"That [legislators] should have demanded a sacrificial lamb in the person of Mr. Wagoner is ridiculous, given his credentials and achievements in guiding The General through times that have been unfairly demanding for many years.... Is government policy now and historically wrong? Undeniably. Are the Detroit Three free of blame? Not at all. Do they have a future? Yes.... Give them the loans. They will make good on them. But a sea change in attitudes by legislators should be the first and most important requirement."

David Simpson was among those who made the argument for the "No" vote: "The U.S. government ... is essentially acting as lender of last resort. It provides the bailout capital; it functions in much the same function as a board; it has the right to oversee (and make decisions) re GM's management/ leadership. With that kind of money on the table, it had better have weigh-in on these kinds of decisions! This aside, the 'little club' in Detroit had gone on for far too long. No real changes were imminent. GM (not to mention Chrysler) has been in denial and has been overly optimistic for years. Time for someone new to get behind the wheel. They were never going to get GM to where it has to go. The government only stepped in because nobody else would. Wagoner should have gone a long time ago."

—KEN WHEATON

NEXT WEEK'S QUESTION:
HAVE YOU HAD ANY PERKS OF YOUR JOB TAKEN AWAY DUE TO THE RECESSION?

To answer, log on to AdAge.com.



"This is not the time to stop talking with consumers. Use this opportunity to broaden your dialogue."

—Joe Tripodi, CMO, Coca-Cola Co.



"Brands should still leverage their unique value propositions and not join an undifferentiated sea of 'salve positionings.'"

—Esther Lee, former CEO, Euro North America



"The line has blurred between corporate reputation and brand marketing. You cannot buy a positive image; you earn it through action."

—Richard Edelman, CEO, Edelman

Fear factor gets Brink's buzz—and a sales boost

Ads play to consumer worries that crime will rise as economy falls

By RICH THOMASELLI
adageeditor@adage.com

HERE'S AN EFFECTIVE ad technique: Prey on fear.

It's worked for alarm-system marketer Brink's Home Security, at least, whose sales jumped 10% on the back of a chilling campaign showing families' peaceful lives suddenly threatened by a home invasion. Of course, there might just be another factor propelling sales: consumers betting that crime will rise as the economy falls.

Brinks wouldn't comment for this story. But President-CEO Bob Allen recently told Reuters, "People do seem to be more attuned to security issues. We found the market has been more responsive recently to our marketing efforts."

Its spots have generated much buzz online. They've been labeled as sexist, and been alternately praised and mocked for playing on the fear factor.

There are at least four different Brink's spots, but they're all generally the same: A woman is home alone as a spooky-looking guy attempts a home invasion by kicking in the door, but he immediately runs away as the Brink's Home Security system springs into action with its loud, high-pitched siren. Seconds later the phone rings, and it's a Brink's employee at a call cen-

MORE BIGWIGS WEIGH IN ON WHAT TO DO IN A DOWNTURN

Ad Age offers experts' advice as part of occasional series

By AD AGE STAFF

NOW'S THE TIME to go big. Or small. Dominate social media. Or stick to what's tried and true. In these stormy times, how are you supposed to discern what is right for your brand? There is no silver bullet, as you well know by now. As part of an occasional series, Ad Age puts forth what the experts are thinking regarding the recession. Send your ideas to Marissa Miley at mmiley@adage.com.

RICHARD EDELMAN, CEO, EDELMAN:

"This is more than a recession; it is a realignment of priorities and expectations. Companies and brands must recognize the evolution from shareholder to stakeholder society, with broader objec-

tives such as community benefit and social good alongside profit maximization. The line has blurred between corporate reputation and brand marketing. You cannot buy a positive image; you earn it through action. The best path forward is public engagement blending policy and communication, a decentralized, democratic approach and association with the important issues of our time.

Business must also regain lost trust by demonstrating its willingness to partner with government and civil society. The new approach must be to inform the conversation where it is happening rather than reverting to scripted messages in a paid format, for there is a dialect between control and credibility. The best

spokespeople are those with personal experience, expert credentials or from the mid-levels of the company, supplanting CEOs or athletes paid to play. Today smart brands use social media to listen; Twitter for customer services; and engage with people to tap into their desire to solve some of our challenges."

ROB WHITE, PARTNER, ZEUS JONES, MINNEAPOLIS:

Agencies need to stop treating social media and other new technologies as add-ons if they wish to remain relevant—and in business. "Most agencies are adding 21st-century tools but still using a mid-

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**“Houston,
we have
a product.”**



Imagine your brand on AMC, blending seamlessly with Oscar® winning movies and Emmy® winning originals. Here, your story becomes part of our story with countless ownership opportunities. AMC. Story matters here.



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Watch Apollo 13 this May on AMC.

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WHAT'LL BE THE BREAKOUT STAR THAT LINKS TV TO NET?

From Boxee to Apple TV, slew of new products promise smooth transition and expanded offerings. Here's what to expect

By **BETH SNYDER BULIK**
bbulik@adage.com

REMEMBER WEBTV, the über-hot, mid-'90s gadget that consisted of a box and a keyboard that hooked into your TV and brought the web right into your living room—all at incredibly slow dial-up-modem speed and

a premium price of \$300 for the box and \$20 per month for the service?

Since then, electronics, cable, telecom, hardware, software and media companies have been struggling with the promise and problems of internet-connected TV. Now, thanks to a confluence of factors—ubiquitous broadband, changing viewer habits

and cheaper tech parts—internet TV is on the verge of a breakout. However, there are still too many interested parties trying to play a part in making a seamless connection—and nabbing a piece of the payoff.

"It's completely feasible to create, but it's just the question of who dares to do it," said Forrester analyst James

McQuivey. "Look what happened when Boxee added Hulu: They got a cease-and-desist order."

It's not just a power struggle between hardware makers who can make the boxes and content owners afraid of opening up their content and revenue stream. It's also the cable and telephone companies that own

the wires, plus a whole slew of entrepreneurs with better, faster ideas who see an opportunity to make money.

This time, though, consumer demand could reach the tipping point. Some 2.5 million households would be willing to pay \$100 more for a web-connected TV, according to a recent Parks Associates' study.

ROKU



RATING:

★★★★☆

Love the budget price tag for the box and promised future content, but concerned about the still-slim current offerings.

This sub-\$100 box is also called the Netflix Player. That's because until recently, that's all it could be used for. Roku just signed a deal to offer video-on-demand titles via Amazon 1-Click purchasing. A Roku spokesman said it will offer 10 new channels by the end of the year and continue to expand its offering with "everything from user-generated content to photo-sharing services to premium, ad-supported content from a wide variety of partners."

SLINGBOX



RATING:

★★★★☆

Great add-on feature to an already great product. A tad clunky, as the laptop has to be physically near the TV, and offers no TV controls. Still, relatively cheap and easy set up.

Sling Media became a media darling "way" back in 2004, when its original Slingbox allowed consumers to watch TV on PCs—basically the opposite of what we're talking about here. However, not one to let a trend get ahead of it, Sling has created a new \$200 SlingCatcher that includes the ability to "project" PC content onto a TV.

XBOX 360 AND PLAYSTATION 3



RATING:

★★★★☆

Consoles are expensive (if you already have one, move up it to 3 stars) and content is still limited, with no announced promise of broader open web access.

Video gamers who own these boxes have been getting web content on their TVs for a while, but it's still a limited offering. At Xbox Live Marketplace, console owners can pay with points to rent games, movies and TV shows. And the new Xbox Experience did add Netflix "Watch Instantly" support. Sony's PlayStation offers games, plus movies and TV shows to rent (although fewer of the latter two than Xbox).

BOXEE



RATING:

★★★★☆

Free is definitely the big appeal, but media-owner heavy-handedness will likely continue to be a content problem in the short-term, and maybe longer.

At the beginning of the year, Boxee was slapped by Hulu with a cease-and-desist order to be removed from its offering, which it eventually was. Boxee is a free open-source software app still in alpha testing, available on Macs and in invite-only form on Windows. The software uses the home network so users can watch web content directly on their TVs. Boxee CEO Avner Ronen told All Things Digital a beta launch is planned for this summer.

VUDU



RATING:

★★★★☆

Good selection of web content and good stable of movie and TV content, but future strength relies on continued content build-out and consumer buy-in.

Somewhere between Roku and Slingbox is Vudu, an independent Silicon Valley start-up that has struck deals with movie studios and others for content, with an emphasis on HD. Its price falls in the middle, at \$149. The movie and TV content work much like video on demand, with Vudu owners renting or buying movies at set prices. Vudu also has 120 web channels with content from YouTube, Flickr and Pandora, as well as selections provided by networks such as ABC, CBS, Nickelodeon and Discovery.

APPLE TV



RATING:

★★★★☆

Unless another retool opens up the platform and brings many new content partners, widespread adoption isn't likely.

The promise of Apple TV—a pet project of CEO Steve Jobs—was high when launched in early 2007. But the \$299 price tag and Apple-limited content resulted in little traction and some complaints. The second version, released in early 2008, had a lower price of \$229 and got better reviews but still plenty of apathy. Consumers can access any iTunes content on their TVs but not much else besides YouTube, because of Apple's notoriously closed system. Tvpredictions.com analyst Phil Swann predicted Apple TV will disappear this year, thanks in part to the struggling economy.

CONNECTED TV



RATING:

★★★★☆

We like that users who might be buying a new HDTV set anyway can get Connected TV as an add-on, but if you're not already planning to buy, it's an expensive upgrade.

Yahoo has hooked up with a handful of partners including Intel, Samsung and AT&T for this widget-based web-to-TV content experience. Yahoo created the software and convinced consumer-electronics makers to add it to their proprietary chip sets inside TV sets. Samsung's first TVs with the capability—branded as Internet@TV—are shipping now. The idea is much like Apple's App Store: Users will be able to push a button on their new Samsung or Sony TV remote (later this year), and a widget bar will pop up at the bottom of the screen.

PCS AND OTHER HARD DRIVES



RATING:

★★★★☆

Techies won't agree with this rating, but for the average consumer, the expense—as well as the perceived difficulty and gadget tinkering required—makes it a less-popular option.

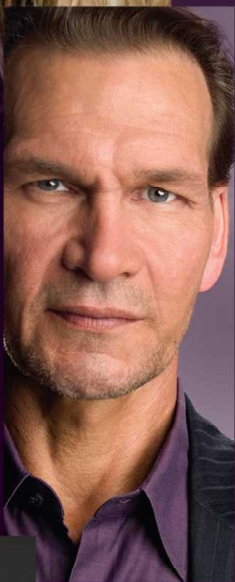
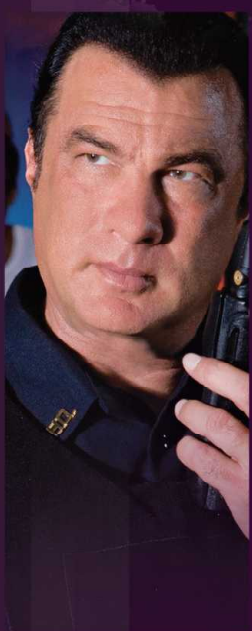
It probably shouldn't be too surprising that the most direct way to get the internet on your TV is to connect your PC to your TV. While that may sound like a daunting task, with HDMI connections, a direct route is as simple as a cable connect from one to the other. Without the HDMI connections, it is still possible but more difficult, and will probably require assistance from a tech-savvy friend, or at least a website. It can be expensive, too, if you don't have an HDMI-enabled TV or an extra PC just lying around.

READY, WILLING, CABLE.

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Mon-Sun 8-11 PM, as supported cable networks. Qualifications upon request.

aetv.com

TOP-TIER CABLE NETWORKS SET

Don't expect a whopping increase compared with '08, but those with ratings traction could see gains

■ BY BRIAN STEINBERG bsteinberg@adage.com

THERE'S LITTLE REASON to smile during these troubled financial times, but certain cable programmers might soon show their pearly whites.

It's been a grim parade of ratings and circulation declines and cuts in production costs at print and broadcast properties. Top-tier cable outlets, however, are poised to do relatively well in this year's upfront TV market negotiations, which many buyers suggest will be onerous and protracted.

"What I'm hearing is cable is definitely going to be better than broadcast. They've been stronger throughout this recession and from the media buyers I've heard their clients are more interested in

the cable networks," said Marci Ryvicker, a media analyst at Wachovia Capital Markets. Ad commitments for cable ad time sold during last year's upfront—when networks sell a large portion of their ad inventory for the coming season—were estimated at \$7.5 billion, a 10% to 15% increase from 2007's \$6.9 billion.

Mind you, cable isn't necessarily due for a whopping increase. Buyers suggest top-tier cable networks—those that produce original programming that have gained ratings traction—could see just a few percentage ticks upward in the cost of reaching 1,000 viewers, or CPM, a common measure of ad time during the upfront market. What happens to over-

all dollar volume is another matter altogether. In a time when marketers are holding on to their dollars ever more tightly, however, such a forecast is cause for tepid optimism for cable.

Top-tier cable outlets in the upfront "will be able to hold CPMs, or maybe see just a minimal increase relative to last year," said Mary Price, principal-brand media at Dallas independent Richards Group. Others? Well, the going will be rougher. "If you're a stand-alone, third-tier network, well, I don't think I would advise my clients to go and play in the upfront market with those types of networks. This is another year where you can hold back dollars and still get some deals."

\$7.5M

Amount cable TV booked in last year's upfront market

10%

Increase in cable upfront bookings in 2008 compared with 2007

What's driving the big cable consensus? For one thing, more advertisers are interested in reaching large slices of audience who flock to a particular topic—food aficionados who watch Food Network or kids who dash to Nickelodeon.

But there's also ratings erosion. The broadcast networks continue to be the best draw for millions of consumer eyeballs in one fell swoop, and advertisers that need to reach a mass audience at particular times—especially the fourth-quarter holiday season, when marketers will continue to need broadcast ad inventory to drive movie openings, retail sales and fast-food purchases. But fewer broadcast programs bring in the audi-

MULTIPLATFORM VIEWS? YEAH, WE CAN DO THAT

How MTV's Erik Flannigan juggles screens

■ BY ANDREW HAMPP ahampp@adage.com

WHEN ERIK FLANNIGAN began his role as Comedy Central's senior VP-digital media in December 2006, he faced the same conundrum all cable networks were grappling with: how to distribute and monetize his programming in a post-YouTube era.

However, unlike most cable-network groups, which remained cautious about embracing digital distribution at the expense of their dual-revenue relationship with the cable and satellite operators, Mr. Flannigan had no choice but to be aggressive. Topical shows such as "The Daily Show With Jon Stewart" and "The Colbert Report" had to stay relevant to their web-savvy fans, and he needed to take a stand against the Bittorrenters who made "South Park" one of the most pirated shows on the internet.

"We had a website that wasn't really oriented around video at all, yet three properties that were probably the most popular internet-video content from any cable network," Mr. Flannigan said of his early days at MTVN, which he joined after a stint as a VP-programming at AOL. "It was clear to me that if you wanted to attract the biggest audience to the biggest shows in our world, then you had to do what no other network was doing at the time."

Cut to today. Mr. Flannigan is exec VP-digital media for MTV Entertainment Networks. The entire ad-supported video archives for "The Daily Show," "Colbert" and "South Park" have been available online for more than a year, and, at no expense to any of the shows' on-air ratings. In fact, all three series continue to break their own

records despite online availability within hours of their initial telecasts. "The Daily Show" scored its biggest ratings ever with Barack Obama's Oct. 29 appearance, and beat out all of cable in its time slot (11 p.m. to 11:30 p.m.) among adults 18 to 49 with its Inauguration Day telecast. Online, thedailyshow.com continues to thrive. Last month Jon Stewart's confrontational interview with Jim Cramer became the site's most-streamed video of the year, with 1.3 million views in its first day.

Even "South Park" scored its highest-rated fall season premiere in eight years in 2008, and continues to be the top-rated cable show among men 18 to 24. Yet despite the show's continued popularity on all platforms, Mr. Flannigan initially had some trouble persuading the rest of the company to take the show online. "Some people suggested that [pirating] the show was niche behavior and not being done by the mainstream," he said. "So I did a Google search on just the two words 'South Park,' and the first three results were all pirate sites streaming episodes of 'South Park.' So I said, 'If you think this is somehow fringe behavior, I'm here to tell you otherwise.'"

Yet being the early bird to the digital nest doesn't necessarily mean getting the worm. The long-standing debate of how much cable networks can stream online for free before the cable operators call their bluff surfaced Dec. 31, when Time Warner Cable balked at Viacom's proposed 15% increase of per-subscriber fees, citing free online offerings of its most popular shows as a direct example



of how its content has been devalued to distributors.

Michael Nathanson, a senior cable analyst for Sanford C. Bernstein Co., said Comedy Central is a "very cheap network" to cable distributors, with affiliate-fee deals below 15¢ a subscriber. It's also a bright spot in a family that also includes MTV and VH1, both of which are down double digits in ratings and ad sales and have thus caused MTVN's ad-revenue growth to underperform the industry average, in the 1% to 2% range. Mr. Nathanson thinks Viacom would be smart to point to "Daily Show" and "Colbert" as areas of value to their subscribers, even if the ad-supported model has to change to subscription down the road.

"It's an ecosystem argument," he said. "You want to maintain the health of the [cable-operator] infrastructure, and also the network infrastructure, by having linear consumption affected by allowing people to view things on a one-off basis online" but not reach the point at which their not paying for that is damaging.

Yet in spite of the panic around live-rating cannibalization, Mr. Flannigan is hesitant to draw a correlation between

LESSONS LEARNED AT COMEDY CENTRAL

- As they move online, TV networks don't have to lose money or audience. Since 2006, MTV Networks has nearly tripled its digital revenue while achieving record ratings on-air and online for "The Daily Show," "The Colbert Report" and "South Park."
- If you build compelling experiences online, media buyers will follow. Mediavest recently started a "Cross-Athletes Program" to train its buyers to buy across platforms. "We're ultimately buying content, the viewing experience and video consumption, and we're changing right now to adapt to that," said Francois Lee, VP-activation director for MediaVest's Video Investment and Activation group.
- Content companies can still control the discussion even as the proliferation of Twitter and Facebook chatter gives more power to the individual fan. The next generation of "The Daily Show's" website is designed to harness all social activity around the show on the web under one destination.

"If that demo is defining themselves by iPods, we need to be delivering the content they need on that platform. You can't force people to pick a platform; I think platform choices are being made independently."

the web and its effect on linear ratings. "We do know the audience consuming this content online is a bit younger than the network. We also know it's seen nice gains in the demo it targets, which is men 18 to 24," he said. "If that demo is defining themselves by iPods and what computers they have, we need to be delivering the content they need on that platform. I don't think you can force people to pick a platform; I think platform choices are being made independently."

Mr. Flannigan declined to disclose the percentage Comedy Central's revenue that comes from digital but said it has nearly tripled since his arrival at the end of 2006. What's prevented that ratio from getting even higher, however, is a scarcity of cross-platform deals.

"One of the challenges to convergent selling has been doing a TV upfront with one agency for on-air and [another for] online," he said. "Until those came together, it was logistically challenging to sell. Now that we're seeing that happen, more and more who've grown up in the digital ranks are coming to agencies. Now we have to create video ad models that people think are as compelling as broadcast."

TO TAKE ON BROADCAST

ences of the medium's heyday, and NBC's introduction of a five-days-a-week talk show featuring Jay Leno at 10 p.m. brings broadcast's power to draw the biggest audiences even further into question.

"While overall TV viewing remains remarkably stable, the broadcast networks' share of the pie continues to shrink. Depending on the demo, all broadcast viewing for the week among adult age groups is down between 5% and 10% from last season (the declines tend to diminish as the demos age)," wrote Steve Sternberg, exec VP-audience analysis at Interpublic Group's Magna. He added: "Ad-supported cable

has picked up virtually all of the defecting broadcast viewers."

All this talk prompts speculation that cable could lead upfront sales this year, something that happens rarely and hasn't happened since 2004, when Ford Motor Co., among others, started making deals with cable outlets including Viacom's MTV Networks and Time Warner's Turner channels. The diminishing gap between broadcast's share of ratings and ad dollars could give cable a chance to lead the marketplace in this year's upfront, said Steve Lanzano, chief operating officer of Havas' MPG.

Some cable executives have picked up on this trend and are using it in their sales

itches. In an upfront presentation for Discovery Communications' cable networks, Joseph Abruzzese, president-ad sales, pointed out that a marketer could buy time on four of his networks during prime time for the same amount it would spend on a single broadcast network.

Given the state of the economy, however, cable's ability to notch a win in this environment is not a sure thing. "The cable networks are not in as dismal a [ratings] supply situation as the broadcast networks. There's going to be a good number of cable ratings points to buy, with demand that is likely going to be lower in the upfront," said Ed Gentner, senior VP-group director at MediaVest.



LANZANO



GENTNER

But there are some positive signs in the ether. Analysts often look at second-quarter ad sales as a barometer for the health of the upfront market. The theory is that if pricing for ad time bought much closer to air date is robust, then marketers will put more money down in the upfront as they seek to lock down prices. Weak scatter pricing means marketers have less impetus to secure a cheap roost, since prices are already attractive. When it comes to scatter, "the cable networks are even to slightly up from the upfront, and broadcast is flat to slightly down," said Wachovia's Ms. Ryvicker. Whether that's a sure bet in this enervating ad economy is anyone's guess.

ADDRESSABLE ADS ARE HERE; WHO'S READY?

Canoe Ventures rolls out national, scalable, interactive TV spots

■ BY ANDREW HAMPP ahampp@adage.com

ADVERTISERS AND AGENCIES have asked for more-relevant TV advertising platforms for years, whether it's addressing two different versions of the same ad to different household-income levels or adding interactive capabilities. Now that such technologies are finally available on a national basis, this could be the first upfront where buyers and networks negotiate a different kind of TV ad model.

Canoe Ventures, a joint effort across the country's six largest cable operators helmed by former Aegis Media CEO David Verklín, seeks to change the way cable networks sell ads by making national spots locally targetable through addressability and interactivity. In February, Cablevision became the first cable operator to open its entire roster of 2.4 million digital homes to enable scalable interactive channels for all of its local video-on-demand affiliates, as well as interactive "power 30-seconds" for Rainbow Media networks AMC, We TV, IFC and Sundance.

Time Warner Cable, the country's second-largest cable operator, will roll out interactivity across its 8.6 million households in October, and its top five markets will be lit up later in the second quarter. The company experimented with couponing and other interactive requests for information in recent months in major markets such as Los Angeles, where tire manufacturer Big O Tires experienced recent spikes in traffic after offering free-tire coupons on its custom interactive Time Warner Cable channel. Joan Gillman, Time Warner Cable's exec VP-media sales, said set-top-box data delivered the most compelling metrics. "We could see who clicks, how many coupons and how they're redeeming them," she said. "The response rates have significantly improved."

63.7M

Number of basic-cable subscribers in U.S., as of December 2008

63.4%

Digital penetration (% of basic-cable subscribers)

40.4M

Number of digital-video subscribers in the U.S. as of December 2008

28M

Number of digital-cable subscribers at top three Canoe companies

Sources: SNL Kagan, National Cable & Telecommunications Association, Canoe Ventures

Barry Frey, Cablevision's senior VP-advanced platform sales, said the recession has also accelerated advertiser interest in more web-like platforms for TV ads. "In this economic climate, people are seeking more accountability, more metrics and more engagement," he said. "The real key here is people have been using VOD and iTV, and advertisers have to now adjust their media spend to the habits consumers are taking on."

But how ready are marketers? Steve Lanzano, chief operating officer of Havas' MPG, said because such ad platforms have only been experimented with on a single-market, single-distributor basis, most clients have yet to make them a dedicated part of their national media plans.

"They just don't have the knowledge base to understand how it works," he said. "As it becomes more scalable, it is a real proposition, but it also brings up questions on how to measure success. I still think it's up in the air, and different for every client and category."

In September 2008, the agency ran a test for American International Group and Time Warner Cable across 19 cable networks in its Oceanic, Hawaii, market. Unfortunately for AIG, the campaign coincided with the insurance company's controversial government bailout. The surprise silver lining: Click-throughs increased throughout the campaign's four weeks, even after AIG's troubles became public. Mitch Oscar, MPG's exec VP-tele-

visual applications, said of the 12,000 people who made up the 7% of the market's digital-cable subscribers who clicked on the AIG banner ad, 61% were existing AIG policyholders. Because of how the campaign was measured in relation to its zone, network placement and audience makeup, Mr. Oscar said, "this is the first test or experience where we've proved addressability works on TV."

Of course, 7,000 people in Hawaii is hardly scale, and that's often the biggest concern when it comes to national buys. "The fundamental question we get from CMOs is: Is it worth it?" said Joshua Herman, digital-marketing-innovation leader for Acxiom. "Can you demonstrate it was worth the effort to do the data integration and identify the worth of the customers vs. non-customers?"

Jeff Minsky, who oversees emerging media for Omnicom Media Group Digital, said interactive advertising has proved to be a strong direct-marketing tool, "but it is exactly that. It's the same ranges you would get with an 800 number or a microsite, which might overwhelm some clients or be valuable to others," he said. "The technology being implemented on a national basis across Time Warner and others is phenomenal, but the consumer behavior and motivation for the consumer to interact is going to be a challenge for people used to interacting on a PC screen or their phone."



VERKLIN: Canoe Ventures



FREY: Cablevision

MORE AT ADAGE.COM

Road to the Upfront: Missed an upfront presentation? Can't make it to the ones Bravo and Oxygen are staging this week? Never fear, Ad Age is here. We've got coverage of all the key upfront presentations online, including demographic data, advertising revenue, key executives, and even which stars showed up and what kind of food and drinks were to be had. Go to AdAge.com/roadtotheupfront09.

Want even more cable upfront coverage? We've got that, too. Look for these stories online at AdAge.com/cabletv09.

Turner's 'broadcast replacement' pitch: Time Warner cable networks TBS and TNT continue to invest in original programming in a quest to get marketers to spend more with them. See what media buyers have to say about that strategy and whether they are ready to buy in.

History 2.0: As recently as three years ago, History Channel could politely be referred to as your grandfather's network, chock-full o' Civil War documentaries and George Washington profiles. But in 2009, the network has become a surprise destination for young men thanks to shows such as "Ax Men" and "Ice Road Truckers." See what's in store for next year.

Cable news: A Democrat in the White House didn't deliver quite the ideological shift in cable news ratings that played out post-9/11, when Fox surpassed CNN. However, it seems that a strong viewpoint has never been more important to cable news, with Fox up more than 50% among adults 25 to 54 in the first quarter of 2009 compared with 2008 and MSNBC beating CNN in prime time for the first time during the entire month of March. See what those shifts mean for media buyers.

THE LEADING IN A CHANGING



Two
and a Half
Men



Ellen



Extra



Bonnie



The People's
Court



Cold
Case



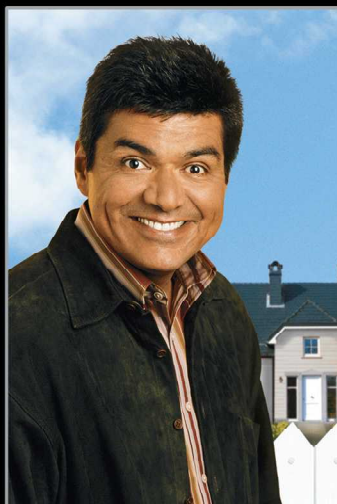
VOICE

MEDIA LANDSCAPE

TMZ

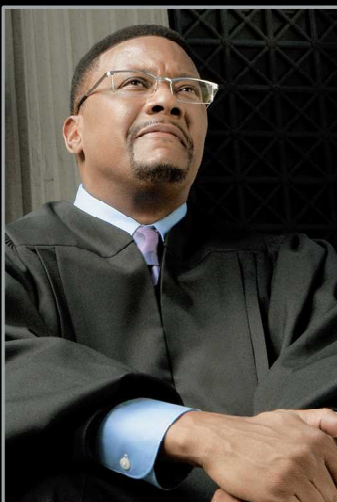


Friends



George
Lopez

Tyra



Judge
Mathis



Judge
Jeanine
Pirro

Without a
Trace



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Reader comments from AdAge.com

■ “It’s poetic justice. The media promoted Obama and got him elected, and now they can’t use Michelle to sell their rags!”

■ “The mainstream media is owned by a handful of corporations all of whom are as right wing as they come.”

VIEWPOINT

Edited by Ken Wheaton, kwheaton@adage.com

Do you have something to say?

Send letters to the editor and corrections to Viewpoint@AdAge.com or to Advertising Age, Viewpoint, 711 Third Ave., New York, N.Y. 10017. Please limit letters to 250 words. Ad Age reserves the right to edit letters. COMMENT DIRECTLY AT ADAGE.COM

EDITORIAL

Big agencies face challenge from social-media upstarts

Everyone’s an expert these days—a social-media expert. Consider the case of Gary Vaynerchuk, the wine-store proprietor who, thanks to any number of social tools, has become a multiplatform vino expert with an influential online video channel and a \$1 million book deal. Those same tools have helped the bubble-brained scenester Julia Allison achieve similar heights of popularity, if not expertise.

At Ad Age’s Digital Conference last week, Unilever CMO Simon Clift called Ms. Allison a case of what’s possible when you have “a dollar and a dream.” Mr. Clift, of course, has more than just a dollar at his disposal. He has a few billion, many of which will go to agencies he hires to promote and protect products such as Dove. But just what kind of shops will get the biggest share is one of the biggest and most-pressing questions facing the agency business in the post-advertising age.

Will it be the big, global networks that have suckled on the likes of Unilever for decades, or will it be the little social-media upstarts now multiplying like rabbits? It might bother you to hear that knowing your way around a big budget alone won’t get you terribly far. “I’m convinced fat media budgets help make people lazy,” said Mr. Clift, “and we’ve thought about [whether we] should cut media budgets

on some specific projects in order to force people to come up with ideas.” That should be a scary thought for a creative used to seeing his ideas ride the wave of a multimillion-dollar media buy. The order of the day now is not to inflict creative notions on consumers with mere repetition but to enter into a two-way conversation with them and talk about the issues they want to talk about.

Is your agency ready for this? By now, it should be, because it’s pretty certain that the world won’t wait for you if you’re not. And there are any number of small shops out there—you know, the ones with “a dollar and a dream”—who will step into your place and do the heavy lifting on YouTube, Twitter, Facebook and other websites where consumers are spending more and more time, not merely watching slack-jawed but interacting and controlling content and shaping brand realities on a 24/7 basis.

To remain at the right hand of the brand, ad agencies will have to continue to disrupt their own processes, change out talent, and even reconsider what a brand is—namely not something they create but something they can help manage. Size certainly won’t be enough, especially if Mr. Clift serves as example of where clients are heading.

READERS RESPOND

Ries is right on recession thinking

RE: Al Ries’ “Don’t Damage Your Brand for Short-Term Gains in a Recession” (AA, April 6). As the company slides toward oblivion, GM risks destroying its premier brand, as it has its others.

It’s a shame, because the overall Cadillac product line has improved in recent years (its rebadged and leather-smothered trucks not withstanding). The only way a four-cylinder Caddy would work is as a deliberate green machine, made of recycled but sumptuous materials, with ultra-low emissions but good acceleration due to light weight. Then you’d have to charge no less than \$45,000, defeating the perceived purpose of a cheaper Caddy.

The Packard analogy is dead on. Packard was the first luxury carmaker to blink and offer an “entry-level” model. Fast-forward to today: Jaguar released the X series, based on the plebian, front-wheel-drive Mondeo. Given Jag’s already shaky rep, the X sent the brand tumbling straight into the arms of Tata Motors.

Jason Karpf
Thousand Oaks, Calif.

While you are 100% right, I’m just not sure that the free-market mentality of the average American shareholder allows

him to care whether his demands for short-term gains kills the brands of the firms he “invest” in.

In a recent CNN panel discussion, the guy who advocated buying gold to protect your savings from vanishing in the crapshoot that stock and real-estate investments have always been immediately got shot down by an analyst who pointed out that anyone who bought gold in the past 40 years hasn’t made decent profits. The only reaction to this astoundingly stupid retort was mild nodding from the panel.

You see, owning gold would have made every person in the world immune to this downturn, as they would not have lost any equity. Yet most people nod along with to the notion that we must always be looking for profit at all costs—after all, that’s the tenet at the root of capitalism.

With this mind-set, shareholders are going to push for the firing of any C-suite employee who does not deliver short-term profits, so luxury brands are doomed—unless they employ very clever, strategically creative thinkers to develop solid marketing tactics to avoid undermining their brands.

As IQ is a relatively rare commodity and the only reliable indicator of executive

performance, most firms will very likely need to look outside their organizations for the type of thinker they’ll need to avoid making grave short-term mistakes.

Just listen to Starbucks’ CEO a few weeks ago: “We’ve become the poster child for excess.... We are going to dispel this myth about a \$4 cup of coffee,” Howard Schultz said in his presentation to shareholders. Out the other side of this “economic re-boot” we’re going through, he’s going to rue the day he decided to steer his brand away from an enviable, hard-won luxury positioning. But his shareholders want double-digit growth, globalization and marketing to the masses, not retention of brand equity, sadly. Most marketing folks are just going to hunker down and follow the prevailing wind, not innovate or strategize for the long term.

We need CEOs who get that sometimes you need to listen to really insightful, smart people, even if this thinking has to be outsourced in, horror of horrors, a period when shareholders are demanding they “do more with less.”

Kevin Lenard
Toronto

Fear won’t lead to brand recall

I wanted to comment on the

New York City Department of Health’s use of that anti-smoking “lost-boy” ad, which utilizes fear appeal (“Donny Deutsch: It’s OK to Make a Kid Cry if It Stops People from Smoking,” AdAge.com, April 2).

As CEO of a full-service, ad/web agency in Toronto, I was outraged a few years back by the blatant use of fear appeal in a safety commercial running in Canada. Several vignettes in this flight left the general public, well, terrified—so much so that the brand-name recall was lost.

I set out to determine if fear appeal in advertising actually works. I undertook my master’s studies and researched and wrote my thesis on “the role of emotion in communications aimed at modifying risk-taking behavior.” Smoking fits the definition of risk-taking.

The answer is: If fear appeal alone is utilized, the ads will not work. They will just end up leaving our target audience frightened. No recall of the ad—just a feeling of fear and extreme discomfort.

Gavan Howe
President-CEO
Ebranders.com
Toronto

CORRECTIONS

RE: “Five Brands Doing It Right, Doing It Wrong” (AA, April 6). LVMH is in a joint retail venture with De Beers Group.

AdvertisingAge

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SMALL AGENCY DIARY

COLUMNS

Edited by Ken Wheaton, kwheaton@adage.com

Catch up with our blogs

What are our Small Agency Diarists worrying about this week? What's going on under The Big Tent? Do our Songs for Soap bloggers think your commercial works?
ADAGE.COM

Big idea from a small business: a market-based pricing model

JONAH BLOOM



AT 19, Jeremy Parker took \$7,000 he'd saved from his bar mitzvah and turned it into a production budget for a film called "One Per Cent," about America's wealthiest citizens. "One Per Cent" won the audience award at the Vail Film Festival in 2006. When he came out of Boston University's College of Communication, Parker took the money he made on the film together with cash he'd earned over the previous few summers, and started his own business, TeesandTats, last July.

"I figured the best way to learn business was to run one rather than keep studying," he said. He saw an article in GQ about renowned Portuguese tattoo artist Marco Serio and spent three months badgering him until he got in touch and agreed to come up with designs for high-end T-shirts. Each T-shirt would be a limited-edition piece signed by the artist and would retail at \$110. Like so many youngsters going into business, Parker also built in a cause

from the beginning, in this case promising a share of every sale to Artworks, a charity that provides access to art programs for children and young adults suffering from chronic or life-threatening illnesses.

He was soon moving five or six shirts a day through teesandtats.com and boutique clothing stores. In the first three months, he pulled in \$35,000 and established good personal relationships with a number of retailers. Then last September the recession suddenly started to bite, and sales dried up. Could it be that people just went off the T-shirts? Parker didn't think so. "The buyers said they loved the designs and that they'd sold well, but people had just stopped spending in their stores, so they stopped ordering."

"I needed to come up with something to get people over their nervousness about spending," said Parker. "I needed to come up with something that'd allow me to survive." But he also knew he couldn't just hack prices, at least not if he

wanted to ever get them back up. So, just over a month ago, he hatched what he called his Customer Recession-Proof Plan: When people bought a T-shirt, they'd be given the closing price of the Dow for that day. For every 100 points the Dow dropped within two months after the time of purchase, they'd receive a \$5 refund.

Whether this was the insurance some of the buyers needed or whether they just admired his ingenuity, they started buying again. Sales are back to pre-recession levels. Meanwhile, Parker has been negotiating with a large retailer to create a line of similar but cheaper T-shirts that can be sold under the retailer's brand. For now, at least, it looks as if Parker's fledgling business will make it. Whether the world needs another T-shirt brand is up for debate, but America definitely needs hard-working, ingenious young entrepreneurs like Jeremy Parker.

And other marketers might like to think about his idea of a

market-related pricing model, because it shows sensitivity to the customer's situation without doing the damage to brand and profit that a price cut can.

One other marketer has already cottoned to this. Michael Colombo is marketing director for ProActive, a physical-therapy and personal-training business in Tucson. He came across mention of Parker's scheme on Mark Cuban's Blog Maverick and loved it. "In today's economy people are more worried about putting food on the table than spending money on personal training, so I've been looking for ideas to get them to sign up," he said. Maybe I'll tie it to the market, like Jeremy, or maybe we'll offer them discounts based on how much weight they lose. Lose weight, gain money—an incentive that works for them."

"Either way," added Colombo, "what we know is that we need to think about different ways of doing business, and Jeremy's idea could be a big one for us."

With Virtue, media brand Vice helps marketers tap its genius

TERESSA IEZZI



WITH ITS RECENT fashion issue, adorned by a striking Ryan McGinley-shot swine, Vice magazine marks its biggest edition ever. Nice for them, and a rare bit of good news in magazine land. But Vice, chronicler of youth culture, purveyor of the profane, is also one of the more unlikely yet most convincing cases of a media brand (a real media brand, and that's an important distinction) turned brand partner. Vice magazine, which was launched under the shadiest possible circumstances in Montreal in 1996, has since become a global media operation with offices in 22 countries, encompassing a website; music and retail concerns; and, since 2007, an online content channel, VBS.tv, for which the company partners with MTV. As noted here previously, the channel offers some genuinely interesting—dare one say important—content, (such as last year's deeply depressing "Garbage Island" and feature film "Heavy Metal in Baghdad") while still bringing the

vice (For example, "Shot by Kern" is essentially one long masturbation-assist highlight reel for straight males).

The company has worked with advertisers of a certain music/sneaker/lifestyle type before. But marketing efforts were coordinated in earnest two and a half years ago with the creation of brand-strategy/creative arm Virtue. The shop was born when Spencer Baim, a former strategist at Fallon, approached current Vice principals Shane Smith, Suroosh Alvi and Eddy Moretti, and pointed out, "If these massive brands (like Nike) are coming to you to do small things, they will come to you to do big things, too."

Virtue's inaugural project was Virtual Lower East Side, an online music experience for client MTV. More recently, Virtue has undertaken a range of brand projects (and, yes, even advertising) for the likes of Rock Band (brand ID and packaging-design work), Edun (a VBS series on mountain gorillas), Dell (a tech series called

"Motherboard"), Red Bull (a reality show called "School of Surf") and action-sports enterprise Alli, for which Virtue undertook a complete rebranding, and created ads and an online content hub. The shop just completed its first project with energy drink Guru and announced a partnership with Kanye West, who has signed on to create new Guru products.

The success with youth-targeted brands and the ability to create and execute a range of projects are where the real-media-brand part comes in handy. Virtue takes Vice's core genius—its winning way of interpreting the world of and for urban youth and those who wish they were urban youth—and applies it to for-hire work for brands. Those brands also benefit from the sensibility of Vice's contingent of writers, photographers and artists. Not all media outlets have the kind of unmistakable voice and hard-won authenticity that works in Vice/Virtue's favor.

Will too much Virtue be bad for Vice? Simon says "we're care-

ful" about keeping Vice Vice but also notes that its demographic is more concerned about quality of content and transparency than with the fact of brand involvement. "Vice has always been free," Baim notes. "It's existed because brands have bought media within the magazine. We're just pushing that further and looking for smart creative ways to drive clients' businesses forward as we drive our own forward. It all comes down to openness, transparency and great content. When it's done right, it's embraced and accepted."

And for all the detached hipsterism of Vice, there's an earnestness, too, that has informed Vice content and will likely steer the company's brand efforts. "We want to make young people's lives better," says Simon. "We want to make amazing brand communications that affect people."

Teresa Iezzi is the editor of Creativity magazine and Creativity-Online.com. E-mail her at tiezzi@creativity-online.com.

AS SEEN ON
**ADAGE.COM/
SMALLAGENCY**

JOHNSON: I WANT TO GIVE OUT RAISES

I'm here to tell you that it's still possible to make the big bucks in advertising and get a raise during a recession. You'd think the owner of an agency would want to control costs and hold down salaries. Not true. There are times I want to stuff money in people's wallets. It's more fun and more rewarding than buying real estate with no money down. My best advice when you're looking for a raise is to ignore those newspaper columns that tell you to make a list of your accomplishments. If you need a list, you probably didn't make much of an impression.

AS SEEN ON
ADAGE.COM/BIGTENT

NEWMAN-CARRASCO: DO YOU GET IT?

I have worked with many individuals for whom the U.S. Hispanic marketing arena is uncharted territory. Yet, professionally, they have been able to embrace the value and importance of this segmented marketing opportunity and act upon it. So I set out to classify the types of marketers I've known and see if I could find patterns that exist and qualities that distinguish the "get its" from the "never going to get its."

AS SEEN ON
**ADAGE.COM/
GLOBALNEWS**

CHANDRASEKAR: WOMEN IN IN INDIA

A new trend in India is worth noting and celebrating. After years of mother-in-law vs. daughter-in-law power-struggle stories, there is now a significant shift in soap operas broadcast in Hindi, the national language. A flood of new serials are celebrating the daughter. Almost every other soap is now about daughters, sisters and young brides finding romance in their marriages. And "girl-child" issues are in.

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CMO STRATEGY

Edited by Jennifer Rooney, jrooney@adage.com

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THE CMO INTERVIEW

KATHY CARTER

SOCCER UNITED MARKETING



SOCCER IN THE U.S. REACHES ITS GOALS A STEP AT A TIME

Kathy Carter on how MLS has survived recession and critics

By RICH THOMASELLI
rptsports@aol.com

THE WORLD OF U.S. soccer is, quite fittingly, at Kathy Carter's feet. The 39-year-old is exec VP of Soccer United Marketing, and oversees all sponsorship, advertising sales and marketing for Major League Soccer, the Mexican National Team, the famed Mexican club team Chivas de Guadalajara's rights in the U.S., domestic Mexican club tournament InterLiga, the SuperLiga tournament and the new Women's Professional Soccer.

Somehow, with a small staff and big ambitions, she's made it work, especially for Major League Soccer. The MLS kicked off its 14th season last month, disproving critics who thought that American sports fans would not sustain a professional soccer league. Not only did MLS add Seattle as its 15th franchise this season, but Philadelphia comes aboard in 2010, and both Portland, Ore., and

Vancouver join in 2011. The league started with eight franchises.

A good deal of that success can be attributed to Ms. Carter's efforts. Since assuming her role in 2003, she has overseen the addition of more than 40 partners, and overall activation against the various soccer properties has more than tripled. In 2008, Ms. Carter's group added Volkswagen, American Airlines and Microsoft's Xbox to MLS's existing blue-chip-client list. It also successfully launched the MLS communications platform: "Football, Fútbol, Soccer, MLS," meaning that while it's called football in Europe, fútbol in Latin America and soccer in the U.S., it all means the same in MLS.

Indeed, the league has players from more than 50 countries—including the world's most well-known player, England's David Beckham—on its rosters, a key selling point for Ms. Carter as she goes to market.

Last month, Ms. Carter helped

launch the SUM Digital Media Network, where media buyers and marketers can buy soccer-focused advertising at once as opposed to doing dozens of individual deals.

Ms. Carter talked with Ad Age about her role, ever-growing MLS and the rise of America's "Soccer Nation."

In a broad sense, how is MLS doing? The league is expanding; the Los Angeles franchise was able to make the deal that returns David Beckham to MLS this summer; and there have been few, if any, layoffs. From an outside observer's standpoint, you seem to be doing well.

Certainly that's a fair statement. We feel fortunate. The one thing is we've been pretty conservative about our fiscal plan and our growth plan. That bodes well heading into unprecedented times. If we stick to what we do, we're going to come out of this just fine.

How do you plan on to make Americans

"We actually believe that a Soccer Nation already exists.... The demographics of this country are changing, and they are changing in favor of the sport of soccer."

a nation of soccer lovers in the same way they are a nation of baseball and football lovers?

We actually believe that a Soccer Nation already exists. There are millions of soccer fans in this country—and many more are either bringing their families here every year or growing up in the game. The demographics of this country are changing, and they are changing in favor of the sport of soccer.

How do you go to market knowing that, while soccer remains extremely popular for the under-17 set just judging by participants, it's still somewhat far down the popularity food chain of pro and college football, pro and college basketball, baseball, hockey, NASCAR?

What we've realized is we have a handful of different selling points. Multicultural is the biggest of those; there's no debating that. The No.1 sport in the Hispanic market is soccer. If anybody in multicultural wants a conversation, they need to start with soccer. We've targeted that mark very specifically. And we have a young demographic—18 to 34, and in some cases, 12 to 24.

How do you measure yourself against other U.S. team sports?

It's challenging because it's not Coke vs. Pepsi. For us, we have another subset, which are the global and international leagues. ... We're only 14 years young. There are lots of metrics we can use, but in 14 years the number of new stadiums, the size of expansion teams buying in, even the level of quality of play—these are the things we look at.

And how are you measuring/proving marketing ROI?

We work with our partners to identify the most effective means to measure success—whether that's third-party research, on-site surveys or online polls. Research consistently shows MLS fans are extremely passionate, regularly translating that passion to existing league and club-specific corporate partners.

A soccer game might be off the list of consumers' spending priorities right now. How do you combat that? Will you market the fact that you can take a family of four to an MLS game for far less than it would take to see another major sport?

This economy is affecting all forms of entertainment—not just the sports industry. Our average ticket price is slightly over \$20, which is comparatively favorable. Fans know that they can bring their families out to the stadium for an affordable night of entertainment.

In what innovative ways are you trying to reach consumers, and which outlets are giving you the biggest bang for the buck?

We use social-networking sites like Facebook and Twitter to communicate with our fans. Our teams have their own social networks—see MyDynamo.net (for Houston Dynamo fans) for a great example. This gives fans a unique way to interact with their favorite athletes. Beyond digital/new media we are focused on traditional grass-roots marketing. Our strategy has multiple prongs: One is to be where the game is taking place, and the other is to reduce the barriers of entry and provide opportunity for kids—of all ethnicities—to grow in the game.

How does the new Soccer United Marketing Digital Media Network play into this?

It's not too dissimilar from the offline world. One centralized sales force actually helps companies navigate the waters. In the game of soccer, the average consumer goes to six to eight sites to get their information. That can be MLS.com, Goal.com—any number of sites to get different viewpoints. At the same time, the size and scope doesn't warrant or rate on an advertiser's scale, but collectively it's proven to be a popular conversation. They can get size and scale. The easier we can make it for our partners to navigate, the better the return.

You've gone through a number of marketing strategies and communications platforms throughout the years, but you've settled on one: "Football, Fútbol, Soccer, MLS." Why this one, and why is it going to work?

It takes many years to brand yourself. It's an evolution of things we tried and failed on, quite frankly. At the end of the day, we realized the game comes first, no matter what you call it. We have to be credible, authentic and include all those ethnicities.

Is that why you waited so long to put sponsor names on team jerseys?

We talked about it very early on, and it was actually (team owner) Lamar Hunt saying we need to establish our teams in our local communities, first and foremost. We didn't go to the front of the jersey for that reason. Also, there needs to be a level of maturity of the league to get to that point. It took us a long time, almost 18 months, to come up with the right model to sell that location, and it's been extraordinarily positive to what's going on in the market. We got our sea legs, built our credibility in the local markets and then moved forward with that.

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Online shopping goes from solo experience to social interaction

'Fluid Social' technology allows friends to make real-time purchase suggestions via Facebook, IM

By NATALIE ZMUDA
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ONLINE SHOPPING is about to get social.

For years retailers have struggled to improve their online experience, but shopping online is still a solo endeavor, devoid of the interaction many consumers seek. Groups of women aren't often found huddled around computer monitors for a shopping trip, after all.

Without that interaction and purchase validation, shoppers, plagued by indecision, often abandon retailers' sites, said Andy Lloyd, CEO of Fluid, a San Francisco-based interactive agency. But now, with the proliferation of social media and the popularization of instant-messaging services, Mr. Lloyd believes customers and retailers are primed for what his agency has dubbed "Fluid Social." In the coming weeks, two technologies—friend-based merchandising that involves Facebook and collaborative shopping—are being rolled out to big-name retailers, including Vans, Lucky Brand Jeans and Warner Entertainment.

The collaborative-shopping technology, which is now live at Vans.com, allows consumers who are building custom shoes on the site to chat with friends in real time about the product design. The customer clicks on a link saying, "Invite friends to design with you," giving them the

ability to access friends through AIM, e-mail or any other service a link can be sent through. Assuming the friend is also at a computer, she can join a chat on the Vans site to give a thumbs up or down on the design, as well as make her own suggestions.

"Facebook has chat integrated, so chatting within a page is now something people are comfortable with," Mr. Lloyd said. "The ability to elicit someone's opinion at the point of decision is an important thing."

In the week that the collaborative shopping technology has been live, Katie Bongiovanni, Vans' director of e-commerce, reports sales and traffic are up. "It's preliminary, but the customers who have talked to us about it have been really happy with it," she said. "This is really how our consumer lives online right now. The collaborative part of it is resonating."

While the technology has clear advantages for retailers doing custom products, Mr. Lloyd said it makes sense for general retailers as well. For example, Jansport will add the technology later this month, allowing customers to seek opinions on potential purchases and allow their friends to make alternative suggestions.

"Considered purchases" like furniture or appliances are a logical match with the collaborative-shop-

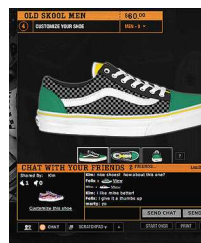
ping technology. "That's a huge piece of this, because not a lot of people live alone. ... "And they're not going to buy a couch without [a] roommate or spouse saying yes or no," he said.

Ms. Bongiovanni added that, generally, more customers are expecting custom experiences and custom products, making the addition of Fluid Social a logical next step for the brand.

The second piece of technology, friend-based merchandising, is now live at Jansport.com. When shoppers are viewing a product, they are given the option to "Share on Facebook" by adding the "My Favorite Jansport" application. Once the shopper has added the application, she can invite friends to comment on and rate Jansport products. As the application gains steam, customers will be able to view comments and favorites from their friends.

The technology does not use Facebook Connect at this point, though Mr. Lloyd said it is likely to in the future.

David Polinchok, chairman of Brand Experience Lab, said this type of interactivity could mean fewer abandoned shopping carts. "You get more people to make decisions on the spot," he said. "Right now, either you can chat with the retailer or save something [to look at later]. I've got a wish list at Amazon.com, but I probably haven't been to it in a year."



HOW'S MY SHOE LOOKING? Vans' site lets users design sneakers with friends.



LLOYD

STEVE RUBEL

ON DIGITAL COMMUNICATIONS

Twitter is peaking; get ready to follow the geeks onward

I have been an active Twitter user since January 2007. And it's been remarkable just how much it has changed since, particularly as it went nuclear.

However, it's also important to see the big picture. No community has ever had staying power more than a few years. So, with that, here are three reasons why I see Twitter peaking now.

CELEBRITIES: Just six months ago, the list of the top 100 users on Twitter read like a who's who of geeks. That's what made it a draw, initially. Now, however, the list looks like People or US Magazine. Twitter may lose its geek cred as celebs flock to the service.

Historically, as the geeks go, so goes social media. I believe that the Founding Fathers and Mothers of Twitter will soon tire of it and seek the next shiny object.

DISORGANIZATION: Twitter attracted a following because it's disorganized. Since replies are not threaded, celebs and corporations do not feel they have to respond to every tweet. It's a tree-in-the-forest thing. There are no comments to moderate. And this makes it more attractive than blogging.

However, what was once "a feature" could begin to be seen as "a bug" and lead us to seek more organization.

SUPERFICIALITY: Brevity rules on Twitter. And this has encouraged time-starved celebrities and corporate types to jump into Twitter much more so than blogging. It also supports anonymity. You can be "a corporation" on Twitter, which you really can't do with a blog.

However, as Twitter grows and people begin to crave reading tweets from personalities and others they trust, I wonder if they will want a deeper relationship—one with less anonymity.

So you heard it here first, folks. Twitter is peaking. I believe it can get through "the dip" that stares it in the face by: keeping its core users intact, remaining attractive to corporations and celebs and by becoming more organized. Time will tell if the team can overcome the "innovator's dilemma." The history of online communities says "no."

STEVE RUBEL ...

is a marketing strategist and blogger. He is senior VP in Edelman's Me2Revolution practice.



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LIVE ONLINE NOW: THE STORY BEHIND TWITTERING MADMEN (AND WOMEN)

Carri Bugbee is head of Portland-based Big Deal PR but better known in the Twittersphere as @peggyolson, the handle of one of the star characters in AMC's "MadMen." She started the Peggy Olson Twitter stream as an experiment to gauge the potential of the service and has since launched a Twitter-focused entertainment marketing business. She and Charlie Collier, president and general manager, AMC, talk about how Twitter has become a promotional and relationship tool.

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The last hurrah of Hollywood's Hero Journalist?

Journalism as a brand, and journalists as a special breed, get an epitaph in Russell Crowe's latest film

I HAVE JUST seen what may end up being a cinematic landmark. It's called "State of Play," and it's coming to a theater near you (if you happen to live in the U.S.) Friday, April 17. Sure, in a lot of ways it's just what you'd expect from Hollywood these days—it's a fast-paced thriller, a murder mystery with big-bucks casting (Russell Crowe, Ben Affleck and supporting players including Rachel McAdams, Helen Mirren, Jeff Daniels and Jason Bateman). But what makes it feel milestone-y is that it presents its protagonist, a newspaper reporter (Crowe), as gritty, complicated and entirely essential to the Republic. And in that regard, it feels like possibly the last of its breed.

Watching "State of Play," I couldn't help but think that I was witnessing the dying of a cinematic archetype: the Hero Journalist. It feels like a bookend to "All the President's Men," with Crowe's worn-down, worn-out reporter character, Cal McAffrey, as the earnest-but-embittered descendant of Robert Redford's and Dustin Hoffman's dashing young Woodward and Bernstein. Hollywood's going to stop making movies like this because, let's face it, newspapers—those that are left—are in no position to inspire yarns like this anymore.

Just so you know, there are no spoilers in this column. I'm not trying to review it here (though, for the record, I found it hugely entertaining). Besides, those who have seen the original "State of Play"—an acclaimed six-hour BBC miniseries from 2003 that's since been released on DVD—know a lot of the plot twists already. (I saw it at a press screening with an old colleague, a film critic and fan of the BBC original, who was surprised to quite like this compressed adaptation.) The major difference here is that the action is transplanted from London to Washington, and the journalist who is entangled with a troubled politician (Affleck, who plays a young congressman instead of an MP) is working at the fictional

Washington Globe. Which is, of course, a failing newspaper with penny-pinching owners.

And just to further update the plot, Crowe's character teams up with—get this—a blogger! (Gawker et al. are going to have fun with this.) The cranky, crusty newspaperman teaches the young, ambitious blogger (Rachel McAdams) the investigative-reporting ropes. Intrigue and assorted thrilling chases ensue, and in the end Truth and Justice prevail.

Now, you don't have to be a newspaper person to realize this zesty character dynamic—a reporter-blogger duo—is a fairy-tale. It's not so much that the new and old generations of media people can't work together; sometimes, in real life, they sort of do. It's just that the ranks of investigative reporters are dwindling so rapidly, and everybody knows that the hottest bloggers—whether they work for old-school newspapers or for new-ish blog publishers/networks—have little interest in reporting, period, let alone being apprentice reporters.

McAdams' character is obviously meant to be a Wonkette-y sort of gossipy snark mistress. Of course, the world has changed again even since this movie was in preproduction. Last spring, right around the time "State of Play" was shooting around Capitol Hill, Nick Denton, the owner of Wonkette's then-parent company, Gawker Media, announced that he was putting Wonkette up for sale (even in an election year, the ad revenues from political-gossip bloggery were underwhelming). And by the time "State of Play" was in postproduction in the fall, Denton was announcing Gawker Media layoffs. His downsized (or right-sized?) empire now seems to be holding its own, even as the media industry continues to crumble, but no matter: There is no way Denton or any other blog manager or mogul would ever let one of



A DYING CINEMATIC BREED: Robert Redford and Russell Crowe as Hero Journalists.

their charges repeatedly take their fingers off their laptops long enough to pick up the phone, or even get out into the world, to do in-depth interviews with sources, let alone chase after bad guys. Not in this economy. Keep posting, keep getting page views, or you're out on your ass.

In the end, this movie feels like a *memento mori* for newspapers—and not just because its closing credits scroll over loving shots of newspaper presses that we all know will sooner than later forever grind to a halt. It's watching Crowe's character do what he does so well—extract important information, for the public good, from actual sources (cops he's known for decades, the medical examiner who owes him a favor, etc.)—that really broke my heart. Who's going to do that anymore?

It's an interesting Hollywood-historical side note that Russell Crowe and Ben Affleck are actually replacements—for Brad Pitt and Ed Norton, the "Fight Club" duo, who were originally attached to this film. Pitt dropped out when the writers strike put the kibosh on his demands for a rewrite (and then Norton dropped out because of scheduling conflicts). Mr. Angelina Jolie was serious enough about researching his role that he paid a four-hour visit to the newsroom of The Washington Post back in early 2007. At the time, the paper wryly reported on the actor's visit:

"The Post's scribes tried—but not too hard—to act nonchalant while gazing dreamily in the actor's direction. 'It was like angels singing,' one female employee was overheard saying after apparently making brief eye contact."

The paper also quoted Metropolitan Editor R.B. Brenner, a consultant to the film, as saying of his extended chat with Pitt, "It was really a conversation about craft."

Can you imagine? *Craft?*
Do I hear angels sobbing?

E-mail: sdumenco@adage.com

THE MEDIA GUY
SIMON DUMENCO

WATER COOLER

BY NAT IVES AND MARISSA MILEY

First-lady covers boost sales of African-American mags

Magazines rushed to secure the new first lady for their covers, but it turns out **Michelle Obama** doesn't produce more than an occasional lift in sales for general-interest titles. New York magazine's March 23 issue, with a cover story about "The Power of Michelle Obama," looks like it produced "average" sales, the magazine said April 3, although the numbers remain subject to change.

When Ms. Obama appears on the cover of a magazine directed toward African-Americans, however, or when she appears with the president, sales really do seem to jump. Ms. Obama proved newsstand gold for Ebony last fall. The September 2008 issue, with a cover story on "The Real Michelle Obama," sold a hefty 261,000 copies on newsstands, 26% better than the six-month average, according to its report to the Audit Bureau of Circulations. And the January issue of Essence, which split its print run between a cover featuring the president and a cover showing the first lady, earned newsstand sales of 458,000, the magazine told the audit bureau. The January 2008 cover, by comparison, sold 250,922 copies on newsstands.

People's March 9 issue with the first lady solo on the cover sold about 1.4 million copies on newsstands, right in line with the March 5, 2008, issue. The first three issues of the year averaged 1.3 million on newsstands. The Feb. 9 issue of Us Weekly, featuring Ms. Obama and her daughters, sold about 800,000 copies, which the title called average. The first five issues of this year, from Jan. 5 through Feb. 2, averaged newsstand sales of 863,250.

Then there are a few covers with relatively weak sales. Newsweek's Dec. 1 cover story on "The Meaning of Michelle," which used a black-and-white photo, sold only 90,000 copies on newsstands, 15% below its average for the second half of last year. More's October issue featuring a cover story on "Michelle Obama at 44" sold just 154,000 copies on newsstands, 23% below its second-half average.



'THE POWER OF MICHELLE OBAMA': Does not include boosting newsstand sales for general-interest titles.

THE HEAT INDEX

Weekly rating (0-10) of sizzle and fizzle

- 7** **GOOGLE** CEO Eric Schmidt tells newspaper publishers he didn't break their business model. Web commenters tend to agree with him.
- 5** **AGGREGATORS** Everyone's favorite parasites last week, with the AP leading the charge against them. Web commenters, funnily enough, come to their defense.
- 3** **LA TIMES** Now for sale: front page. And it'll make your ad look like it's an actual news story when it's really about a fictional character on a TV show. No problem!
- 1** **BOSTON GLOBE** Latest major city newspaper to be put on notice. Remarkably, most Globe-ers did not see this coming. Way to read the trend lines, guys.

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Edited by Jennifer Rooney, jrooney@adage.com

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PEOPLE ON THE MOVE



Federle

Mike Federle was named group publisher of the Bonnier Mountain Group. He will head Ski and Skiing magazines and SkiNet.com, as well as Warren Miller Films. Mr. Federle has more than 25 years of sales experience, including a tenure at Time Inc, where as group publisher for the company's Business & Finance Network, he headed the division responsible for generating \$400 million in advertising revenue for Fortune, Fortune Small Business, Money, Business 2.0 and CNNMoney.com.



Rebak

Marketing Technology Solutions appointed **Rob Rebak** CEO. He joins MTS from Parenting Teens Network, an online publishing and community-building platform, where he had been CEO since 2007. Before that, Mr. Rebak was president of SimStar, an interactive health-care-marketing agency which was acquired by independent interactive-marketing agency Rosetta.



Anagnost

Neo@Ogilvy named **John Anagnost** to the newly created position of global director-search marketing services. Mr. Anagnost has spent the past five years at Ogilvy Interactive's digital-strategy group, most recently as interactive-marketing director, serving as global search-marketing leader on IBM and directing a team of 30 Neo@Ogilvy and Ogilvy staff.



Lu

Barker/DZP hired **John Lu** as VP-director of interactive. Mr. Lu comes to the company from Crispin Porter & Bogusky, where he was the agency's lead interaction designer, responsible for the Microsoft account. Before that, he was senior interaction designer for Digitas, where he was the lead creative for American Express' product and lifestyle websites. Barker/DZP is an integrated branding, interactive and advertising agency with clients including Procter & Gamble, Microsoft, Bloomberg and Time Warner.



Grutko

As part of the recent integration of its sales and marketing teams, Comcast Spotlight's corporate-marketing team is now being led by VP-marketing **Kellie Grutko**. Ms. Grutko's expanded responsibilities include determining the company's strategic-marketing, branding, promotions, communications and corporate-creative-services operations strategies.



Palau

Joshua Palau was promoted to VP-search engine optimization at Razorfish from group director. Mr. Palau is responsible for providing solutions that help clients measure and optimize their website investments. He has more than 13 years of experience in online marketing and advertising at About.com and Johnson & Johnson.



Savitt

Molecular, an interactive agency within the Isobar network, tapped **Scott Savitt** as senior VP-sales and marketing. He brings more than 15 years of strategic-integrated-marketing experience to his post, having counseled brands such as Ralph Lauren, Fidelity, Gillette and ESPN. Mr. Savitt most recently served as senior VP-director of business development at digital agency Oasis. Before that, he ran Arnold Worldwide's digital group and was responsible for creating digital-centric marketing plans for Arnold's clients.



Garcia

Denise Garcia joined Next New Networks as senior VP-sales. She will be charged with leading the sales, advertising-solutions and ad-operations teams and advancing integrated-advertising offerings at the online TV company. She was previously senior VP-corporate strategy and research at video-advertising network Vibrant Media. Before that, Ms. Garcia was VP-internet equity research at AG Edwards & Sons. Next New Networks creates, packages and markets web programming including Channel Frederator (home of the popular series "Nite Fite"), Barely Political (the creators of Obama Girl) and TMI Weekly.

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Advice

From Page 4

20th century marketing model. Building a modern brand requires a whole new model."

RICK WEBB, CO-FOUNDER AND CHIEF OPERATING OFFICER, BARBARIAN GROUP:

"If you're a big brand, and you have the cash, now is the time to double down, keep your spending up, and try to grab market share so you come out of things on top. If you're like the rest of us, with limited money, I think the key is to adopt a war-room mentality, keep your eye on the prize each month or quarter out, and start becoming iterative, nimble and reactionary to the changing climate. Look at the environment, look at your results, make a new short-term plan, execute, measure, wash, rinse, repeat. It sucks, but it'll keep you from being locked in to big choices that you might regret if things change again in six months."

ESTHER LEE, FORMER CEO, EURO N.A.

"Understand what new attitudes and behaviors your key prospects are adopting during these times—as consumers but also as human beings. For some categories, this is

obviously and wildly different now vs. during good times (financial services and automotive being top-of-mind examples). In some cases, these are more subtle (snacks and the search for comfort eating in bad economic times, for example). But, recognize these new needs, fears and pain points as insight and context, not necessarily as messaging. Brands should still leverage their unique points of view and value propositions and not join a bandwagon and undifferentiated sea of 'salve positionings.'

Engagement strategies need to evolve. How people go about their life routines clearly changes as their livelihoods change. How they want to engage in a brand conversation is as important to reassess as what the brand now has to say. My guess is that closer proximity and intimacy/personal marketing will become increasingly important as people feel increasingly disassociated from other social structures and start to gravitate towards the comfortable and familiar."

FRED WILSON, UNION SQUARE VENTURES PARTNER:

"Think about earning and owning your media in addition to buying it. Earned media is media you don't buy but earn the hard way. PR is an example of earned media. Word-of-

mouth is another. There are still a lot of marketers out there buying their media when they could earn it, and earning it a lot less expensively on earned media platforms like Facebook, YouTube and Twitter. The total amount of money flowing out of marketers' pockets to agencies won't decline and will likely go up, but the mix is headed for important changes."

ROBERT MATHIAS, MANAGING DIRECTOR, OGILVY'S WASHINGTON OFFICE:

"First and foremost, one has got to remember that no matter how hard the struggle is today, recessions do end. This one will too. So if you burn the furniture today, you will not have anything to sit on when the business cycle swings upward. One of the most important steps an organization can take now, be it agency or client, is to figure out what needs to be in place for you to be first out of the gate when money starts to flow again and then set a process in motion that will ensure you get there. I think that is a point that is so easily missed. Have a plan in place for better times. They will return, eventually."

JOSH GOTTHEIMER, EXEC VP-WORLDWIDE, BURSON-MARSTELLER:

"For better or worse, Washington is

now—at least in the short run—the new center of gravity for the U.S. economy. Decisions that are made in D.C. over the next 12 to 24 months will have a dramatic impact on the long-term shape of our economy. Instead of running away from Washington, the smartest companies are embracing the town—demonstrating to policy makers that they want to be part of the solution and play a role in our nation's economic growth. The Washington political set is looking to support companies that can create jobs and opportunities for the American people. In short, it's time for companies to reach out a cooperative hand, not clench their fists, when it comes to the Beltway."

JOE TRIPODI, CHIEF MARKETING AND COMMERCIAL LEADERSHIP OFFICER, COCA-COLA CO.:

"Don't waste this opportunity to enhance brand love. This is the time to engage people and deliver experiences that excite them in unexpected ways. As an example, we recently introduced a new global marketing campaign around the idea of 'Open Happiness.' We are bringing it to life not only through traditional advertising but through the release of a music single, online experiences, social media, impactful point-of-purchase materials and the

integration of the core creative idea into all of our existing properties, like the upcoming Winter Olympics in Vancouver. This is not the time to stop talking with consumers. If you use this opportunity to broaden your dialogue with the people who love your brands, you will come out of this period with a much stronger and deeper relationship with them."

ANDY POLANSKY, PRESIDENT, WEBER SHANDWICK:

"Continue to consider all options in the marketing mix and if you can't outspend, outsmart your competitors. Be efficient by ensuring that all communications are in line with your audience so that there is strategic consistency across how you are marketing online, in-person and in traditional media. Be far more proactive in how you demonstrate and deliver value but also focus on values. ... Corporate and brand reputations, especially in times of high anxiety, can be the key differentiator for all of your stakeholders. While much of the marketing and communications focus is on lower cost, it's a higher impact strategy and innovation that can often make the difference. This will help position your business to benefit from the growth that typically follows recessionary periods."

Agency

From Page 4

than was previously possible. He added that the shop can help marketers adjust their media mixes accordingly, in real time. "Every agency is, in theory, supposed to be monitoring all of these things—are they truly doing it?" he asked.

"There are important lessons from the past [recessions] that need to be applied, and we can apply it in a manner that's much more rapid response."

'LOAD OF BS'

Tracy Lovatt, exec VP-director of behavioral planning at BBDO, which has invoked the recession in recent work for clients such as

AT&T and Starbucks, isn't buying that. "It's the biggest load of BS I've ever heard," she said, noting a string of research on global economic trends such as the "trading down" phenomenon and the "household profit-and-loss statement" that BBDO's planners have provided its clients. "It's an absolute obligation of agencies to be bringing these insights."

She added: "Is [Ogilvy] going to shut it down and have a boom practice when things get better?"

But a better question might be whether the traditional agency structure—built-in planning and all—maintains the same appeal in a recession.

Minneapolis marketing firm Zeus Jones, a 13-person shop that works for brands such as

Nordstrom, has found a less-advertising-oriented approach and billing based on project results rather than hours spent has gained traction during the downturn. "The recession has everyone scratching their heads," said former Fallon President Rob White, a partner in the firm. "A state of flux is beneficial for people doing things in a new and different way."

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GIANT

Clift

From Page 1

frequent protestations to the contrary—are still rather partial to the idea that they define their brands.

Noting that the challenge for marketing goes beyond the recession, Mr. Clift added: “brands are now becoming conversation factors where academics, celebrities, experts and key opinion formers discuss functional, emotional and, more interestingly, social concerns,” and “of course, the conversation is no longer one way or 30 seconds. ... You may want to talk about sport and just doing it, and the consumer raises the uncomfortable question of sweatshops.”

It’s a lesson learned partly from Greenpeace, which last year hijacked “Onslaught,” Dove’s follow-up to the massively viral “Evolution” video, with what turned into a widely watched and discussed parody focusing on Unilever’s purchases of palm oil resulting in destruction of Indonesian rainforest. “Digital is ‘bringing [social and environmental concerns] to the surface in a completely new and powerful way,” he said. “Technology allows people to make their voices heard across YouTube or blogs and ultimately to organize a boycott.”

As a result, public relations may become the fastest-growing focal point of marketing services for Unilever in the years ahead, he said in an interview after his talk. Mr. Clift said he sees an opportunity for billion-dollar brands “that address the world’s challenges.”

New rules

definitely behind consumers.” The consumer is not a moron, she’s the person defining your brand.

2. You can’t hide the corporation behind the brand anymore—or even fully separate the two. Even this editor’s creaking computer only took 0.13 seconds to show that Philip Morris is owned by Altria Group. Welcome to radical transparency, where bad corporate behavior will damage your brands, and vice versa.

3. PR is a primary concern for every CMO and brand manager. If “marketing” and “PR” are not the same department, tear down the wall. Spend time deciding whether PR is underleveraged in your organization.

4. Cause marketing isn’t about philanthropy, it’s about “enlightened self-interest,” as Mr. Clift puts it. That doesn’t mean it doesn’t count. Don’t be ashamed of your profit motive, because great branding and doing good are increasingly one and the same.

5. Social media is not a strategy. You need to understand it, and you’ll need to deploy it as a tactic. But remember that the social graph just makes it even more important that you have a good product. Put another way: The volume and quality of your earned media will be directly proportional to the impact and quality of your product and ideas.

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Some brands “simply won’t survive this accelerated natural selection,” he said.

Of course, Mr. Clift said, consumers still mainly want bathroom cleaners and soap. And brand marketers are still primarily interested in selling stuff. So he believes the corporate Unilever brand will need to step to the forefront and shoulder the burden of communicating about the deeper issues—a turnabout for a company that long has stood well in the background behind its brands.

One of Mr. Clift’s roles when he became fulltime CMO last year was to become the steward of the Unilever corporate brand, and he’s

approaching it aggressively. In the U.K., the company last month began putting prominent corporate signatures on all its advertising. After his talk, he said Unilever will likely make similar moves in the U.S. Unilever’s decision to name a global PR roster in addition to its agency roster signals another movement in this regard.

And while digital media may have put marketers more clearly into the social and political fray, Mr. Clift also sees no problem acknowledging that social programs run by marketers are still very much about marketing.

A Lifebuoy program aimed at cutting the number of deaths from

diarrheal diseases in developing markets—estimated at 2 million annually—in half has reached 120 million people in five years, he said. It increasingly goes through mobile devices, which are growing faster than TV in markets such as India, where only a quarter of households in the poorest villages have TVs.

“It’s a sort of enlightened self-interest,” Mr. Clift said. “It’s not about philanthropy. It’s a marketing program with social benefits.”

But extending what began as a public-relations program for Dove—Campaign for Real Beauty—over the broader marketing effort for the brand has had its drawbacks.

“Advertising that just kind of celebrated being overweight was just clearly wrong and wasn’t effective for consumers, either,” Mr. Clift said. “We want to encourage you to take care of yourself. ... But you should nevertheless make yourself feel good about making the best of yourself. ... And of course there’s a fine line, but there’s a line that sometimes we got wrong.”

Dove has grown since the Campaign for Real Beauty began in 2004, but it’s recently slowed. That has more to do with the products than the campaign, he said. Most advertising for the brand is still about functional benefits, Mr. Clift said, but Real Beauty drew more attention. “This is a brand that people absolutely love but it hasn’t always been relevant in product terms.” He added that the brand had made itself more relevant for younger women with its launch of the Go Fresh lineup last year.

YouTube

From Page 1

marketing plan but not paying Google a penny for the privilege.

The nation’s biggest marketers, from Geico to Samsung to Unilever to Barack Obama, have embraced the service and routinely seed it with videos. Some hire outside firms that specialize in giving videos a push to help them go “viral.” Yet YouTube suffers from the same challenge as its social-media brethren, whether it’s Facebook, MySpace or Twitter: Marketers don’t necessarily have to pay to use their platforms.

Many do back, and sometimes effectively enhance, their campaigns with some sort of media buy, whether it’s a branded channel, a “promoted” video slot or a placement on Google’s AdSense ad network. There is, after all, little point in putting legwork into a campaign on YouTube without some corresponding media spending (online and offline) to guarantee someone sees it. Indeed, the bigger YouTube grows, the more marketers find they must couple a campaign with spending.

A year ago, front-page placement as a “featured video” was worth about 105,000 views. Today, the average “featured” video—which is selected by YouTube staff and is not a media buy—gets 54,000 views, a

48.2% decrease, according to video analytics firm TubeMogul.

“What we mostly see are advertisers doing both,” said YouTube spokesman Aaron Zamost. “Take advantage of the communal and viral nature of the site, and integrate those techniques with other paid opportunities.”

Geico, for example, spent a few hundred thousand dollars on YouTube as part of its online-video campaign, which spoofs some of the biggest viral hits of all time. For its video with Gary Brolsma (The “Numa Numa” Guy), Geico took over the YouTube front page for the day April 2, and then bought YouTube search keywords such as “numa numa.” The rate card for a YouTube front-page roadblock is \$175,000 a day, plus an incremental \$50,000 in spending on Google or YouTube. Of the video’s 1.3 million views, 500,000 were achieved that first day on the YouTube home page.

You can’t just throw a video up on YouTube and expect consumers to find it, “because it’s a needle in a haystack,” said Taylor Valentine, director-digital services for Horizon Media, who implemented Geico’s digital-media strategy. Still, the YouTube campaign represents just a fraction of the \$558 million Geico spent on all measured media in 2007, according to TNS Media Intelligence.

As central as it has become to marketers’ plans, YouTube is still

Google’s toughest sell. Estimates on how much of Google’s money YouTube will burn in 2009 vary. Credit Suisse estimated YouTube’s streaming costs alone are \$1 million a day, and pegged its 2009 losses at \$470 million. Another former YouTube exec said that estimate is too high; according to the exec, YouTube will break even at \$320 million in revenue. YouTube declined to comment on either figure.

YouTube, however, is having more success in selling advertising against its more than 1.2 billion videos that it streams each day. The company confirmed that it is selling ads in the U.S. against more video views than its nearest competitor, Fox Interactive, meaning 9% of its total U.S. views, up from 6% last year.

Because it provides bandwidth and hosting for much of the world’s video, it’s a struggle to stay ahead of its costs. YouTube estimates that 15 hours of video is uploaded to its system each minute, the vast majority of which represents costs for YouTube and very little revenue. That and about 70% of YouTube’s traffic comes from outside the U.S., making it more difficult to sell to advertisers.

To stock up on video it can sell to advertisers, YouTube has vigorously pursued studio and label deals. Last week, YouTube finalized a deal with Universal Music Group to create a site, Vevo, which has the added benefit of keeping UMG videos on

YouTube, where it operates the video sharing services’ most-subscribed channel, with 3.5 billion views.

But Shishir Mehrotra, YouTube’s director-product management, downplays the impact of high-profile content deals such as those signed with Disney, CBS, and, in the works, Sony Pictures. “We’re very proud of our agreement with Disney. But we aren’t hinging our strategy around it. If it’s great for our users, it happens to be good for monetization.”

Core to YouTube’s dreams is the rise of a generation of professional-amateur content that costs YouTube nothing to acquire, but which adds advertiser friendly inventory to the system. That’s perhaps best represented by 15-year-old Nebraskan Lucas Cruikshank, better known as Fred Flgghorn, or just “Fred,” who last week became the first person to reach a million YouTube subscribers.

“Fred” gets tens of millions of views on his videos a month, and YouTube says the helium-voiced comedian is also making “tens of thousands” of dollars each month via text overlays and display ads on his YouTube channel. But he’s just one example of how advertising can work on the video-sharing site.

Mr. Mehrotra stresses there is no magic bullet to making YouTube the business Google hopes it will be. “We want to be a platform for all types of content, all types of users and all types of advertisers.”

DNC

From Page 3

While most of the e-mails, which are all personalized and highly segmented, now come from either Mr. Plouffe or Mr. Stewart, a number are still “signed” by the president himself, including the ones recently seeking support for his proposed budget, which included the phone numbers of the recipient’s local congressional representatives. After his budget was passed, an e-mail from the president was sent thanking people for their support.

Steve Cone, CMO at Epsilon, a database-marketing agency, thinks the fostering of two-way communications by the DNC and the use of video is a nice touch and something all marketers, particularly those in the crosshairs of the public, could learn from.

“The DNC is really looking to build a constant ... dialogue,” Mr. Con said. “The ironic thing is that folks like those in the financial-services industry are doing no communication to employees and customers, whereas Obama is doing daily communications. This is the first time a politician of any kind has used the internet for daily one-to-one dialogue.”

The effort also serves as a case study and reminder that e-mail can still be used as an effective relationship builder. Joe Rospars, the man who drove the campaign’s new-media effort, said few people have opted out of getting the e-mails because the relationships they built with the president and other supporters didn’t end on Election Day. “They are demanding to play a role in the process in Washington and in their communities,” he said.

Thom Kennon, VP-digital strategy at Wunderman, said this is the best example of how to effectively use the somewhat lost art of e-mail. “When you gain an immense amount of very well-targeted scale and put that message in the hands of people who are very inclined to share that message with other like-minded people, all of a sudden your advertising and marketing gets an immense amount of efficiency and scale that you otherwise wouldn’t have,” Mr. Kennon said.

But like any marketer, the DNC has to be wary of overkill. In early February three e-mails were sent out in one week. Zain Raj, CEO of Euro RSCG Discovery, feels it may be hitting a point of over-communicating without any distinction of why something is important: “A lot of communication coming to my inbox that sounds and feels like rationalizing and justifying their actions vs. a meaningful point of view that elicits a dialogue,” Mr. Raj said.

The DNC’s Ms. Wyeth said that based on the feedback from supporters, the DNC’s efforts do not amount to overkill.

'Mall Cop'

From Page 1

usually get the movie star every time," said Jeff Blake, Sony Pictures Entertainment's vice chairman, "and his appearances couldn't have been more helpful."

Miami, traditionally the 17th-highest-grossing market, jumped to No. 14 for "Paul Blart" after Mr. James came to town. Minneapolis, usually the 21st, became the 19th. And Dallas moved up from seventh to sixth.

"I don't think anyone's suggesting you send Sean Penn to a hockey game. But we certainly do believe in this kind of grass-roots stuff and will be doing more of it down the line," Mr. Blake said. "These kinds of things do get built one step at a time."

LESSON 2: HIRE HUNGRY TALENT WITH SOMETHING TO PROVE

Despite a loyal following from "King of Queens" and heavy promotion during reruns of the Sony-owned sitcom, Mr. James was still far from a slam-dunk on the silver screen.

"Especially when you're a TV star that goes over to film, you're one [strike] and out," said Jeff Sussman, Mr. James' manager. "So we said, 'We'll leave no stone unturned as far as publicity; we'll do anything.'"

And so Mr. James worked on Christmas Day, doing live interviews to hype "Paul Blart" during a Los Angeles Lakers basketball game, along with taped interstitial messages that ran throughout the three other NBA games ABC telecast that day. He judged a "Mall Olympics" in Miami. He worked New Year's Eve. He even rode a Segway as the pace car at a Nascar race in Dallas.

That's not to say that every midsize market merits a visit from a movie star. But given that "Paul Blart" opened 50% higher than expected—at \$39.2 million instead of the \$20 million Sony forecast—getting out and seeing their fans is something celluloid celebs proba-



'TAKEN': Liam Neeson movie's sixth weekend was stronger than its fourth.

bly ought to do more often.

LESSON 3: BREAK TABOOS

As Mr. James was doing a full day of press on "Radio Row" during the Super Bowl in Tampa, Fla., Fox was readying its own Super Bowl surprise—one that would make for the highest-grossing February in the history of movies.

Having already opened in France a full year earlier, "Taken" was hardly expected to become a huge hit in the States. But then Fox took an unorthodox approach, opening "Taken" on Jan. 30, only 48 hours before the country slid into its annual nachos-and-Buffalo-wings food coma.

"No one had ever put [a film] there, because of the Super Bowl," explained Tony Sella, co-president of marketing at 20th Century Fox. "But movies are all about Friday night, and the Super Bowl was on Sunday," he added. "We knew if the advertising worked, we'd take our money the next weekend, too."

It did. "Taken" opened at just less than \$25 million that weekend, but word-of-mouth—helped no doubt by those gathered for the big game Sunday night who saw it Friday and Saturday—quickly spread. "Taken" is a rare film that dropped less and less of its audience over time, said Paul

Dergarabedian, CEO of Media By Numbers. "Its sixth weekend was stronger than its fourth. That never happens."

Not to be glib, but certainly also part of the reason "Taken" shattered February box-office records was that it was released in ... February.

Which brings us to ...

LESSON 4: SIZZLE SELLS IN ANY SEASON

The lessons of "Taken" are already being proved by the fourth installment of "The Fast and the Furious" franchise, released last weekend.

The three previous films in the franchise all opened in June, after the traditional summer action-movie season was well under way.

"But when looking at the calendar, we saw we could do as much or more business than we could do in the summer," said Adam Fogelson, Universal's president of marketing. "Spring Break is in full effect our first week of our release."

The result was that "Fast and Furious," which reunites the stars from the original film, opened to \$71 million, making last weekend's box office the biggest on record for April, a full 62% ahead of the same weekend last year.

"It's a 12-month-a-year business now," Mr. Sella said.

ROI

From Page 1

Advertising Research Foundation's Re:Think 2009 conference in late March suggests that even relatively small outlays on social networks by package-goods brands can result in offline sales impact and deliver positive return on investment.

Generally, the ROI tool of choice for consumer package goods—marketing-mix models that rely on econometric analysis of changes in retail scanner data—can't pick up the impact of the relatively small five- and six-figure outlays package-goods brands make on digital media.

To overcome that, MySpace teamed with ComScore, which uses a panel of more than 1 million people in the U.S. to track internet usage, and Dunnhumby, which runs loyalty programs for supermarket retailers and has access to loyalty-card purchase data from 59 million people in the U.S. The two panels include 60,000 people who are part of both databases, creating a single-source database that allows a definitive look at how internet ads affect offline purchases.

ComScore Chairman Gian Fulgoni last year approached fellow Information Resources Inc. veteran John LaRocca, VP-U.S. insights at Dunnhumby—which runs the loyalty program for supermarket heavyweight Kroger Co., among others—about combining efforts to measure digital campaigns.

One of the first studies was for an unnamed personal-care brand that ran a \$1 million campaign on MySpace last year, including a contest in which members submitted videos of themselves and friends for others in the network to vote on, said Heidi Browning, VP-client solutions at MySpace. The program also included online couponing.

By the standards marketers sometimes use to measure digital-ad effectiveness, the MySpace effort wasn't overwhelming. Of 76.9 million people exposed to the campaign in four months, as estimated by ComScore, only 765,000, or fewer than 1%, visited an adver-

tiser page on MySpace, though roughly half who did (358,000) visited the advertiser's website.

But by the measure that matters most, sales, the campaign appeared to pay off nicely. It produced \$1.28 million in offline sales, as measured by Dunnhumby, which compared purchases among shoppers not exposed to the campaign with purchases among those who were. That amounted to a 28% return on investment, not counting returns from repeat sales among consumers the brand won via the campaign. Only about 17% of the sales were of products advertised in the campaign; the rest of the sales lift went to the parent brand, in what's frequently called the "halo effect."

Particularly by package-goods standards, that \$1 million digital outlay with one site was large. But Dunnhumby has run similar studies with smaller digital campaigns.

"Just about every one has seen some positive results," Mr. LaRocca said. "And the ones that have had negative results ... just had a poor message or poor targeting."

While a campaign that reaches nearly 77 million people is certainly large enough to generate a read in marketing-mix models, the combination of the ComScore and Dunnhumby panels into a single-source database—assuming the numbers are correct—holds promise for more-accurately measuring many smaller efforts, said Gregg Ambach, managing director of the Cincinnati office of research firm Analytic Partners.

The bigger question is whether the ROI will hold up for bigger efforts, he said, justifying budgets similar to what consumer-package-goods brands spend on TV and magazines. Digital is "incredibly efficient, because the cost per thousand is low," he said. "But it's just not moving a lot of volume yet. And, of course, what you always grapple with is if they suddenly went [from \$1 million] to \$10 million in digital, would the return stay where it is? In my heart of hearts, I think the answer is no."

But it's also a question he said no CPG brand appears to have tried to answer yet.

FTC

From Page 3

said, "and in particular to address the issue of whether or not the safe harbor that's currently allowed for 'result not typical'-type disclaimers is still warranted."

The FTC guidelines apply only to bloggers and others compensated to promote or review a product. Roberta Jacobs-Meadway, a partner at Eckert Seamans Cherin & Mellott, a Pittsburgh law firm, said: "The FTC is ... putting out guidelines to make it clear to people who are involved in social media and viral marketing that the same rules apply in this context as they do in the more formal context of paid advertising and infomercials." There are no legal implications for

social-media sites such as Facebook or marketer sites such as Amazon, where consumers often post product reviews. However, Ms. Jacobs-Meadway said, paid endorsers who post on those sites can be held liable if they do not identify themselves as such.

Before FTC commissioners vote on the revisions this summer, they will review all the public comments, which so far include those from the American Association of Advertising Agencies and the Personal Care Products Council.

In its comment, the 4A's said while it and the American Advertising Federation want to ensure nondeceptive endorsements and testimonials, it "strongly urges the commission to reconsider the proposed, overly stringent amend-

ments that will likely result in advertisers abandoning longstanding legitimate advertising techniques, such as consumer testimonials, and rejecting new media forms, such as blogs and viral marketing." In an e-mail to Ad Age, Adonis Hoffman, 4A's senior VP and legal counsel, said, "This does not have to put a chilling effect on the new methods of advertising, but it does put a responsibility on the advertisers and agencies to understand that the rules apply and to explain that to the bloggers, promoters and other viral supporters."

Paul Rand, president-elect of the Word of Mouth Marketing Association, said his group's members will be fine so long as they continue to adhere to WOMMA's guidelines. But he said the FTC's revisions should be clarified. "There

are some pretty big perceived implications to this," Mr. Rand said. "And if the FTC goes a little bit further on some of these revisions, then everyone is going to have to look at retooling their approach."

STAYING TRANSPARENT

Pepsi, a longtime practitioner of tapping online and offline influencers to promote its products, said it will continue with its "transparent" tack. Bart Casabona, spokesman for Pepsi-Cola North America, said in an e-mail: "Our relationships with digital influencers are completely transparent, and subsequent blog posts tend to be very straightforward."

Some fear that if the revisions are approved, marketers could be scared away from new-media marketing efforts. "It's possible there will be a

hangover period, but it will self-correct," said Joe Chernov, VP-communications at BzzAgent. "People get nervous when the government gets involved, and it's possible the blogosphere will influence the trajectory of how brands respond."

But not everyone thinks the revised guidelines will hurt marketers. Jim Nail, chief marketing officer of TNS Media Intelligence and a WOMMA board member, said the revisions will bring more credibility to word-of-mouth and social-media marketing. "The thing that makes word-of-mouth marketing powerful is people believing they are getting truthful and honest opinions from real users," Mr. Nail said. "If people start disbelieving word-of-mouth marketing as much as they disbelieve advertising, we are in deep trouble."



GARFIELD'S ADREVIEW

BY BOB GARFIELD

'Bland' web effort is enough to make you lose your lunch

Some years back, we visited an extraordinary business in a city of 11 million people. This was a Chili's franchise, and it was by far the most popular restaurant in town. On Easter Sunday, the line to get inside wrapped around two corners.

Oh, and this was in Monterrey, Mexico.

We swear to God. An American franchise Tex-Mex joint, possibly the most popular eatery in all of Mexico. We shall never forget the impromptu tour given by our host, as we approached the place on the commercial-industrial highway colloquially known as *Los Torres*, for the high-tension electrical towers paralleling the road.

"Here is McDonald's," the young man said, surveying the vista. "Here is Fuddrucker's. Burger King. Sirloin Stockade. Chili's. It is beautiful. Before, it was just mountains."

Given that sentiment, let's just assume the place was cherished by locals more for its Tex-ness than its Mex-ness. The point is, they really liked the food, and we couldn't fault them. AdReview has always deemed Chili's the most acceptable of the die-cut 'n' extruded casual-dining segment. The fajitas, in our view, are particularly *splendida*.

Compare that to Applebee's, Ruby Tuesday, Bennigan's, Houlihan's, Perkins or TGIFridays, which offer—in our strictly unprofessional opinion—varying degrees of palatability, irritatingly cheerful wait staffs and far too much Monterrey (!) Jack.

Research apparently led the Chili's people to more or less the same conclusion, because its new multimedia campaign aims to highlight its *splendida* tude by caricaturing the blandness of the competition. We are here to tell you that, on the second half of that plan, Chili's—via Hill Holliday—has more than succeeded.

The fake casual-dining chain, P.J. Bland's ("Stuff to eat right up the street!"), is well-named.

Should your social-media journeys take you to pjblands.com—or an embedded video of its founder, or its food stylist or its TV-commercial director—you'll find the quintessentially unappetizing, generic dining experience. The food, which is stamped out of corrugated cardboard, is all tan, as is the logo and other trade dress. The founder has the charisma of a vice-principal. And the corporate mission is quite candid:

"At P.J. Bland's, we believe that if you're hungry enough, you'll eat absolutely anything."

You get the idea. There's plenty more of that, as the agency flogs the joke to oblivion. The videos are conceptually sort of funny (in one, a food stylist for the photo shoots uses a Dremel drill to give the menu items some gloss) but all and all they're pretty tedious. Such as one with the supposed director of photography on a commercial shoot:

Off-camera interviewer: "Thank you for taking the time to speak with us. What are you working on today?"

DP: "Oh, today we're shooting some P.J. Bland's entrees. I do this stuff between features. It's not glamorous, but the money's good."

Interviewer: "Is it challenging to make a P.J. Bland's entrée look appetizing? I mean, in the light of day, it looks pretty bland."

DP: "Well, you'd be surprised what we can do with a single light source, a little fill, 65mm lens."

Oh, yeah. LOL. Not only is the production joke inside, it's just plain overwrought and unfunny. But, more broadly, what does this exercise accomplish? The valid point about the bland competition is utterly undermined, and overwhelmed, by the very repulsiveness of the fake brand. Yes, it makes you lose your appetite—for P.J. Bland's, for TGIFriday's and for Chili's, too.

It's nauseating. Before, it was just fine.

REVIEW: CHILI'S



AGENCY:
Hill Holliday
LOCATION:
Boston

Brink's

From Page 3

ter asking the woman if she's all right and alerting her that he's called for help.

In one, a woman is alone, preparing to jog on a treadmill. In another, it's a teenage girl at the top of the stairs thinking her parents forgot their keys as she hears the doorknob jiggle. In another, a husband pulls out of the driveway as a jogger bends down in front of his house to tie his shoe. As the husband drives away to work, the jogger kicks in the door where a woman is standing at the kitchen sink.

Brinks did not respond to queries as to what agency handles its account.

As might be expected, the woman-as-victim approach has baited the blogosphere. Gawker's women-focused blog Jezebel calls it "Home Security for Modern-Day Damsels in Distress." In a blog post under the heading "Badvertising," one blogger wrote, "We thank Brink's for the daily dose of irrational fear and for reminding us that as women we are vulnerable even when we're locked securely in our own homes."

But clearly it's hit a nerve: Brink's Home Security alarm sales were up 10% in 2008 compared with 2007, and fourth-quarter profit was up 21% over the year-ago

"Profit-motivated crimes—robberies, burglaries and auto theft—are likely to increase during economic bad times. Security systems protect against [those], so I can see where it may actually be a rational decision for a homeowner."

period, roughly coinciding with the debut of the ad campaign. That's despite Brink's spending falling some \$8 million last year to \$26 million on measured media, according to TNS Media Intelligence.

The commercials can't take all the credit, as sales for Brink's chief competitor and the country's biggest seller, Tyco International's ADT Worldwide, are also up. Net revenue for ADT Worldwide increased 4.8% during 2008 compared with 2007. ADT Worldwide is Tyco's largest segment, bringing in 40% of its \$20 billion in revenue last year.

That leaves consumer fear. "Profit-motivated crimes—robberies, burglaries and auto theft—are particularly likely to increase

during economic bad times," said Jack Levin, a professor of sociology and criminology at Northeastern University in Boston. "Home-security systems protect against two out of three [robberies and burglaries], so I can see where it may actually be a rational decision for a homeowner to install a security system at this time."

One of Mr. Levin's peers, Richard Rosenfeld, a sociologist at the University of Missouri-St. Louis, told The New York Times in October that "Every recession since the late '50s has been associated with an increase in crime and, in particular, property crime and robbery, which would be most responsive to changes in economic conditions."

So far, however, the latest Federal Bureau of Investigation statistics for the first half of 2008 (the second half will be out later this year) show a continued drop in crime. Nationwide, violent crime fell 3.5% and property crime fell 2.5% during the first six months of the year compared with the same time period in 2007.

But bad economy or no, expect to see more Brink's spots soon—you just might not recognize them. As part of a spinoff deal from its parent company, Brink's Home Security only has three years in which to use the Brink's name, and then it has to re-name itself. The company is expected to spend more than \$100 million to rebrand itself by October 2011.

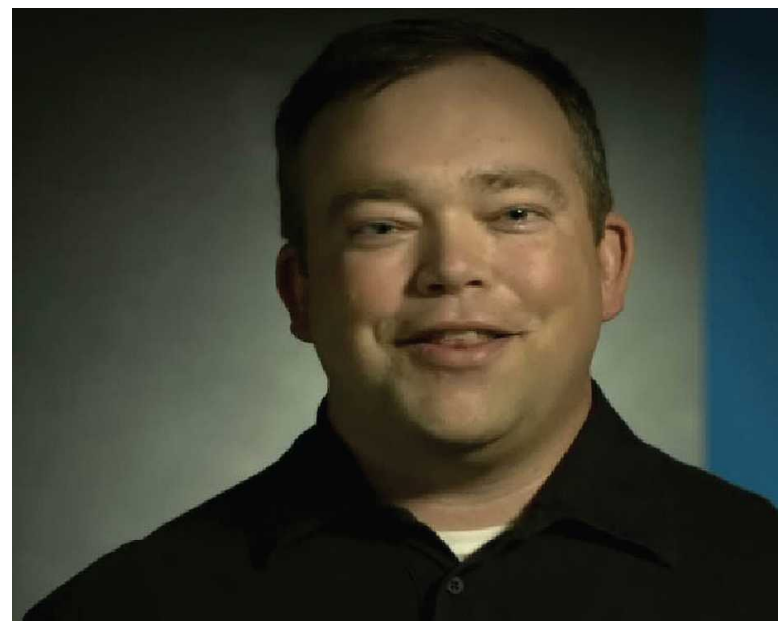
Nationwide

From Page 3

death row for a murder he didn't commit. Mr. Morris spent several hours with each of 20 handpicked Nationwide employees to get their unscripted stories. Mr. Schriebman said the idea was to keep pauses, eye rolling and flubbed words.

Mr. Schriebman said the company is doing whatever it can to facilitate the campaign going viral, including a "making of" video that will be posted on the company website. The agents themselves may also serve as vehicles for the campaign. Some of the 20 people featured in the spots have presences on Facebook and Twitter. They'll be allowed to post videos and act as brand ambassadors to the extent they want to. Nationwide's creative agency is TM, Dallas.

Of course, Nationwide is only one marketer seeking to soothe in this environment, saying it's there to help consumers in tough times. Ford, Hyundai and General Motors Corp. are all offering plans that in some way offer to pay for your new car if you lose your job. Allstate went so far as to mention the verboten word "recession" in its ads, which aim to reassure consumers by touching on the company's founding during the Depression. Visa recently adopted



FACEBOOK: Some agents may act as brand ambassadors on their personal pages.

a new global tagline, "More people go with Visa," and is running an ad campaign that aims to persuade consumers to use electronic-card payments instead of cash or checks. Charles Schwab changed its tagline to "I've got a lot less cash and a lot more questions. Talk to Chuck." Target is touting consumer-friendly prices. Home Depot is sporting a new tagline from agency the Richards Group, Dallas—"More saving. More doing"—that's similar to Walmart's.

And while General Mills is not running new advertising, it

recently produced retro cereal boxes for Target to bring people back to more-comfortable days.

Such shifts in messaging are getting more common as the downturn goes on, said Robert Passikoff, president of Brand Keys. "I'm not sure it works from a strategic brand perspective, but from a creative engagement perspective, it's probably the right positioning for the current environment." While a reassurance strategy may not affect sales in the short term, he said, it will build up a reservoir of goodwill for the brand.

More online

CREATIVITY

■ Creativity-Online.com has all the features of AdCritic.com but with added creative profiles, videos that go behind the work and regularly updated news.

WORK OF THE WEEK

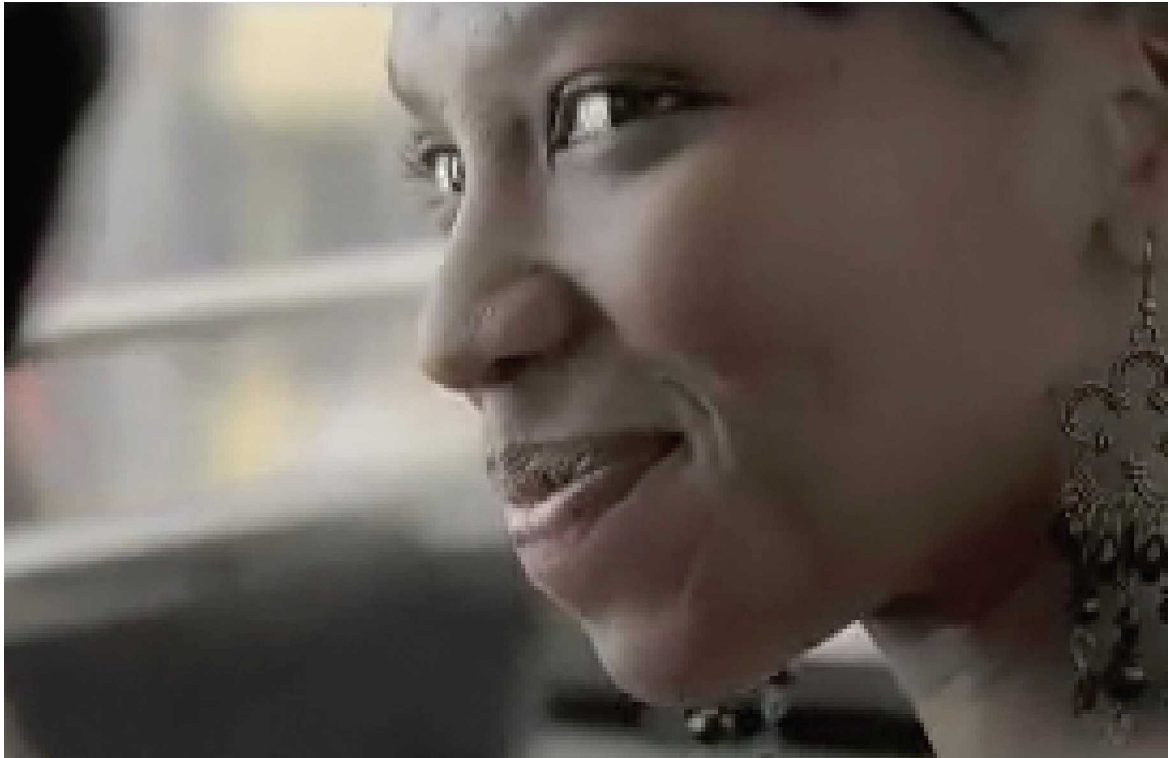
Edited by Teresa Iezzi, tiezzi@creativity-online.com

Send us your picks

Submit your choices for outstanding TV, print and interactive ads to Teresa Iezzi, Editor, Creativity, 711 Third Ave., New York, N.Y. 10017 or e-mail tiezzi@creativity-online.com.

CREATIVITY TOP FIVE

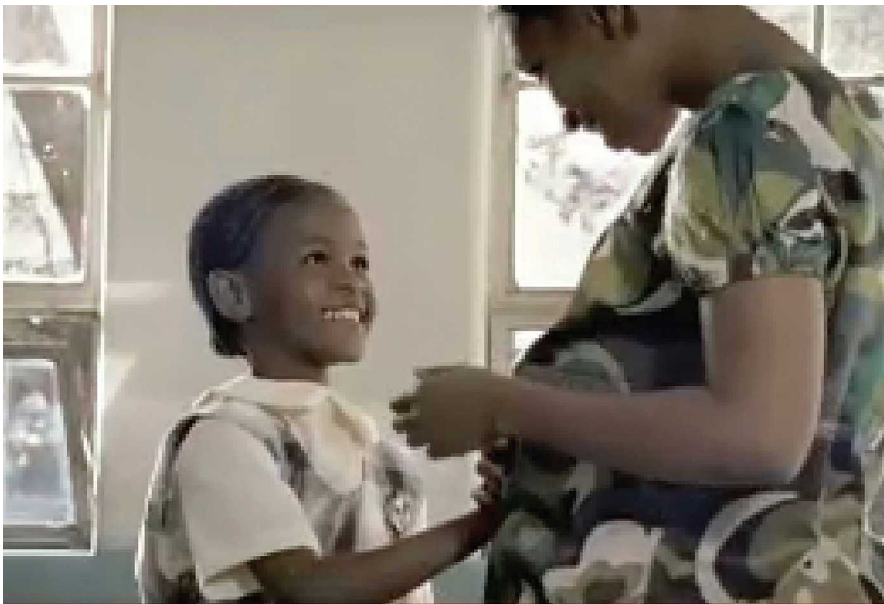
In this week's episode of Creativity's Top Five, virtual models show off H&M's spring offerings online; no one does it for Department of Eagles like director Patrick Daughters and artist Marcel Dzama; The Zimbabwean newspaper creates billboards out of worthless cash; KFC offers to fix the roads for some philanthropic publicity; and Orange traces a relationship back to that very first greeting.



ORANGE 'HELLO'

ACCESS LEO BURNETT

Copywriters: Daniel Chandler, John Whelan. Art director: Nicolas Ermakoff. Agency producer: Annette Martyrs. Production company: Blue Sky Films. Director: Bo Platt. Producer: Paolo Sassi. Director of photography: Nick Sawyer. Editor: David Trachtenberg.



H&M 'SPRING FASHION'

PERFECT FOOLS

Executive creative director/director: Tony Hogqvist. Art directors: Niklas Karlsson, John Wolst. Producers: Jonas Stenqvist, Tove Lindqvist. Production company: Bright Film, Stockholm. Photographer: John Rosenlund. Executive producer: Christopher Sanitate.



THE ZIMBABWEAN 'TRILLION DOLLAR CAMPAIGN'



KFC 'POTHOLE'



DEPARTMENT OF EAGLES 'NO ONE DOES IT LIKE YOU'

Musical artist: Department of Eagles. Song: "No One Does It Like You." Album: "In Ear Park." Production Company: The Directors Bureau. Directors: Patrick Daughters, Marcel Dzama.

Syfy

Imagine Greater

Coming Soon

Bright Lights. Big Imagination.
Top 5 Network.
Sci Fi Channel is becoming **Syfy**.

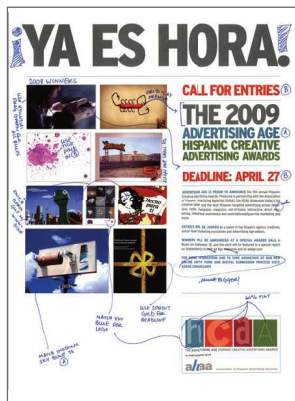
Source: Nielsen Media Research; 12/31/07-12/28/08, Mon-Sun 8p-11p, Live+SD P25-54 (000). Ad-supported general entertainment cable networks excluding sports, subject to qualifications upon request.





MORE FROM AD AGE

THE HISPANIC CREATIVE AWARDS, THAT NEW CAT SHOW, GLOBETROTTING PRODUCERS, L'OREAL HITS 100, THE GREAT BIG OUTDOORS AND THE SMALL AGENCIES.



HISPANIC CREATIVE ADVERTISING AWARDS CALL FOR ENTRIES DEADLINE: APRIL 28

Produced in partnership with the Association of Hispanic Advertising Agencies (AHAA), HCAA showcases today's top creative talent and the best Hispanic-targeted advertising across TV, radio, newspaper, magazine, out-of-home, interactive, direct marketing, integrated multimedia and nontraditional/guerrilla marketing.

FOR MORE INFO: adage.com/events

INTRODUCING THE CREATIVITY GUIDE TO GLOBAL PRODUCTION

Get in front of agency decision-makers responsible for international production relationships.

As brands look to target their global messaging, they rely on agencies to identify those production and post-production facilities that can help them create work with regional sensibilities. The Creativity Guide to Global Production is a one-stop resource to help agency producers find the very best partners in these often unfamiliar, even far-flung markets.

PUBLISHES: June Issue of Creativity • Online: Full year; launches June 15
CLOSES: April 16

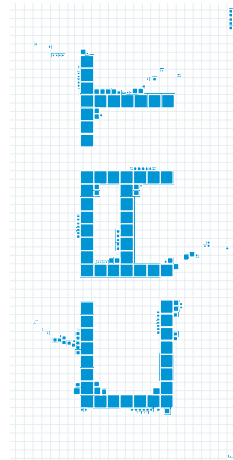
CONTACT: Adam Gold, agold@creativity-online.com



ART OF OUTDOOR

Digital technology has turned out-of-home media into arguably the most exciting canvass available to creatives. This new special issue from the editors of Ad Age aims to create not only an inspiring catalog of the best of outdoor from the last 12 months, but also a series of case studies that examine how marketers and their agencies are creating measurable, effective advertising campaigns that use the full breadth and power of modern out-of-home media.

PUBLISHES: June 22 • **CLOSES:** May 22
CONTACT: Dave Boniface, dboniface@adage.com



CREATIVITY PRESENTS CAT CREATIVITY AND TECHNOLOGY

CaT is a gathering of brand creativity professionals and tech-side development companies for a discussion of furthering creativity through technology. Both conference and trade show, CaT gives creatives, producers and marketers the chance to see what's coming next, to get the big picture from thought leaders across a range of creative and technology areas – and learn, hands-on, about the latest technologies driving the best work.

June 3 • Metropolitan Pavilion • NYC
FOR TICKETS AND INFO: creativitycat.com



SPECIAL EDITIONS: L'ORÉAL MEANS BUSINESS

Ad Age announces print and digital editions in salute of L'Oréal's 100th Anniversary.

As this Top 3 Global Spender continues to support its multitude of brands in 2009, these Anniversary Editions present a strategic opportunity to show your support of the beauty juggernaut that supports so many.

PUBLISHES: June 1 • **CLOSES:** April 24
CONTACT: Angela Carola, acarola@adage.com

SMALL AGENCY AWARDS SMALL'S THE NEW BIG – AND BIG'S WHERE IT'S AT.

Because the major marketing awards end up dominated by big agencies who can afford to enter literally hundreds of times, we've created a way to showcase the best small(er) agencies out there, and the best of their work.

We'll have a grand prize winner, regional winners, and an international winner in both the best agency and best campaign categories – and we'll be profiling all of them in Ad Age in print and online on July 27th

CALL FOR ENTRIES DEADLINE: May 25th
FOR MORE INFO: amiga.adage.com/smallagencyawards09/

**FOR MORE ON THE ABOVE – AND OTHER BREAKING NEWS –
VISIT THE HOT RIGHT NOW SECTION AT: MEDIKIT.ADAGE.COM**

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Syfy

Imagine Greater

Coming Soon

Bright Lights. Big Imagination.
Top 5 Network.
Sci Fi Channel is becoming **Syfy**.

Source: Nielsen Media Research; 12/31/07-12/28/08, Mon-Sun 8p-11p, Live+SD P25-54 (000). Ad-supported general entertainment cable networks excluding sports, subject to qualifications upon request.

