

Kill or cure: How Reckitt's big buy rocked online ads

\$20 million seemed to boost medium—until giant hammered prices

By **MICHAEL LEARMONTH**
mlearnmonth@adage.com

LAST SPRING when Reckitt Benckiser said it would take \$20 million of its marketing budget out of TV and pour it into web video, it sounded like manna from heaven for a medium starved for dollars and attention and in the teeth of a recession.

But then web video execs saw the fine print: this wouldn't be a fat Hulu.com-like video buy where it can cost \$40 or more to reach 1,000 viewers on shows like "30 Rock" and "Arrested

Development." Nope, Reckitt was looking to buy pre-roll at \$2 to \$4, or even as low as \$1, rates comparable to remnant display-ad inventory sold on an ad network. Think news video, casual gaming and low-end lifestyle sites, all of which can stand in as proxies for the daytime TV audiences that Reckitt wants to reach.

What's more, Reckitt Benckiser set up an elaborate reporting system to assure it never pays for an impression when it shouldn't. Reckitt won't pay for an impression when an ad is requested from its ad server—as is typical—but only when an ad completely loads, along with technology that initiates a consumer click to finish the pre-roll ad and

See **RECKITT** on Page 24

Sorry, Bob, adworld's not dying. 2 stars.

Storied creative reviews Garfield's Chaos Scenario but doesn't buy his theory

BY
JEFF GOODBY



WELL, AS YOU ALWAYS kind of suspected, Bob Garfield hates advertising. He even thinks it will die, at least in its mass-appeal form.

And big deal, he'd say. People hated that crap anyway.

What he doesn't exactly explain is: What are all those big advertisers going to do with all that money *instead*? Nor does he think there's

much chance of you blindsided, slack-jawed advertising people evolving into something that could help answer that question.

OK, OK, let's back up.

Garfield's new book, "The Chaos Scenario," is a well-researched descent into what he gleefully sees as the fragmentation of mass media on a global scale. It's

fun to watch the channels fly apart. It's the internet and DVRs that are causing all this, he says, with their heroic empowerment of the individual to call his or her own shots.

Along the way, he chronicles in great detail the inevitable demise of mere newspapers, tenuous magazines and teetering media empires. ("Boom goes the dynamite," he intones again and again, in a not especially charming way.) But he saves the real snickering for advertising people, who are basically rid-

See **GOODBY** on Page 25

Bad for DDB, bad for ad shows, just plain bad

By **KUNUR PATEL**
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INSENSITIVE AND SIMPLY awful creative. Lust for awards at the expense of a client. Ignorance on the part of executives about what's going on at—and coming out of—their own agency. Truly awful crisis management at both the local and global level.

This parade of horrors, many of which represent the worst of the agency business, marched last week on DDB's much-celebrated Brazilian agency, spiraling the creative powerhouse into a days-long crisis that could have been averted with even halfway-decent PR. The scandal began when a little-seen



TSUNAMI: The ghostly ghost ad from DDB Brasil reverberated around the internet.

See **WWF** on Page 26

Nielsen reveals full extent of the media industry's first-half battering

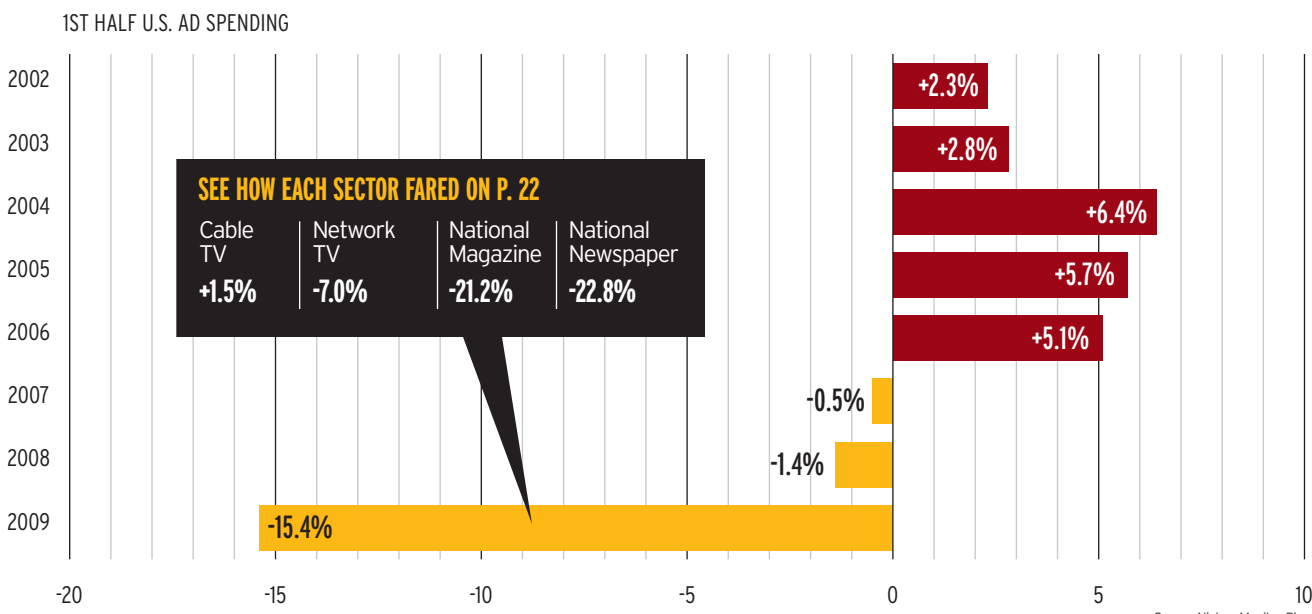
Execs eye better second half, hope to put 15% plunge behind them

By **NAT IVES**
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NOBODY EVER MISTOOK the first half of this year for a good time, but a Nielsen report last week shed sobering light on just how bad it's been.

U.S. ad spending dropped 15.4% from the first half of 2008, Nielsen said, for the biggest plunge since it company started calculating these figures in 2002. Cable TV rose 1.5%, Spanish language cable eked out a 0.6% gain, and the other 17 measured media sank—from display advertising on the web, down 1%, to local Sunday supplements in

Double-digit disaster



An early sign marketers are ready to spend again?

■ TV networks held back inventory during this year's upfront sales marketplace, betting that advertisers would start to spend again later in the year. And already some are reporting demand for scatter, or ad time purchased right before it airs, is up. **P. 22**

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crain



How much are you willing to pay for news?

And does the price change when the stories focus on "tragedy porn" like kidnappings?

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PROGRAMMING GUIDE FOR THE WEEK OF SEPT. 7

Your map to highlights from Ad Age and Creativity

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ONLINE

BLOG

NEWS

ARNOLD: STOP BEING A MERE AD AGENCY

The Concise Oxford English Dictionary includes two subtly different definitions of the word “agent”: “a person or company that acts as a broker and provides a specified service” and “a person or thing that exerts power or produces an effect.” Commoditized agencies need to transform from the first definition to the second.

ZUCKER: LET’S NOT LOSE OUR HUMOR

As digital matures—and we all agree it is maturing—I hope it doesn’t turn sour and stuffy, like direct marketing traditionally has been (“customer-relationship management,” “test-and-learn”), or haughty (“Manifesto”), ephemeral (“Whassup?”) and delayed, like advertising.

ADAGE.COM/DIGITALNEXT

THE MOST POWERFUL LATINO IN THE BIZ

When 45-year-old Colombian Mauricio Sabogal was named managing director of Initiative Worldwide, it was the first time a Latino had been appointed to a global managing position within a media-agency network. The move will make Mr. Sabogal the most important Latin American executive in the global media-agency business.

ADAGE.COM/GLOBALNEWS

CHRYSLER CASTS ITS NET

Chrysler has put out its feelers wide, reaching out to as many as 10 agencies including Crispin Porter & Bogusky, WPP’s Grey and Publicis Groupe’s Hal Riney as part of its fast-moving search for new fourth-quarter creative ideas, according to executives familiar with the situation. Should Grey prevail, it would put two competing automakers in WPP’s holding-company garage: Chrysler and Ford. Not long ago, that would have been unthinkable.

ADAGE.COM/AGENCYNEWS

MAINTAINING MOMENTUM

Adrienne Waldo writes: “The first company I worked for after college went under in February, so I can say from experience that being unemployed sucks. I had no money, no security and no health insurance. I had to defer my student loans, and that charming idea I had about paying off my credit card and starting a savings account seemed like a distant memory. So I got busy. Here are some things I did to stay in the game while I was unemployed.”

ADAGE.COM/GENNEXT

IN THIS ISSUE



BOTTLE-OF-FAT AD BAD AND GROSS

Garfield isn’t impressed with the latest effort from the New York City Department of Health. “Putting aside the careless and amateurish art direction, the message is loud and clear. But it is also nauseating.” **SEE P. 26**

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2. **Crispin, Grey, Hal Riney Among Agencies Chrysler Has Asked for Ideas**
3. **Don’t Let Unemployment Slow You Down**
4. **Economist Replaces Your Newsstand Guy With a Cellphone**
5. **Tech Marketers Dominate Viral Video Chart**

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SPORTING: Phoenix has naming rights to an NFL stadium, but no team.



BRIAN GARFINKEL

A LOT OF BRANDING BUT NOT MUCH UNDERSTANDING

University of Phoenix spends \$100 million annually on advertising, but misconceptions linger about the school

By **MARISSA MILEY**
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IN THE BARRAGE OF back-to-school ads, get ready to see a lot for the University of Phoenix. The school heaps more than \$100 million a year into measured media alone and is a highly efficient marketing machine that spends more each year than Cheerios or Tide.

In a field where most old-line universities spend a few million a year at best, the University of Phoenix is an anomaly for its approach to both education and marketing. It's the country's largest private university, with more than 400,000 students and

230 campus and learning-center locations. Its parent, Apollo Group, posted more than \$3.1 billion in revenue during fiscal 2008 (Phoenix represents about 95% of Apollo's net revenue).

Because of the size of its student body, the university is the largest recipient among about 6,200 schools that receive federal funding for higher education in the U.S. With some 82% of its revenue derived from Title IV federally funded student-loan programs in its last fiscal year under the Higher Education Act, what it can afford to spend on marketing towers over most other schools.

That spending in turn draws

more students, which yields more marketing dollars. Last year, Phoenix spent \$134 million on measured media, according to TNS Media Intelligence, up 3.3% from 2007, and it's on track to top that in 2009—it spent \$75 million in first half of the year. For five years running, the brand has ranked among Ad Age's Top 200 Megabrands. This year Phoenix ranked No. 128, behind just one school, ITT, but above more well-known brands such as Quaker, Purina, FedEx and Revlon.)

Moreover, in 2006 it signed a \$154 million contract for 20-year

See **PHOENIX** on Page 23

Beyond online ads: P&G sets \$4 bil e-commerce goal

Aims to grow online sales eightfold—equal to drugstore channel

By **JACK NEFF**
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E-COMMERCE HAS never reached even 1% of Procter & Gamble Co.'s sales, but now the company is looking to increase that share more than fivefold as it seeks to capitalize on its growing investment in digital media.

P&G—and new CEO Bob McDonald—is counting on e-commerce, including sales through such outlets as Amazon and Walmart.com as well as through its own websites, to become as much as a \$4 billion or bigger business for the \$79 billion company. That's more than eight times the \$500

million a year P&G gets today from e-commerce.

Tellingly, P&G included both digital media and e-commerce in the job responsibilities of Lucas Watson when it appointed him global team leader of its digital business last year. Traditionally, the company has kept its retail sales and brand marketing functions mostly divided. But giving him responsibility for both has a strategic purpose, as the interconnection is both obvious and growing.

"Some categories see as much as 30% to 50% of their business in e-commerce," Mr. Watson said. "Our forecasts don't suggest consumer products will ever work like that. But it's not out of the realm of possibility e-commerce will be more than 1% of our sales. Getting north

See **P&G** on Page 25

Spotty customer service haunts free 'cloud' services

Gmail fail underscores consumer dilemma that you get what you pay for

By **MICHAEL LEARMONTH**
mlearnmonth@adage.com

JENNIFER CULHANE, like many people, conducts much of her internet life through sites and services such as Facebook and Gmail. So when she realized a hacker had infiltrated her Facebook account, traveled into her Gmail account and started forwarding mail to a third account, she

was devastated. Then her hacker started sending Facebook messages to friends saying she'd been robbed at gunpoint in London and needed money, fast.

What she really needed was help, fast. But she ran into the same problem many folks have with services that live in the "cloud": In the cloud, no one can hear you scream.

These "cloud" computing services—generally free applications that exist on the web such as Gmail, Twitter, Facebook, Skype, AIM,

See **CLOUD** on Page 25

When an incumbent shop should—and shouldn't—defend in a review

Odds of retention are low, but most swallow pride and try it anyway

By **RUPAL PAREKH**
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WHEN VW INVITED its shop of four years to repitch its \$200-million-plus ad account last month, Crispin Porter & Bogusky came back with thanks but no thanks: "As a rule, we do not participate in reviews for our current accounts, and this will not be an exception."

Crispin declined to talk to Ad Age about why it maintains a "no defend" policy, but people who have worked at or with Crispin said it stems as much from practicality as it does pride. After all, fewer than 10% of incumbent agencies are estimated—by the reckoning of either the 4A's, industry consultants or Ad Age—to hang on to an account at the conclusion of a review process.

Even so, declining to defend when the consequence is waving goodbye to a fat and prestigious ad budget in a poor economic environment is a bold enough statement

that outsiders took notice. "I applaud what Crispin was standing for," said Vic Walia, senior director-brand marketing at Hotels.com, adding: "While I will always invite the incumbent agencies out of respect and give them the option of participating or not, I fully respect if they don't want to. A review is a very expensive proposition with no clear outcome."

Still, the "no defend" rule is rare. An agency may save face and pride, but it is essentially accepting the loss of a substantial piece of income, which few are prepared to

do. And in some situations—such as consolidations of ad accounts among roster shops—abstaining from a pitch could result in forfeiture of additional business.

On the other hand, repitching business can cost hundreds of thousands of dollars, have a debilitating effect on agency morale, and be a distraction from both managing current accounts and finding new ones. (Crispin, for example, has been asked to pitch Chrysler with ideas for the fourth quarter; it would have been difficult for the agency to do that otherwise.)

Some agency heads and industry consultants say it's best to steer clear of a blanket rule about defending accounts. "A hard and fast policy is short-sighted," said Judy Neer, president of Boston-based consultancy Pile & Co. "Every agency should think hard about why a client is doing a review and whether they participate or not."

But Stan Richards, founder of Dallas-based Richards Group, said his agency is a "better, happier place for having adopted [a no-defending]

See **NOT DEFENDING** on Page 21

DISNEY'S NEW SUPERHUMAN POWERS

Where the Mouse will look to harness new licensing opportunities after Marvel acquisition

By **BRIAN STEINBERG**
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MARVEL CHARACTERS SUCH as the Black Panther, Mockingbird and 3-D Man can do a lot more than use super-stealth, great fighting abilities and heightened strength. If the giant Walt Disney Co. is lucky, these are the types of heroes that will help the home of Goofy and Donald Duck generate even more content across a broad range of traditional and new-media venues—and thus boost ad dollars, subscriptions and licensing revenue in the process.

Figuring out how much any one Marvel character is worth to Disney is tricky. Much depends on how the characters are used and on fans embracing or rejecting the new ventures. The nature of the various agreements means some revenue could be shared with other companies too. But as Marvel's current use-of-character agreements with Disney rivals expire, licensing experts firmly believe the Mouse House will enjoy an increased stream of revenue built off the Marvel characters' backs.

Besides the myriad content plays, the fans are rabid. Comic-book aficionados are "the people who are at the movie on the first Friday night when they open. They're the first ones on line at the DVD store when DVDs come out," said Michael Uslan, the comic-book writer who produced "Batman Begins" and "The Dark Knight." "They keep buying the same products over and over again in many different formats."

Can any of these characters generate enough to justify \$4 billion—the price Disney paid for Marvel? Below we try to sketch as much as possible what money's at stake when a Marvel character hits the big screen. Thor and Captain America are already slated to appear in films produced by companies other than Disney, but at present Spider-Woman would seem to be ripe for development.

Multimedia onslaught

MOVIES

A blockbuster adaptation of a comic-book character can generate big returns. According to Box Office Mojo, comic-book adaptations make an average lifetime gross of around \$96.8 million. While "The Dark Knight" sparked around \$533.3 million, films about lesser-knowns such as "Elektra" have generated around \$24.4 million, according to Box Office Mojo.

LICENSING

Popular characters can appear on anything from statuettes to bedding, and retail sales of products featuring entertainment characters came to about \$9.88 billion in 2008, according to Ira Mayer, president and publisher of The Licensing Letter. He estimates Disney controls 35% to 40% of the market and believes any one character can generate up to \$1 billion in a given year. Marvel's net sales from licensing came to about \$292.8 million in 2008, according to the company's annual report.

PUBLISHING

Don't forget, the Marvel characters are first and foremost comic-book creations. Captain America, for instance, appears not only in his own comic as well as Marvel's "New Avengers," but in various limited series and compendiums of archived material and graphic novels. Digital media is giving rise to what is known in the industry as "motion comics" that can be viewed online or even downloaded to an iPod, offering another revenue stream. In 2008, Marvel controlled 41% of the dollar share of comics sold at independent comic-book stores, and its net sales from publishing, including advertising, came to \$125.4 million, according to its annual report.

TV

Characters can spawn any number of projects, from live-action dramas (Think "Smallville") to cartoons (an old Spider-Man cartoon is running on Disney's XD cable network). According to TNS Media Intelligence, "Smallville" earned \$65 million in ad revenue in 2008, while Cartoon Network's animated "Batman: The Brave and The Bold" generated \$361,000.

THEME PARKS

Marvel characters are already in use at NBC Universal's Universal theme parks, but those not covered by previous agreements could certainly wend their way to Disneyland or other Disney destinations, whether in the form of appearances or even new rides based on movies or specific stories, perhaps boosting attendance among those who might not have considered a Disney trip before. Walt Disney generated about \$11.5 billion in 2008 revenue at its parks and resorts, according to the company's 2008 annual report.

VIDEO GAMES

An emerging venue, but experts believe it could take off in the future. In late August, Eidos Interactive and Time Warner's Warner Brothers launched "Batman: Arkham

Asylum," based on the adventures of the popular DC Comics hero. Licensed Marvel games have grossed nearly \$1.3 billion since 1995, and are the fourth-highest-grossing non-video game license in the industry (following the NFL, NBA, and Star Wars). In total, Superhero licenses have grossed over \$1.5 billion since 1995. U.S. computer and video-game-software sales grew 22.9% in 2008 to \$11.7 billion, according to the Entertainment Software Association—more than quadrupling industry software sales since 1996.

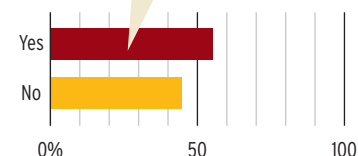


WHAT YOU SAY

THE QUESTION:
DO YOU THINK MORE ADVERTISERS WILL
PULL OUT OF POLITICAL CABLE SHOWS?

55%

of readers think there is a
good chance others will



During a time when certain cable news channels have given the bulk of their programming to bloviators left and right, marketers find themselves in the middle. Now a few are considering pulling ads from all political talk shows. And 55% of those who responded to our poll said they think others will, too.

Perhaps they've been watching too many of those political talk shows on TV, but many who responded with comments had trouble sticking to the topic at hand. Fittingly for the genre, they engaged in the internet equivalent of shouting talking points.

Some, however, did take a stab at answering the question. "More will pull out, but I don't think it will jeopardize the long-range survival of these shows," said **Kevin Maness**. "The demographics these shows deliver to the ad content are just too distinctive, loyal and [easy to manipulate] for some to resist."

Dave Wilcox said yes too—"a qualified 'yes.' Some advertisers will drop out. But others will step in to take their place. ... Ill-informed partisans need diet pills and sexual-enhancement supplements too, you know."

On the no side was **Martt Clupper**. "We're just entering the season where politics and important societal issues will actually become more common everyday talk among the people ... This is likely to be a very profitable segment going forward. Now that the advertisers lacking courage have made themselves known, there's more room for those with it."

Megan Talbott said, "I hope not. If advertisers pull out, then the show goes under. And in a free country, every voice should have a venue to be heard, not just the popular opinion."

—KEN WHEATON

NEXT WEEK'S QUESTION:
IS IT A GOOD IDEA FOR INCUMBENT
AGENCIES TO CREATE A BLANKET
POLICY NOT TO DEFEND ACCOUNTS IN
REVIEW?

To answer, log on to AdAge.com.

What to do when social media spreads marketing myth

Marketers wrestle with false campaigns, rumors and whether to respond

By **JACK NEFF**
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JAMES THATCHER is one of the more internet-famous brand managers in Procter & Gamble history.

He was the target of an open letter from a disgruntled consumer about the Always "Have a Happy Period" campaign. The letter has had

remarkable staying power on blogs and Twitter since it was first published in March 2007, with about 64,500 Google hits and counting (some women also report having been e-mailed the letter several times).

There's just one problem: Mr. Thatcher doesn't exist.

The letter was originally written by a former advertising copywriter for the humor site McSweeney's.net, under the header "Open Letters to People or Entities Who are Unlikely to Respond," more for fun than as an

authentic consumer gripe.

It's part of a growing body of marketing myths and misinformation in social media—a sort of sub-section of urban legends that can persist even when correct accounts in conventional news media set the record straight.

Myth: P&G and SC Johnson pulled their ads off the Glenn Beck show on Fox News. Fact: Those companies never authorized their ads run on the show in the first place. Myth: Johnson & Johnson took forever to respond to a Twitter

controversy regarding an online Motrin ad. Fact: The company responded within 24 hours on a weekend to the complaints, not the days or weeks often cited.

But being bogus hasn't hurt the "Happy Period" letter's currency online. One reason for its endurance may be that it subtly feeds the myth that the executive behind the campaign was a guy, one of those infamous P&G marketing suits dictating to women how they

See **FICTION** on Page 24

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It's no longer just a video game; it's a user experience

EA Sports changes the game with add-ons, expansions, mobile play

By BETH SNYDER BULIK
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THE FIRST Tiger Woods video game, released in 1999, was available as an off-the-shelf disc for the Sony PlayStation console or the PC.

Today Tiger Woods games, including the just-released "PGA Tour 10," are available for PlayStation 2, PlayStation 3, PSP, Wii, Nintendo DS, Xbox, PCs and mobile phones. Gamers can download new golf courses and equipment, buy expansion packs, play in live online tournaments, stream play to a PC or Mac and order up a specially created iPhone app.

Marketing has followed a similar course. In 1999, EA Sports, publisher of the Tiger games, ramped up ads and PR for about six weeks before the game launched and for a few weeks after, with typical gamer-magazine print and sports TV buys. Today EA Sports develops a marketing plan for each platform and type of content and runs it all year.

"The cycle for marketing has changed. We call it 'the Tiger 365 experience,' and it's every day, 24/7, whether that's in the living room, while on the train or while in the office on a conference call," said Craig Evans, EA Sports director of marketing. "The fire and fanning mentality just won't work anymore."

The days of selling one console and a prepackaged game disc are numbered, as consumers increasingly adopt and clamor for more and different kinds of video-game experiences where and when they want them. Ubiquitous video-game content—from downloadable add-ons and expansion packs to online and mobile-phone play—offer consumers an irresistible combination of convenience, choices and low cost.

"It is changing the industry from one that was based on products to one that is based on relationships," said Rob Enderle of the Enderle Group. "It's shifting to become more of a services industry where the relationship, instead of being fleeting and based on the release of a title, is pervasive and based on updates and online relationships."

That also means a major shift in how the \$21 billion industry takes

games to market in the U.S. The frenzied, media-hyped and consumer-anticipated "big day" new releases will still occur, but the marketing strategy is changing to address the many different ways people could possibly consume each title.

COSTLY PROCESS

"Initial release at retail is still the most important market. ... But if you want to expand your audience, you will have to address the different platforms" said Michael Cai, analyst with Interpret.

EA, for instance, still does the six-week pre-release marketing blitz for Tiger Woods games, but it also does online and cross-platform marketing for its iPhone app, for example, and its upcoming streamed direct-to-the-computer Woods game.

That makes an already expensive process even more costly. Analyst Ted Pollak estimated that at

the low end it costs \$10 million to \$15 million in development and another \$3 million to \$5 million in marketing for blockbuster titles. And blockbusters are exactly what publishers are aiming to create. Those titles, such as "Tiger Woods PGA Tour 10," "Grand Theft Auto," "Halo" and even "Guitar Hero," are the ones that have the most traction with additional content.

David Cole, analyst at DFC Intelligence, who just finished a newsletter article on "the new reality of video-game consumers," said the shift could be painful.

"Any scenario I come up with has major downward implications for publishers," he said. "For the revenue of a \$5 to \$10 product to match the revenue of a \$50 product, they need to sell five to 10 times more. ... The companies that succeed will be the ones who can find all those incre-

BIG MONEY: At the low end it can cost \$10 million to \$15 million to develop a game and another \$3 to \$5 million to market a blockbuster; so marketers are expanding franchises such as 'Tiger Woods PGA Tour' in any way they can to recoup those costs.



mental revenue streams. Until now, most of the industry has not been good at exploring small niches. They're good at the \$50 to \$60 blockbuster push at retail. ... But they can't just put it in a box and walk away anymore."

EA's Mr. Evans said, "We're actively marketing all the time with the goal to keep or actively playing the online game or enjoying the experience on the iPhone so they keep coming back. The holy grail is when we can bring these all together, so if you're playing a round at Sawgrass at home and have to go to work, you could grab your iPhone and pick up where you left off. We're not there yet, but we will get there."

"This changes everything, and I doubt anyone has completely thought it through yet," Mr. Enderle said, adding that there is a positive side to all the change. "It does provide the opportunity to have a much steadier revenue stream and vastly deeper customer relationship."

Can HTC make its smartphone as familiar as Apple or BlackBerry?

Marketing push aimed at 'significantly' raising awareness by Christmas

By RITA CHANG
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FOR MORE THAN A DECADE, the cellphone maker behind T-Mobile's G1 Google smartphone has been making handsets on which wireless carriers can slap their own logos. But now Taiwanese smartphone maker HTC wants to make a name for itself, and has hired Deutsch, Los Angeles.

The company is working on its first national consumer campaign, set to debut in the fourth quarter. At the core of the exercise is the belief that a recognizable brand will spawn greater sales for HTC, which more than two years ago began putting its own logo on its phones. "We're talking about dramatically increasing awareness to dramatically drive volume," said Steve Seto, executive director-marketing, HTC North America.

For a company that spent \$2 million last year in measured media testing regional campaigns, the



AMBITIOUS: HTC is up against RIM, which holds 55% of the market, and Apple, with a 20% slice of the market.

fourth-quarter undertaking will come with "significant" brand-awareness goals that will have to be achieved by Christmas, the industry's biggest selling season, Mr. Seto said. Executives familiar with the pitch told Ad Age last month that the company was planning to boost ad spending to \$50 million in the fourth quarter alone. Mr. Seto said the figure was inaccurate but declined to discuss it further.

Regardless of spending, it will be

a tall order for HTC to move the needle meaningfully in three months, analysts said, particularly in a market that's 55% and 20% owned by respective brand heavyweights Research in Motion and Apple. HTC's share weighs in at 4%, according to IDC, tied with Samsung and Palm.

"Can they do it by year's end? No way," said Karl Barnhart, managing director at CoreBrand. "They are really starting from zero at this point."

But if HTC wants a bigger share of the smartphone pie, it must forge an identity—and cultivate it continuously, analysts say, especially as consumers are increasingly choosing their phones first and their carriers second. And with cellphone sales on the decline overall, the growing smartphone category is becoming more critical for the industry.

Any phonemaker that can pull in new customers for a carrier stands to reap handsome rewards. Apple delivered its best non-holiday quarter ever in July on the back of the subsidies it got from its exclusive carrier, AT&T, at a rate north of \$350 for every iPhone sold. Last

quarter, the popular touch-screen phone drew in more than a third of AT&T's new wireless subscribers.

BRAND POWER

As HTC trades in anonymity for visibility, it is looking to fatten its margins with bigger subsidies. Phones that are made exclusively for carriers to rebrand typically yield lower margins for the manufacturer, and don't sell as many as those that carry the logo of a well-known manufacturer, said Matt Thornton, an analyst with Avian Securities.

"Brand power moves more devices," Mr. Thornton said. "It gets you better subsidies and better volume. For the carriers, the question is: What are you doing for me? Do you have the brand momentum to drive people to the store? If not, go to the back of the subsidy line."

T-Mobile has the deepest assortment of HTC phones, but it, and other carriers contacted for this story, declined to comment on HTC's branding initiatives.

In its marketing of the carrier's flagship G1 Google phone, and now its follow-up, the recently launched MyTouch, T-Mobile has chosen to

keep the HTC name at the periphery. Instead, it has leaned on its own brand and Google's to drive interest in those phones. T-Mobile has sold more than a million G1 phones worldwide, while Apple sold more than 5 million iPhones last quarter.

T-Mobile "certainly could have sold more if the manufacturer was well-known," said Current Analysis analyst Brad Akyuz.

HTC certainly isn't the only Asian import that has entered the U.S. market as an unknown and later wanted to show the world who it was. Manufacturers such as South Korea's Samsung and LG have become well-known consumer brands by investing in high-profile campaigns, and today are the No. 1 and No. 2 in the overall U.S. cellphone marketshare, according to Avian Securities.

"LG redefined its meaningless letters to 'Life's Good.' They were able to take an obvious negative and transform it into a positive," Mr. Barnhart said. "I haven't seen that level of thinking from HTC yet. The brand right now is a jumble of meaningless letters. They need to find a compelling brand proposition beyond product, product, product."

At grocer Piggly Wiggly, agency was also the client

Case study: Retailer tapped Rawle Murdy chief to run marketing

By KUNUR PATEL
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WHEN AMERICA'S FIRST self-serve grocery store needed to bolster recession-depressed revenue and modernize its old-school marketing department, it asked the president of its agency to take on a second job: chief marketer.

With dropping wholesale prices in a part of the country saturated with Walgreens and customers trading down because of the recession, Piggly Wiggly needed to sell more to just break even. And President-CEO of Piggly Wiggly Carolina Co. David Schools didn't think its 12-person marketing team moved at the pace of fast-to-market grocery retail, or at the pace of the 21st century for that matter.

"Our sales had not been where we wanted them based on lots of factors," said Mr. Schools. "My main concern was that our marketing initiative had lost touch with our retail operation."

The then-marketing chief left the company and Mr. Schools went to Bruce D. Murdy, president of Piggly Wiggly's 24-year agency, for advice. By the end of the conversation, he'd offered Mr. Murdy the job.

In April, Mr. Murdy moved into the role of Piggly Wiggly's interim marketing director and continued to serve as president of Charleston, S.C. agency Rawle Murdy, which reported \$34 million in billings for 2008. Until this week, when a permanent marketing chief takes over, Mr. Murdy, who'd worked on the grocer's account for 22 years, spent nearly half his time at Piggly Wiggly.

There, he was tasked with

Murdy's law

1. The marketing director is not the last word; he answers to others, too.
2. Many internal battles are fought on the agency's behalf.
3. The agency's schedule is not the marketer's schedule; the client has priorities, too.
4. More than anyone, clients have passion for their brands.
5. Communications are only a small part of what a marketing director works on.
6. The best agencies make the marketing director's life easier, not harder.
7. Agencies must bring ideas that build business.
8. Keep the marketing director informed throughout the planning process.
9. Things change—agencies have to be nimble.
10. The agency is part of a team.

—BRUCE MURDY



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restructuring a marketing staff that wasn't used to sharing between ad, research or internal-communication divisions. No one had accepted responsibility for the chain's website and e-mail marketing. "The biggest challenge I had was changing culture," he said. "It was the spark the marketing department needed to start changing, someone to encourage them to try things."

So Mr. Murdy installed a digital marketing head and passed out copies of Spencer Johnson's "Who

Moved My Cheese." He moved people around within the department and to other roles in the company. He asked each member of his staff for ideas that could be implemented right away. He patched communication between marketing people and from management to the department. (For all this, Mr. Murdy did not receive a Piggly Wiggly salary, though the agency received an additional fee.)

Mr. Murdy also reworked Piggly Wiggly's media strategy and steered the Southeast grocery chain back to mass-media channels. Piggly Wiggly went back on TV, after more than a year. That effort was supplemented with social media efforts.

PUT ME IN, COACH

"From a sales standpoint, when we began to increase our media presence in TV, print and radio and nontraditional social-media channels, we saw significant percentage increase in sales," Mr. Schools said. "Internally, he enhanced the department. He inherited a situation where people didn't know what other people were doing and reenergized creativity."

This week, Mr. Murdy hands off his work to Christopher Ibsen, who was hired from within Piggly Wiggly to maintain Mr. Murdy's changes for the longterm.

Could this work for other marketers? Could an agency person get tapped to be, as Mr. Schools puts it, a marketing-department "coach"?

"This type of situation is a win-win for agencies and for clients, who can benefit from opening their doors more by letting agencies truly understand a broader picture of their business," Mr. Murdy said.

"I wouldn't be so bold as to recommend this to other people, because this was based on trust," Mr. Schools said. "I would say if you have the trust of the agency you're working with, that this is something that can work."

Staples, OfficeMax gird for back-to-school slump

Sector lays on coupons, deals to coax parents into opening wallets

By NATALIE ZMUDA
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THE BACK-TO-SCHOOL season is important for any retailer. For office-supply specialists, it's absolutely critical.

With fewer key selling periods (spiral notebooks aren't exactly hot holiday gifts) Staples, OfficeMax and Office Depot are particularly dependent on the eight-week period that lasts from late July through September.

"It's our Christmas," said Bob Thacker, senior VP-marketing at OfficeMax, and so far it's not shaping up to be a jolly one. "It looks like a lot of kids are going back to school with last year's backpacks and worn-down pencils."

The slowdown in consumer spending has hit all retailers hard, with August marking the 12th straight month of same-store-sales declines. But the office-supply category is particularly vulnerable, analysts say, making the coming weeks that much more critical, leading the major category players to pull out all the stops with aggressive pricing, inventive cross-promotions and stepped-up marketing.

"It's a heavily commoditized category. If you can be a low-cost provider, you'll pick up some traffic," said R.J. Hottovy, an analyst with Morningstar. Mass merchants such as Walmart and Target have also become more competitive in the space, as have dollar stores like Dollar Tree and Dollar General and even drug-stores like Walgreens. Specialized tools on school supply lists are also more easily found elsewhere.

The National Retail Federation is projecting sales of school supplies will fall 21% to \$2.6 billion. Among the back-to-college crowd, sales are expected to drop 17% to \$3 billion, while the number of shoppers visiting office-supply stores is expected to drop 5%.

Mindful of that, retailers are hammering home value messages and getting creative with their marketing efforts.

"Last year we had hot deals, but we weren't as direct and forthcoming about talking about savings. This year we really went out with a strong statement," said Christine Mallon, VP-retail marketing at Staples.

Staples lowered prices on 250 core back-to-school items, Ms. Mallon said, and it's also stepped up its charity campaign, Do Something 101, partnering with Ciara and "Twilight" star Chaske Spencer. Its popular commercial, "The Most Wonderful Time of the Year" has also been revived after 15 years, and new seasonal TV spots have been airing regularly.

"We're more visible than we were last year," said Ms. Mallon. "Everybody is doing what they can to get sales."

Staples' two main competitors, Office Depot and Office Max, have also been aggressively touting low prices, and both have partnered with footwear retailers to cross-promote their wares. Customers shopping at Office Depot receive a 20%-off coupon for Foot Locker, while those shopping at Foot Locker receive a coupon good for \$10 off a \$30 purchase at Office Depot. At OfficeMax, customers receive a coupon for \$5 off a \$25 purchase at Payless ShoeSource. And Payless shoppers receive a coupon for \$10 off a \$30 purchase at OfficeMax.



THACKER

From stink-free rooms to iPhone apps, paint marketers pour on new promos, pitches

Glidden, Dutch Boy, Benjamin Moore battle projected 9% sales drop

By KUNUR PATEL
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WITH NEW-HOME construction languishing, paint sales are projected to slide 9% this year, leading brands such as Glidden, Benjamin Moore and Dutch Boy to pick up the slack with new marketing and new products designed to encourage consumers to spruce up their homes.

Decision Metrics analyst Lynda

Gordon said the category usually fluctuates 2% to 3% a year, so her projection of a 9% falloff represents a serious drop. She dissects the paint market into three general buckets: maintenance, the recession-proof upkeep painting that accounts for 50% of sales; the 10% to 15% of new construction and new-home sales that have taken a major hit with the housing slump; and the remaining market of what she calls "event-driven" purchases for consumers redecorating or moving.

In February, Glidden tapped DDB, New York, to relaunch its brand in Home Depot, a shift from

brands such as Benjamin Moore and Sherwin-Williams, which are sold in independent retailers. The marketing positions Glidden as the paint brand for everyone and includes a simplified package redesign from Omnicom sibling Interbrand. It also reduced its number of paint colors and placed paint-chip inserts in magazines such as Details, InStyle, and House Beautiful.

Benjamin Moore, meanwhile, is playing on emotion rather than functionality in its marketing. "In the last year or so, the category is moving toward color," said Tony

Graetzer, senior VP-group account director at Cramer-Krasselt. "It's less about paint, more about color."

With AKQA, the company built a website, PaintwithBen.com, that lets users assign colors to words, such as love, creepy and dessert, to underscore the emotive quality of color. It also internally developed an iPhone app, Ben Color Capture, in which consumers can snap a photo of anything in the world, select a color from the photo, and match it to more than 3,300 hues. The app can direct the user to the nearest Benjamin Moore retailer thanks to the phone's GPS. A spokeswoman

reports the app has garnered 20,000 uses per month. Sherwin Williams also has an iPhone app.

On the product-innovation front, Sherwin-Williams sub-brand Dutch Boy has a new twist altogether: Refresh interior paint, which claims to eliminate household odors. McKinney, Raleigh, N.C., handles the marketing, including demonstration-based TV and print. Refresh is also hosting a contest, created by Zig Marketing, Cleveland, for the "stinkiest room in America," in which consumers win 5,000 gallons of Refresh paint and \$5,000.

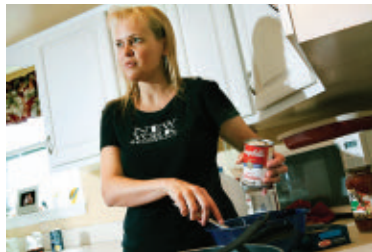
Up close and personal



Melissa Goida, a stay-at-home mother of three, has made a variety of lifestyle changes since her family began feeling the recession about a year ago.



Ms. Goida prepares a recipe for lasagna using Prego tomato sauce and cream of mushroom soup. The dinner serves four and costs less than \$10.



Dinner usually takes about 45 minutes to prepare. Macaroni & cheese and chicken nuggets are among her kids' favorites when her husband is out of town.



The Goidas have cut back on meals out. A dinner for four could cost \$15 at McDonald's, \$25 at Chick-fil-A or \$40 or more at a casual-dining restaurant.



Campbell conducts several thousand in-depth consumer interviews each year, which may include an in-home visit such as this, or a trip to the grocery store.



Ms. Goida said she is more likely to buy brand-name products she knows her kids will like so the food won't go to waste. "I don't want to take the chance," she said.



She's still willing to splurge on Smart Balance butter, because her husband is watching his cholesterol, and Hillshire Farms sausage, because "it lasts longer."



The misconception that everyone has different things in their pantries is a common one, said Charles Vila, Campbell VP-consumer and customer insights.



Ms. Goida praised Campbell's flyer, saying that the meals looked fast, easy and affordable and didn't have visible vegetables her children would shun.



According to Mr. Vila, brown-bagging has become "a badge of honor." Many of the Campbell's recipes are designed with leftovers in mind.

MEET MELISSA, YOUR RECESSIONARY CONSUMER

Campbell Soup roots around in home pantries for ideas to help homemakers ride out the downturn

By **EMILY BRYSON YORK**
eyork@adage.com

MELISSA GOIDA IS ground zero for the new austerity. The Marlton, N.J. stay-at-home mother of three used to make big shopping trips, often stocking up on groceries for three weeks at a time. Now she hits the stores weekly, sometimes more frequently if there's a good sale, and tries to cap shopping trips at \$100 to make a week's worth of meals.

"It feels like you're walking under a black cloud," Ms. Goida said. "The unknown could be right around the corner."

For marketers such as Campbell Soup, the current recession is necessitating a deeper understanding of Ms. Goida and consumers like her as they wrestle with a decline in food spending of nearly 4% in the fourth quarter of 2008, according to the Commerce Department—the steepest, fastest drop in more than 60 years. "The suddenness of this and the severity of this [downturn] has made them change in ways I don't think we've seen since the Great Depression," said Charles Vila, VP-consumer and customer insights at Campbell.

Ms. Goida is one of a few thousand consumers with whom the company will conduct in-depth market research this year and among the 50,000 consumers it consults with more generally each year. While Campbell hasn't stepped up that research because of the recession, it is monitoring it more closely than ever. "What we like to do is spend a lot of time with people in environments they feel comfortable with—dinner parties, shop-alongs, in-home," said

Mr. Vila, who has been with Campbell for 20 years. "And they start to talk about their lives."

As a result of these meetings, the company has developed recipes to help busy moms get dinner for four on the table within 30 minutes for \$10 or less, which is now the benchmark for an affordable dinner at home. Campbell is looking to discover where families are deriving savings and what they might still spend on to pamper themselves.

In the case of the 30-something Ms. Goida, her shopping patterns have shifted dramatically over the last 18 months. Her husband is a pharmaceutical sales representative, and the pair used to count on a bonus every three months. But Mr. Goida is transitioning into a new position, filling in for more-senior staff on maternity or other medical leave. If they return before 90 days have elapsed, he does not receive the bonus the family once counted on. For each of these Campbell home visits, Ms. Goida earns \$150.

Ms. Goida has transitioned to buying private-label paper and household cleaning products at BJ's, saving her name-brand purchases for food products that her kids—ages 11, 7 and 3—care the most about. Campbell Soup and Kraft Macaroni & Cheese are top-of-mind brands. "You'd think all tomato soups would taste the same," she said. "But they don't."

In general, she said, it's not worth buying private-label cereals either. "I don't want to take the chance of buying a big thing of generic cereal if they're not going to eat it," Ms. Goida said of her kids. "I'd rather mealtime be happy,

How her habits have changed

SPENDING ON

- Smart Balance butter
- Ladies shampoo
- Chick-fil-A
- G2 sports drinks
- Hillshire Farms sausage
- Local pool membership
- Team athletics

SAVING ON

- Cheese
- Kids shampoo
- Casual, steakhouse dinners
- Bottled water
- Bulk ground turkey and beef
- Disney vacations
- Back-to-school clothes

peaceful and quiet."

Ms. Goida's fridge does contain a variety of private-label perishables, such as cheese, milk and yogurt. She buys meat in bulk and stores one-pound servings in a freezer in her garage. She has also cut out bottled water, thanks to a fridge filter, and juice boxes. She now makes her own lemonade. Yet she recently purchased store-brand pudding snacks she'd normally make herself, because they were on sale.

Mr. Vila said Ms. Goida's purchasing patterns indicate that she trades down in areas where she doesn't detect brand differentiation—an important insight, naturally, for brand marketers.

Like many, the Goida family is eating out less. Mr. Vila said one of the biggest problems facing home cooks today is the necessity of creating restaurant-style meals at home. Of course, they don't come right out and say that. "They'll say, 'We used to go out and we used to have some fun meals that I didn't know how to make at home, and now that we're home, we kind of miss some of

those meals, but we like being home,'" he said. "So the interpretation is they want to be able to recreate that experience at home."

That shift has led Campbell to focus this fall on marketing ingredients for make-at-home meals that consumers used to go out to Applebee's or T.G.I. Friday's for, such as Alfredo pasta and juicy burgers. The company's tactics will include a slick, seven-day meal plan with a handful of steps.

But all that home cooking does not mean the meals are well-prepared. Jane Freiman, group manager-kitchens at Campbell, has been struggling with the single biggest problem with home cooks today: the near certainty that something will wind up overcooked. In fact, Ms. Freiman said, many people double cooking times on meat just make sure no one gets sick. The result is a very dry dinner.

And so Campbell is introducing the "French Onion Burger." The burger is browned on both sides, removed from the pan, and then steamed in Campbell's French

Onion Soup, which will rehydrate the meat if it's overcooked. The leftover soup is used as a dipping sauce.

Ms. Goida said she's trimmed spending in a variety of ways beyond the kitchen. The family hasn't done any work on their home for two years. This spring, they made their first trip to Disney World since their youngest child was born, and were able to use points for some of the hotel and souvenir expenses. Mr. Goida travels anywhere from three to five days every week, but that made a second trip possible, to Virginia Beach, again using points to pay for accommodations with an eat-in kitchen. "And so we only ate out once," Ms. Goida said.

The family is also getting started with back-to-school shopping, but Ms. Goida said that she's told her 11-year-old daughter that clothes shopping will have to wait six weeks. And even for school supplies, she has said, "We'll go out and get it when you need it."

While Ms. Goida said some of these cuts are temporary—she expects to eat out a little more eventually, and be able to take more vacations—many of them are probably for the best. Mr. Vila said her view is pretty representative of the population as a whole.

"What's happened in the last 18 months is going to leave us permanently scarred," he said. "Perhaps it's a good scar, but behaviors have changed; there is ruthless value assessment." If products and services can't clearly demonstrate and articulate their proposition to the consumer, he said, "they're going to struggle."

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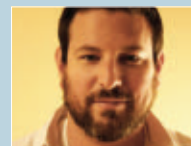


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ADVERTISING WEEK WALK OF FAME

It's time to vote for this year's Madison Avenue Advertising Walk of Fame. Two icons and two slogans will be elected to join the 13 icons and 13 slogans that have already been selected for this honor.

Results will be announced during the sixth annual Advertising Week, Sept. 21 to 25 in New York. The Walk of Fame is being sponsored by Advertising Age and USA Today.

To cast a vote for your favorites, go to www.advertisingweek.com/wof. The poll closes at 6 p.m. (ET) Sept. 18.

The Walk of Fame runs along Madison Avenue between 49th and 50th streets, with the honorees named on sidewalk plaques. In addition, victory banners wave along Madison between 42nd and 50th streets.

THE WALK OF FAME

2004

Icons: Aflac Duck, M&M's, Mr. Peanut, Pillsbury Doughboy, Tony the Tiger

Slogans:

"A mind is a terrible thing to waste."

—United Negro College Fund

"Can you hear me now?"

—Verizon

"Melts in your mouth, not in your hands."

—M&M's

"Sometimes you feel like a nut; sometimes you don't."

—Almond Joy/Mounds

"Where's the beef?"

—Wendy's

2005

Icons: Geico Gecko, Juan Valdez

Slogans:

"Imagination at work."

—GE

"When you care enough to send the very best."

—Hallmark

2006

Icons: Colonel Sanders, Kool-Aid Man

Slogans: "Don't mess with Texas."

—State of Texas Department of Transportation

"When it absolutely, positively has to be there overnight."

—FedEx

2007

Icons: Chick-fil-A "Eat Mor Chikin" Cow, Orville Redenbacher

Slogans: "Ding! You are now free to move about the country."

—Southwest Airlines

"The few. The proud. The Marines."

—U.S. Marine Corps

2008

Icons: Geico Caveman, Serta Sheep

Slogans: "We deliver for you."

—U.S. Postal Service

"What can brown do for you?"

—UPS

THIS YEAR'S NOMINEES Advertising Week, in partnership with Advertising Age and USA Today, present the nominees for the Madison Avenue Advertising Walk of Fame:



AOL Running Man
AOL

Long-running AOL icon Running Man made his first big splash in 2003, when he shared an intimate scene with actress Sharon Stone in a spot for broadband service by BBDO, New York.



Big Boy
Big Boy Restaurants International

Big Boy has been selling burgers since 1936, when company founder Bob Wian named his new double-decker hamburger after one of his customers, a happy, chubby 6-year-old whom Mr. Wian nicknamed "Big Boy."



Budweiser Clydesdales
Anheuser-Busch Cos.

By the time Prohibition was repealed in the U.S. in 1933, more than 50 percent of breweries that had been in operation before Prohibition had failed. Celebrating Anheuser-Busch's survival, August A. Busch Jr. presented his father with a team of Clydesdale horses.



Burger King
Burger King Corp.

While Burger King's advertising in the 1970s and '80s featured an animated character, the King, developed by Crispin Porter+Bogusky, Miami, made his debut in the 2004 spot, "Wake Up With the King."



California Raisins
California Raisin Advisory Board

The hippest raisins ever, the California Raisins captivated audiences in 1986 as they shuffled to the 1960s hit tune "I Heard It Through the Grapevine" in the "Lunch Box" spot from Foote, Cone & Belding, San Francisco.



Captain Morgan
Diageo

The brand debuted in 1944, when Seagram Co. started producing rum under the name Captain Morgan Rum Co. In 1993, marketing emphasis changed from the brand's taste to the Captain, with "The Captain Was Here" by Grey Advertising, New York.



Crash Test Dummies
National Highway Traffic Safety Administration

Dummies Larry and Vince first starred in a 1985 campaign by Leo Burnett Co., Chicago, for the U.S. Department of Transportation's National Highway Traffic Safety Administration and the Ad Council to encourage safety-belt use.



Doublemint Twins
Wm. Wrigley Jr. Co.

Most people are familiar with the Doublemint twins, but the campaign, launched in 1939, also included pairs of piano players and double-talking comedians promoting the brand on radio.



Fruit of the Loom Guys
Fruit of the Loom

The Fruit of the Loom Guys, who debuted in 1975 as three guys—a bunch of grapes, an autumn leaf and an apple—spring from the company's trademark, first registered in 1871. Although if the logo hadn't evolved, it would have been just one lone apple.



Jolly Green Giant
General Mills

The Jolly Green Giant first appeared in 1928, but his appearances were disappointing—until he was given a makeover by young adman Leo Burnett. The jollier, leaf-clad giant proved so popular he continues today.



Keebler Elves
Kellogg Co.

Head elf Ernie Keebler and his band of baking buddies have been producing baked goods as well as enticing advertising from the Hollow Tree Bakery since 1968, compliments of Leo Burnett Co.



Little Debbie
McKee Foods

Little Debbie was born in 1960 when company founder O.D. McKee decided to name his new family packs of snack cakes after his 4-year-old granddaughter and based the image on a photo of her.



Maytag Repairman
Whirlpool Corp.
Maytag Home Appliances

Perhaps advertising's loneliest man, the Maytag Repairman started his solitary vigil in 1967. The Leo Burnett Co.-created repairman hasn't had any work because the appliances are made so well, they're maintenance-free.



McGruff the Crime Dog
National Crime Prevention Council

McGruff the Crime Dog has been fighting crime for 30 years, thanks to the National Crime Prevention Council and the Ad Council. McGruff started urging, "Take a bite out of crime," in 1979 to help people address rising crime rates.



Michelin Man
Michelin North America

The Michelin Man was created in 1898 after company founder Édouard Michelin observed that a display of stacked tires resembled a human form. The character has been used worldwide consistently ever since.



Mr. Clean
Procter & Gamble Co.

Following his TV debut in 1958, Mr. Clean has grown from a b&w character to a cultural reference point. The name originated from the custom of honoring icons as "Mr. Television" (Milton Berle) and "Mr. Baseball" (Stan Musial).



Mr. Mucus
Mucinex

Mr. Mucus may not be pretty. He may not be pleasant. But he has drawn attention for Mucinex since first appearing in 2005—which makes him pretty popular during cold and flu season when people are looking for relief.



MSN Butterfly
Microsoft Inc.

The MSN Butterfly first fluttered onto the ad scene in 2002 for the debut of MSN 8 with "It's Better With the Butterfly." McCann-Erickson Worldwide, San Francisco, made the insect livelier for the company's next Internet services launch.



Roaming Gnome
Travelocity

From humble origins as the traveling gnome prank, the Travelocity Roaming Gnome has evolved to be a leading spokesgnome. The world's best-traveled ceramic garden ornament started his journey in 2004.



Ronald McDonald
McDonald's Corp.

Ronald McDonald first appeared in 1963 for a Washington, D.C., McDonald's franchise. Since then, he's helped McDonald's become the leading fast-food chain.



Smokey Bear
U.S. Forest Service

Smokey Bear has been working to prevent fire disasters for 65 years, since he was first created by Foote, Cone & Belding in 1944. Today Smokey is one of the Ad Council's longest-running spokescharacters.



Snap, Crackle, Pop
Kellogg Co.
Morning Food Division

In 1941, Kellogg Co. introduced its first—and longest-lasting—cartoon spokescharacters for Rice Crispies cereal: Snap, Crackle and Pop. The brainchild of Leo Burnett Co., the three have traveled around the world.



Subway Jared
Subway Corp.

How do you lose a lot of weight—and become a marketing sensation? Ask Jared. He not only lost weight, he became a successful spokesman for Subway after designing a diet based on the food chain's meals to lose 235 lbs.



Test Man
Verizon Wireless

Verizon's Test Man has drawn audiences since he started asking, "Can you hear me now?" in 2002. Representing Verizon test technicians, the Test Man now leads an army of network engineers to demonstrate the service's reliability no matter where the user is.



Toucan Sam
Kellogg Co.

Toucan Sam has been following his nose since 1963, when the Froot Loops cereal icon was introduced by Leo Burnett Co. In TV commercials he ferrets out the cereal, exclaiming, "Follow my nose! It always knows!"



Vlasic Stork
Pinnacle Foods Group

The Vlasic Stork took flight in 1974, using the voice of Groucho Marx to tell people that "Vlasic is the best-tasting pickle I've ever heard." Thirty-five years later, the now-redigitized stork is still promoting the company's pickles.

SLOGANS

All the news that's fit to print.
The New York Times

Because you're worth it.
L'Oréal

Eat fresh.
Subway

Friends don't let friends drive drunk.
*U.S. Department of Transportation
 National Highway Traffic Safety Administration*

Give a hoot. Don't pollute.
U.S. Forest Service

Got milk?
California Milk Processor Board

Have it your way.
Burger King

I love New York.
*New York State Department
 of Economic Development*

I want my MTV.
MTV

Ideas for life.
Panasonic

If you see something, say something.
New York Metropolitan Transit Authority

I'm lovin' it.
McDonald's

Intel inside.
Intel

It's in the game.
Electronic Arts

Just do it!
Nike

Like a good neighbor, State Farm is there.
State Farm

Only you can prevent forest fires.
U.S. Forest Service

Priceless
MasterCard

Six Flags! More flags! More fun!
Six Flags

Take a bite out of crime
National Crime Prevention Council

These guys are good.
PGA Tour

Think outside the bun.
Taco Bell

This is your brain. This is your brain on drugs.
Partnership for a Drug-Free America

Time to make the donuts.
Dunkin' Donuts

Virginia is for lovers.
Virginia State Tourism Office

What happens here, stays here.
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Why Walmart's Great Value changes the game

Retailer revamps store brand to make it stand out from competitors

By JACK NEFF
jneff@adage.com

THE RECESSIONS of the 1980s gave us black-and-white generics; this one has given us Great Value.

While Walmart's redesigned, repackaged and reformulated store megabrand has drawn some unflattering comparisons to those generic brands, to write it off as similar not only misses the point but underestimates its potential impact. The new Great Value is a game changer, not simply because of its size—the brand is estimated to be larger than \$10 billion—but because its novel approach to store-brand packaging and merchandising. Great Value isn't trying to pass itself off as a clone of the brands it competes against; that bland whiteness aims to set the brand apart with a distinct look and identity.

"Walmart identified an opportunity to treat our private brands more like brands," said Andrea Thomas, senior VP-private brands

How the brand stacks up

If it were a stand-alone merchant, Great Value would rank as the nation's 39th-largest retailer, at an estimated \$10 billion in annual sales. That's bigger than A&P, Whole Foods, Family Dollar Stores or Bed Bath & Beyond.

GREAT VALUE'S ESTIMATED SALES ARE ...

- Equal to \$86 from every household in the U.S.
- Nearly twice the worldwide revenue of Clorox Co. (\$5.5 billion) or Hershey Co. (\$5.1 billion).
- Bigger than the U.S. revenue of McDonald's Corp. (\$8.1 billion) or Kellogg Co. (\$7.9 billion).
- More than the U.S. sales of Amazon (about \$9.6 billion).
- Close to the sales of Dollar General Corp. (\$10.5 billion).
- Approaching Procter & Gamble's fiscal '09 sales to Walmart Stores (about \$11.9 billion, or 15% of P&G revenue).

Sources: Ad Age research, company reports, Stores magazine/Planet Retail

for the chain, noting that Great Value ultimately has to earn its place on the shelf just like the others. She said the chain made "a conscious decision to hire people who have managed big brands and apply some of the basic brand-management techniques."

Ms. Thomas, who was VP-global chocolate for Hershey Foods and a

veteran of Frito-Lay and Pizza Hut before coming to Walmart in 2007, said that means differentiating Great Value from other brands rather than trying to mimic them. "If you made a decision in one category [before], that equity or experience didn't transfer into any other category," she said. Great Value was "more than anything a collection of

items," rather than a brand, she said.

The second objective was simply to upgrade the image, she said. "We needed it to look like we cared about the quality."

Publicis & Hal Riney, San Francisco, is handling advertising and marketing, but Ms. Thomas declined to disclose who was responsible for the design.

Walmart, more often a creative follower of its retail competitors, has been a leader this time. A revamp of Target's entry-level store brand as Up & Up is hitting shelves a few months behind the new Great Value, and bears a remarkably similar plain-white resemblance.

Up & Up was developed largely simultaneously rather than as an imitation of Great Value, said a person familiar with the brand's development. But the goal was similar: to make the low-price brand stand out on the shelf from its premium competitors. In Target's case, the effort also meant trying to convey more of an emotional appeal than a strictly value-based one, while

simultaneously removing the cherished bulls-eye logo from cut-rate merchandise.

The stark approach works for store brands with access to as much shelf space and merchandising support as they want, he said. Other marketers, which never know how much of either they'll get, have to cram as much visual impact and verbiage as possible onto their packages.

The risk of Great Value is to what extent Walmart will trade consumers down from the brands that have been its bread and butter for decades, which could depress same-store sales but possibly sweeten profits and margins. Ms. Thomas declined to say whether it had that effect last quarter, when Walmart's U.S. sales came in lighter but its earnings and margins were higher than expected.

The risk for Walmart suppliers is that, having taken on Great Value, Ms. Thomas will turn her attention elsewhere, such as the Equate health-and-beauty brand. "We are assessing the needs and opportunities for all the private brands," she said.



THOMAS

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Reader comments from AdAge.com

■ "If I was brand manager for WWF and someone presented that creative to me, I would have fired them on the spot."

■ "I cant believe that the comments are complaining about the cheating at ad awards and not the disgusting bad taste."

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

WWF, DDB show there's no hiding place in digital world

Agencies and marketers need to learn what even the most dimwitted college seniors are now being told: If you're going to share stupid behavior with any small part of the world, you'd better be ready to share it with the entire world.

Even as we continue to unravel the mystery of the horribly insensitive (and just plain bad) ad effort from WWF Brasil and DDB Brasil, one question stands out. And you'll have to excuse the strong language. What the hell were they thinking?

While some are venting outrage at award shows for not ferreting out "cheaters," the responsibility for this work rests with the World Wildlife Fund and DDB, not a handful of judges sifting through piles and piles of award entries. (Their biggest fault is rewarding shoddy, logically flawed, insensitive work, not failing to detect what may or may not be a "fake" ad.)

What were agency and client thinking when they created an ad solely for an award show? That, hey, everyone else has done it at some time or other, so screw ethics and simple honesty? What were agency and client thinking when they approved such an insensitive ad? Perhaps they felt that using two horribly tragic events (Sept. 11

and the tsunamis) was a smart way to create something "edgy." Did they think they would never be found out? Did they completely ignore recent examples of local ads going global—Burger King, Absolut, Microsoft—because someone somewhere found it offensive? Finally, does either WWF or DDB believe that anyone in the industry thinks this was the result of "the inexperience of some professionals on both sides"?

Sadly, this sort of behavior has been the mark of experienced "professionals" for some time in this industry, whether it be to win awards or just flex creative muscles. It used to be that such experiments went unseen. No longer.

The fact of the matter is a one-off print ad in Sao Paulo is no longer just a one-off print ad in Sao Paulo. It's going to be seen eventually. Then again, that the ad was entered in award shows doesn't exactly indicate a sense of shame on the part of anyone involved.

And for those inclined to take something positive out of this? Consider the following: If the digital world can transform a horrible one-off print ad into a global phenomenon, it can do the same for smart, powerful, real work as well.

READERS RESPOND

Nation split on political talk shows

RE: "Political Talk Shows Talk Themselves Out of Ads" (AA, Aug. 24) states that advertisers have become "skittish" about appearing on all of these programs. I think it's important to differentiate between the shows that forcefully express political views, whether conservative or liberal, and those that are inflammatory. Glenn Beck, whose statements first provoked marketers to pull their ads, tells out-and-out lies, uses vituperative language and encourages his followers to act out. He is not alone at Fox News. MSNBC commentators are similarly outspoken, even fiery, but to my knowledge have never stooped to hate speech.

As a regular viewer of both Fox News and MSNBC programs, I think there is an important role for political "op-ed" programs, which should not pretend to be true news-reporting programs. I hope that advertisers will continue to sponsor responsible talk shows.

Judy Langer
President
Langer Qualitative
New York

I have a slightly different view on this, it seems. If I was an advertiser, I would be standing in line to advertise on one of these polarizing shows. Why? The old

saying: If 50% of the people love you and 50% hate you, you will be very wealthy, but if 100% kinda like you, you will be very hungry.

Create a special product just for the show's viewers. Sell your product with a red or blue label. Donate a portion of each product's sales to the political party represented by it.

Having passionate consumers is the greatest way to grow your product. Have you talked to someone who uses a Mac lately? Passion rolls out of them.

If you don't like the show, don't watch it. If you don't like the product, don't buy it. But don't boycott because they advise.

If I was at Clorox, I would sponsor a show called "Come Clean America." Have pundits from the left and right come on each week and rant away. Support free speech in its greatest form and make a mint doing it. Gotta love a capitalistic world, huh?

Scott Lovinggood
Riceville, Tenn.

Bartering easier said than done

RE: "In Recession, Media Bartering Is Back on the Rise" (AdAge.com, Aug. 31). In the media business, you get what you negotiate. Since barter is not

an everyday occurrence, many clients don't know what to negotiate for. As an example, if a barter company requires a percentage of cash from the client in addition to the client's merchandise, the barter company is actually not bartering media; they are bartering a media discount, which is profoundly different. This isn't necessarily a bad thing. Understanding how (and why) these discounts vary, and the degree to which the barter company discloses these answers, are just a few facets of a multifaceted transaction that, like any other business decision, should be thoroughly researched before being entered into.

Jeff Wolfman
Broadcast Marketing Corp.
Brooklyn, N.Y.

Social-media usage has to evolve

RE: Chris Perry's "Why Social Media Isn't Living Up to the Hype (Yet)" (AdAge.com, Sept. 1). This article is full of great points that fall down to one maxim: Using antiquated broadcast-marketing methods with emerging relationship-marketing tools doesn't work. When your Twitter feed is all about your company news and offers rather than having mentions of or replies to other people, you're posting a billboard in the Sahara. Social-media tools are

designed for two-way or community communication, not single-channel broadcast communication. When they aren't used for what they're designed to do, they don't work. That's why the people who don't use social media daily, and with more in mind than pimping products, don't 'get it' and think it's a waste of time.

When you have serving your audience, or collaboration, in mind, you'll benefit greatly by utilizing the power of social-media platforms to reach interested and targeted audiences through real-time search and other tools.

Brett Greene,
Boulder, Colo.

You touch on a very important fundamental point. Business has changed. Brand building has changed. It's no longer us-them, the passive customer. It's now the collective "we," the active participant.

The fuzzy management of social right now reminds me of when brand building was relegated to a "marketing-only" function. But over time companies realized that brand building was a companywide function, requiring understanding, engagement and alignment of all employees. So, too, will this be required for social media.

Eric Brody
Morristown, N.J.

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Stop being an agency and start being an agent of change

WAYNE ARNOLD



TEN YEARS AGO the chairman of MIT's Media Lab, Nicholas Negroponte, commented that any company that describes itself as an "agency" is doomed. He's right. Agencies—as middlemen between media owners and brand owners—are today merely commoditized suppliers and not the creative business partners our predecessors once were. Agencies, simply, are not as important as we used to be.

In the 1960s, so the story goes, British miller Rank Hovis McDougall approached ad agency J. Walter Thompson with a problem: surplus flour. In those days agencies had ideas about the base material of their clients' companies. They created brands out of those ideas. What emerged from JWT was one of Britain's best-loved brands for decades, Mr. Kipling Cakes, which has since created value of about £2 billion. Around the same time here in the U.S., Mary Wells created an exciting new way to travel, Braniff, out

of a dull-gray airline ("the end of the plain plane"), spurring 15 years of rapid business expansion.

Then, agencies were often larger organizations because they needed a whole raft of specialists: product-development teams, package designers, sales promotion, in-store marketing, direct marketing and PR. When agencies began making money primarily from TV advertising, the less-profitable disciplines were pushed out.

Today, as the CEOs of large companies wonder how to grow their businesses, where do they turn for ideas? Not to advertising agencies.

So what can agencies do to once again become creative business partners?

The Concise Oxford English Dictionary includes two subtly different definitions of the word "agent": "a person or company that acts as a broker and provides a specified service" and "a person or thing that exerts power or produces an effect." Transforming

current, commoditized agencies from the first definition into the second—making them *agents of change*—is what matters to me here.

If you think of yourself as an agent of change, then the ideas you have for your clients start to look very different indeed. For example, if a pharma client wants to get closer to the medical industry, we don't give them an idea for an ad. We give them nurses and a training program that enables a nurse to do 95% of what a doctor can do in half the training time. Now that's delivering real value and long-term sustainable brand credit.

The most significant difference between the ideas that transformed businesses in the past and those that will in the future is digital—the biggest single agent of change today, tomorrow and for the foreseeable future. Why? Because digital is fundamentally bringing companies' core values and products closer to their consumers in both positive and nega-

tive ways like never before.

At Profero we've put our money where my mouth is by opening Factory Shanghai, an experimental mash-up of Andy Warhol's Factory, my agency's office space and a Soho House-style entertainment experience. In one example of looking for ideas from outside the client-agency complex, we brought an international brand owner to meet a lingerie designer who makes blue movies in her spare time and an engineer who created a disco powered by the energy of the dancers. The brand owner didn't leave with a new ad concept. Instead he walked away with ideas for a clothing line; a new music track; priceless inspiration; and, most importantly for us, a transformed perception of what our business can deliver.

Wayne Arnold is CEO of Profero, North America. A longer version of this column can be found at AdAge.com/agencynews.

Slowly but surely, line extensions will take your brand off course

AL RIES



"WOULD YOU like to steer the ship?" is a question I used to hear in the Merchant Marine.

The helmsman on duty would tell the neophyte, "Just take the wheel and keep the compass reading at 180," or whatever the course called for.

Steering a ship is not like driving a car. The ship drifts to the left, so the neophyte turns the wheel to the right to try to correct the course. But the ship keeps turning left, so the neophyte figures maybe he needs to do the opposite, so he turns the wheel to the left . . . and the ship turns to the right. Now he's convinced that he's got the hang of it, until the ship turns left again. After a while, the poor soul is convinced the wheel isn't connected to the rudder at all.

It takes time to turn a ship, and it takes time to build a brand. If you want to turn a ship to the left, you turn the wheel to the left . . . and then you wait and you wait and you wait. Finally the ship turns to the left.

Marketing is like steering a ship. If you don't wait long enough for a marketing effect to run its course, you can draw exactly the wrong conclusion.

Take the 1981 introduction of Bud Light by Anheuser-Busch, virtually the last major brewer to introduce a light version of its regular beer.

I asked management, "Won't that hurt sales of Budweiser regular? Instead, why don't you introduce a totally new brand?"

"Oh, no," came the reply. "We're not positioning Bud Light against Budweiser. We're going to take business from Miller Lite, Coors Light, Schlitz Light and all those other light beers out there."

Sure enough, the 1981 introduction of Bud Light did not hurt the regular Budweiser brand. Year after year, sales of regular Budweiser went up.

Seven years of sales increases seemed to prove me wrong. "And you thought that Bud Light would hurt our regular Budweiser

brand? Are you crazy?"

Then came 1989, which saw regular Budweiser down one-fifth of 1%, the start of the deluge.

As of today, Budweiser volume has fallen every year for 20 years in a row, to 23.5 million barrels in 2008 from 50.6 million barrels in 1988.

We call line extension the "hockey-stick effect." Short term, you get the blade and score a few goals. Long term, you get the shaft.

Oddly enough, what gave Anheuser-Busch confidence in its line-extension strategy was the track record of Miller Lite.

Introduced nationally in 1975, Miller Lite also did not hurt sales in the short term of Miller High Life, the company's regular beer.

Year after year, Miller High Life climbed up the beer ladder, from 5 million barrels in 1971 to 20.8 million barrels in 1978, the most explosive growth ever recorded by a beer brand.

By 1979, the combination of

Miller High Life and Miller Lite (34.8 million barrels) outsold Budweiser (30.0 million barrels) by a significant margin. No wonder Anheuser-Busch pushed the panic button.

Too bad. If it had had a little more patience it would have realized that line extensions are inherently unstable. A successful line extension almost always damages the core brand—over the long haul.

So it is in many marketing situations: What works in the short term often doesn't work in the long term.

If it took Bud Light seven years to damage the regular Budweiser brand, how long are you taking to measure the success of your programs?

Al Ries is chairman of Ries & Ries, an Atlanta-based marketing strategy firm he runs with his daughter and partner, Laura. Their website is: ries.com. A longer version of this column can be found at AdAge.com/columns.

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

JOHNSON: A TALK WITH OUR INTERNS

While our interns all acknowledged the importance of social media, there is much about social media as a career that doesn't appeal to them, especially the always-on aspect of blogs and social networks. Someone said, "Why pursue a career in social media? It's what we do with our free time." They are also suspicious of the hype, especially around specific platforms like Twitter, and suspect that it has peaked. They are much more curious about what's the next big thing.

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

ZANGER: MIND YOUR ONLINE MANNERS

Twitter is all fun and games until someone puts an eye out—or loses you business. I think one thing we at agencies or otherwise in the business of customer service need to remember is that our use of social media does not allow us to say anything we please at any time. Like it or not, there are—or should be—constraints in our social-media conversations, especially if we're Twittering or Facebooking as an official representative of a company.

AS SEEN ON
ADAGE.COM/BIGTENT

IMADA: AN INTERVIEW WITH STATE FARM

At a convention in San Francisco this month, I had a chance to speak informally with Sonya Gong Jent, VP-operations, multicultural-business-development group at State Farm. She and her colleagues talked about their commitment to marketing their products and services to the rapidly growing multicultural markets throughout the country, including the Asian Pacific American market.

More at AdAge.com

■ Kellogg professor Rob Wolcott on how CMOs can work to drive top-line growth. It's not just by designing new products.

■ Jonathan Salem Baskin on the absurdity of marketing-effort "elevator pitches"—and how to tone them down.

CMO STRATEGY

Edited by Jennifer Rooney, jrooney@adage.com

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THE CMO INTERVIEW

HEINZ

BRIAN HANSBERRY



HOW HEINZ SATISFIES MOMS' HUNGER FOR COMFORT FOOD

CMO Brian Hansberry on pulling once-sleepy brands back into the mix

By EMILY BRYSON YORK
eyork@adage.com

COMFORT FOOD NEVER goes out of style, but it's a particularly good time to be helping consumers make their own. With more mothers looking to cook at home for their families, attempting to recreate the restaurant-style experience they can no longer afford, marketers that understand that dilemma, such as Heinz—purveyor of ketchup, Ore-Ida potatoes, Classico pasta sauces and Smart Ones frozen meals—are sitting pretty indeed.

Brian Hansberry, a nine-year Heinz veteran, is a CMO who also runs the \$1 billion comfort-food business for a brand that, according to TNS Media Intelligence, spent \$70 million in measured media during 2008. Mr. Hansberry, 43, cut his teeth at Procter & Gamble, working for 10 years on brands including Duncan Hines, Folgers, Jif and Sunny Delight.

He reports directly to and works closely with Heinz CEO David Moran.

Heinz has met or exceeded earnings expectations for each of the past six years, something Mr. Hansberry attributes in part to the composition and structure of the 95-person team he built nearly from the ground up upon arrival. He sought marketers who are also skilled business managers, as each brand manager has responsibility for the brand's profit and loss and ownership of pricing decisions.

Tough economic conditions have created an opportunity for the food business, Mr. Hansberry said. "People look to food for comfort, security, escape and high-quality time with your family, and a number of our categories are taking off: pasta sauce, gravy, potatoes. We play right in the sweet spot."

Indeed, with an average household income of \$49,000, most

moms spend \$5,700 a year on food, or \$100 a week, Mr. Hansberry said. That's \$15 a day and, at three meals a day, \$5 per meal to feed a family of four. That's been a boon to brands such as Ore-Ida and Classico, but Mr. Hansberry said it's a challenge for "me categories" such as Smart Ones, which is geared toward single portions and can cost about \$3 per serving.

Another big change in the marketing landscape since his arrival has been the ability to test new products via social networks. Mr. Hansberry said consumer insights have pulled once-sleepy brands back into the mix. For quicker-to-market strategies, Mr. Hansberry looks to online communities to deliver rapid feedback on new-product tests. Ore-Ida launched a Steam n' Mash frozen-potato product last year, and he said the redskin-potato selection was the result of consumer requests.

In an interview with Advertising

We're attacking costs because Mom, in these recessionary times, is not willing to pay for everything anymore. The one thing we won't sacrifice is what comes in the packages: taste.

Age, Mr. Hansberry talked about understanding moms, the relevance of comfort foods and how Heinz is waking up the ketchup business in the midst of a recession.

How important is sustained marketing support right now?

One of the things we can do to navigate this recession is to increase marketing support. We have data to back us up. Nielsen conducted a study [that showed] businesses investing in increased marketing during recessionary times emerge from recession dramatically faster than businesses where marketing [was flat or declined], and we have support right on up to CEO Dave Moran.

How are you funding these increases?

We're attacking costs because Mom, in these recessionary times, is not willing to pay for everything anymore. We've identified what she's willing to pay for and what she's not willing to pay for. For example, the corrugated packaging we ship our ketchup in is not something [she] values, so we found the least expensive way possible so that we can drop those costs and fuel marketing budget and fuel our brands. The one thing we won't sacrifice is what comes in the packages, and that's the taste, hence our emphasis on taste.

Mom?

My background is 10 years at P&G and nine years here. I was trained in [the concept of] the consumer is our boss. I very much believe that. We use the word "she" to connote the consumer is our boss. Anybody can be doing the shopping, but we speak in terms of she.

You redesigned the Heinz ketchup label last year, adding a picture of a tomato. How has that been received?

Heinz is in every household. In America it has higher household penetration than salt and pepper. It's an amazing thing, one of the strongest brands within consumer package goods. It's a blessing and a curse when you have a business that everybody had tried and has in their home, and when you're in charge of growing that, it can be quite challenging. Our biggest opportunity was to grow usage occasions and [get consumers to] consider using Heinz ketchup more than they do.

But moms needed to know there were tomatoes in the ketchup?

That's the single kernel behind "grown not made," to remind mom that when she buys Heinz, it's a product we have essentially cared for from seed to plate. Every bottle

of ketchup starts with the tomato.

There's a piece of insight that'll blow your mind.

That was the thing we took for granted, that she knew it came from the tomato. Not all people spend as much time thinking about ketchup as we do.

And you've also innovated in ketchup since arriving nine years ago. How did you do that?

If you look back over last six years, you see a track record of innovation. We took a relatively sleepy category and we've been innovating like crazy with kids' colors, upside-down bottles, fridge-fit bottles—we have been able to grow the category and market share. There's no such thing as tired brands, but tired brand managers. We have certainly worked up these brands.

But what drove those changes?

We believe here innovation begins with an eye; it's about observation. It's an amazing insight that ketchup was kept around for so long that consumers stored it upside down, and we didn't know that until we saw it with our eyes.

How are you looking at private label these days?

In recessionary times, the No. 1 competition is private label. The single biggest thing we can do is to deliver value proposition, product benefit—particularly the taste we provide—and communicate that message to consumers. Private label has been growing, so it's critical to be No. 1 or 2 or your distribution is going to the threatened. Our responsibility as a branded leader is to innovate and grow the category for our trade customers, so we play a leadership role. In doing so, we throw private label off their game.

You've also developed online communities to assist in product development and marketing. How did that work with the Steam n' Mash mashed-potato launch?

We were able to place the product with the moms [through the Let's Dish and She Speaks] communities. They were able to taste it, test it, record different things for us. They looked at packaging, choices on flavors; they really influenced the flavors that launched. In the offline world, if we did a traditional test-market launch, it takes nine to 12 months to read [the results] and would take about another nine to 12 months to roll out. But by leveraging communities, from ideas to execution, the first presentation from a summer intern to national launch was nine months.

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How much would YOU pay to read still more about sicko Garrido?

On the web, lurid, sensationalistic news is priced at \$0 (for now, at least). Maybe it's worth exactly that

A KIDNAPPER-RAPIST sicko has me thinking lately about the literal value of news.

Yeah, I'm talking about the shocking story of Phillip Garrido, the California nutcase who allegedly kidnapped Jaycee Lee Dugard 18 years ago, apparently brainwashed her, kept her secreted away as his sex slave in his backyard shantytown, impregnated her and had her raise two daughters with no access to formal education or medical care.

You just know that somebody, somewhere, is rather cynically calculating the worth of the story. A lot of somebodies, actually. Book proposals about the case are being priced out; tabloid publishers are trying to guesstimate the circulation bump the slowly unfolding saga might or might not yield; dollar values are being attached to the inevitable first Dugard interview (watch for some "respectable" news organization that supposedly doesn't pay for stories to end up quasi-paying for it by compensating Dugard for, say, access to photographs or other materials); and TV news-magazine producers are considering the potential ratings boost.

But what's the value of the Dugard story to *you*? I mean to you *personally*?

I'm asking because, of course, we've just come off of a summer filled with endless stories about publishing types—from Rupert Murdoch to Steve Brill—suddenly deciding that we're all going to have to start paying for more of the news. The era of newspapers giving away on the web what they charge for in print is supposedly coming to an end.

It's a mind trip, this repricing-the-news moment, because no one—least of all newspeople—knows what it's really worth. And that's because a lot of news—possibly most news—has little real value to the average consumer: Entertainment value sure (in the Garrido case, along the lines of a particularly chilling horror movie), but tangible value?

The Garrido story has essentially zero value in *my* life. In fact, I'm frustrated by how compelling it is, how much time I've already spent reading about the story (mostly on

the web), because there's absolutely nothing to be gained from it. (I might actually be willing to pay to never have to hear Garrido's name again.) Garrido is obviously something of a *sui generis* monster, so there are no object lessons here, it's not a cautionary tale, and there are likely few adjustments to be made to, say, the California parole system (Garrido was on parole for an old crime). We simply flock to this story, almost compulsively, like the proverbial car accident. Not because it's informative or edifying, but because, well, we can't look away. It's tragedy porn.

It's an extreme case, sure, but how much of the mainstream news that you consume—the stuff that newspapers and TV deem worth extensive coverage—is similarly lurid and devoid of real substance? A lot of celebrity coverage, for instance, has become tragedy porn, too, from the life and death of Michael Jackson to the travails of Lindsay Lohan. And speaking of porn, how many news organizations—particularly newspapers that tried to compete with lifestyle glossies during the boom years—got dangerously addicted to offering consumer porn, real-estate porn, etc., much of which was generally useless?

I'm making a simplistic argument here—sensationalistically paying attention to the most sensational elements of the news ecosystem at the expense of the clearly valuable investigative reporting and geopolitical reporting and reporting about the local and national body politic to which the best news organizations still, thankfully, devote considerable resources. Then again, the proportion of infotainment and faux news has surely been rising since the late Don "60 Minutes" Hewitt cracked the news-as-entertainment (and news-as-network-cash-machine) formula four decades ago. As much as principled, high-minded journalists speak of the necessity of the Fourth Estate and the importance of an

informed citizenry, the truth is that much of the news put forth by media conglomerates neither informs nor enlightens. It merely titillates. (Even the news about health-care reform, as dutifully propagated by major media organizations, has become largely useless. It's about the squabbling, not the substance.)

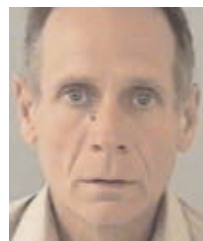
It's a deep irony that the we're-going-to-charge-for-news movement is being led, in part, by Murdoch, because he, of course, has done perhaps the most to pornify the news in the past few decades—both conceptually (in the sense that one definition of pornographic is "lurid and sensational") and literally (his famous topless Page Three girls at The Sun in Britain).

Unfortunately for Murdoch, porn—*actual* porn—isn't the business it used to be. As the Los Angeles Times reported last month, name-brand porn star Savannah Stern, who was pulling in nearly \$150,000 annually just two years ago (and drove a Mercedes-Benz), expects to make maybe \$50,000 this year (and has switched to driving a used Chevy Trailblazer), as porn studios produce less original content and pay less per sex scene, as DVD sales plummet and subscription and micropayment porn sites struggle. Why? "We always said that once the internet took off, we'd be OK," an executive at one porn conglomerate told the Times, but "it never crossed our minds that we'd be competing with people who just give it away for free"—referring to DIY porn sites such as YouPorn.

The thing to remember about the porn industry is that it has always led the way when it comes to promoting the adoption of new technologies—from VHS to cable to camcorders to DVDs to the internet itself.

But, hey, if Rupert Murdoch can reverse the tide and get people to pay top dollar for news porn, well, more power to him.

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GARRIDO: California kidnapper-rapist hijacks the media, but the media don't seem to mind.

AFPHOTO

WATER COOLER

BY MATT KINSEY

'The September Issue' opens, finally, for the non-fabulous

Manhattan has been awash in screenings of "The September Issue" since the documentary premiered at Sundance in January. With most of New York's media elite scoring invites to the Museum of Modern Art and Soho House screenings, who was left to buy movie tickets when the film finally opened Aug. 28? Turns out, lots of people. R.J. Cutler's look at the making of the biggest issue of Vogue in its 117-year history raked in more than a quarter of a million dollars in three days on just six screens. That's an average of \$40,000 a screen, enough to make it the fifth-highest-grossing documentary debut of all time. (That would buy you barely two full-page color ads in the magazine, by the way.) Despite layers of buzz—including an appearance by Editor in Chief Anna Wintour on "David Letterman"—the film, however frothy and entertaining, doesn't offer much insight beyond what you already know if you've seen the "The Devil Wears Prada."

Vogue's editors and stylists are an eclectic cast of characters, and they're the first to admit how silly what they do must seem to outsiders uninterested in what they wear. But the staff's passion for draping beautiful clothes on beautiful people is more compelling than you'd think; watching them run amok orchestrating their individual visions while compiling what is often referred to as "fashion's bible" is très amusing. The real scene stealer is Grace Coddington, the magazine's creative director, whose eye for composition and penchant for romanticism are a brilliant foil to Anna Wintour's celeb-focused, budget-conscious decisions. It's a symbiotic (some say codependent) relationship—Wintour guiding the trends, Coddington making them pop on paper.

If art indeed imitates life, what would Cutler's take be on the September 2009 issue of Vogue, a hungrier-looking cousin to the 840-page titular issue that's down 37% in ad pages from 2008? "The September Issue," we're told, represents a new year of aspiration and inspiration that serves to fuel the \$300 billion fashion industry. And as long as Ms. Wintour sits at the helm of that industry, as she has for two decades and counting, the mystique of Vogue's brand is unlikely to fade. Whether the movie will muster even a blip on the magazine's performance radar this year has yet to be seen.



GRACE UNDER FIRE: Coddington proves a perfect foil to Wintour.

THE HEAT INDEX

Weekly rating (0-10) of sizzle and fizzle

- 10** **'MAD MEN'** After all the chatter last week about how we've seen "The Best Episode Ever," here's hoping it can hold the momentum. Peggy, we're counting on you.
- 7** **'PROJECT RUNWAY'** It's back, it's on Lifetime, and they didn't mess with it. "Runway"? You're still in.
- 5** **DIANE SAWYER** Trades the early-morning shift for the dinner hour as she steps up to replace retiring ABC "World News" anchor Charlie Gibson.
- 1** **GANNETT** In what sounds like a plan hatched after watching "Office Space," chain makes every Journal News employee reapply for a smaller number of jobs.

More stories on AdAge.com

Who says you can't buy friends? One firm promises to sell you 5,000 more on Facebook for just \$654.30.

At AdTech Chicago, chaotic agency models, a dearth of digital metrics and social media dominate the hallways.

DIGITAL

Edited by Abbey Klaassen, aklaassen@adage.com

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Why time spent on websites can be just as important as views

Length of user experience can help media buyers gauge influence, and Facebook is at the top of the pack

By ABBEY KLAASSEN
aklaassen@adage.com

HOW MANY VISITORS a website gets matters, but so does the amount of time people spend on the website. And in that category, Facebook is smoking the rest of the big guns.

Users spent an average of five hours and 12 minutes on the site in July, according to Nielsen—that's up from just one hour and 30 minutes a year ago. The next-closest of the giant web properties: Yahoo, at three hours, 23 minutes; followed by AOL (two hours, 36 minutes); Fox Interactive (two hours, 19 minutes); and MSN (two hours, eight minutes). Who ever said portals were dead?

One explanation for the growth: The network effect. As Facebook's audience has ballooned, there are more people on the site for any given user to connect to, play games with and comment on, making it more useful and entertaining and increasing the amount of time each user spends on it. It also helps that Facebook has managed to maintain frequency of use.

"A couple years ago, about half of our users logged onto Facebook every day, and as we've grown to 250 million worldwide users, that number hasn't changed," said Mike Murphy, VP-global sales at Facebook. "It makes it more engaging from a user standpoint and we get more minutes spent, which means we have more opportunities to show more people an ad message in a given day."

That, he said, has allowed the site to expand the number of big advertisers it works with. Right now, 83 of Ad Age's 100 Leading National Advertisers are on Facebook.

Time spent is increasingly important as a site saturates the online audience. The law of large numbers means it gets harder to grow by just adding new users, so it's important to grow the amount of time spent and mindshare among existing users. Today, Facebook is the fourth-largest property in terms of unique visitors, with just shy of 97 million monthly unique visitors, behind Google, Yahoo and MSN/Windows Live.

Time spent is an increasingly important way for media buyers and planners to gauge a site's importance and influence on people, said Rachel Ooms, VP-group media director at Moxie Interactive.

"Buying media is about targeting mass audiences and it's about where people are flocking. If people are there, we want to be there," she said.

Added Rick Gardinier, chief digital officer of Brunner: "Unique visitors or banner-ad click-throughs are just one piece to the puzzle. We're starting to look at engagement and time spent in rich media or in specific content areas. Those are sometimes more important." However, he cautioned, just because people spend a lot of time on a site doesn't mean they're in prime ad-reception mode. And that can occur with social networks.

Still, from Facebook's standpoint, the more time people are on it, the

more time they will have to see its homepage ad, which is a key part of its monetization strategy. That equation—more time on a website equals more opportunity for exposure—has inspired some web sellers to recast their sales models to sell on time-based metrics. Betawave, under CEO Matt Freeman's direction, is aggregating sites that command attention, using time as a proxy. And VideoEgg has been marketing its network based on the idea that attention to an ad is what really matters. Time is an essential component of that.

"Most brand-building environments have historically been about taking discrete pieces of consumer's time," said Videoegg Chief Marketing Officer Troy Young. "So how do we make internet advertising less about traffic generation and navigation and more about time?"

Incidentally, Facebook commands a lot of time—the most of the 20 largest sites—but it's not the biggest time suck on the web, according to Nielsen. Among sites with more than a half-million unique visitors, Blizzard Entertainment is tops, with almost 24 hours a month, followed by an array of other mostly gaming-related sites. Facebook ranks eighth.

Not every site wants people to hang around. Google, for example, has for years talked about its goal to get people to what they're looking for fast. In fact, Google's Marisa Mayer has said a page-load delay of 400 milliseconds can translate into a 1% drop in search query volume.



MURPHY: More time spent means more opportunities to show ads.

STEVE RUBEL

ON DIGITAL COMMUNICATIONS

Tap into the 'power of pull' to get your brand out there

For more than 100 years, marketing has largely operated as a push paradigm. We create messages and funnel them through the media to reach stakeholders.

Push remains viable. However, with time on social-networking sites and search engines rising, we need new ways to engage and reach people multiple times across different sources. That, according to the Edelman Trust Barometer, is when consumers will trust what we have to say. That's what the "power of pull" is all about.

The greatest rewards will go to those who create dynamic content at regular intervals—content that is discussed, remixed and linked to by other high-quality sources online.

Here are three considerations for tapping into the power of pull.

CREATE RESOURCES THAT INFORM THE CONVERSATION

When it comes to information, consumers will increasingly have a general ambient awareness of things they don't care about. However, they will go deep into pockets of passion. Brands can stand out and be more discoverable by becoming digital curators in a given niche—and doing it well. They can work to separate art from junk. IBM is doing this by sponsoring PopurIs Blue Edition, a section of the headline aggregator that culls business IT news (blue.popurIs.com).

ADOPT RATHER THAN INVENT

Although it offers a lot of reward, creating content is work. This can be mitigated by finding digital assets that consumers are already using, remixing it and/or partnering with its creators to give it further lift. EA did this with "Tiger Woods 08," when fans noticed Tiger could hit a golf ball while standing on water. EA posted a video response starring Tiger hitting the "Jesus shot" and promoted "Tiger Woods 09" in the process.

WRITE FOR SEARCHERS, NOT JUST READERS

Most of us still write for readers. But in the pull economy, we need to also write for searchers. One way to think of it is that Googlers are looking for "how to get rid of roaches," not necessarily for "bug spray." We can suggest using Google Trends and Twitter Trends to learn how people express themselves, and map language accordingly.

That's what the power of pull is all about.

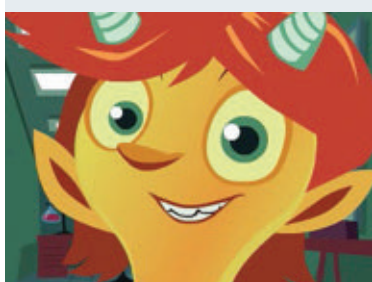
STEVE RUBEL ...

is a marketing strategist and blogger. He is senior VP-director of insights at Edelman Digital.



PHOTO BY JC BOURCART

Media Morph: The Hidden Park



With richer features on mobile devices enabling more-engrossing experiences, it was just a matter of time before our natural inclination toward narrative entertainment came to the platform. Integrating the iPhone's camera, location-based services and accelerometer offers unprecedented participatory

opportunities. The notable experience app is The Hidden Park (\$6.99 from developer Bulpadok), designed to let the connected family take a fantasyland jaunt through specially chosen parks.

HOW TO PLAY: After purchasing the app from the iTunes Store, players are greeted by a friendly troll guide

named Trutton, one of many illustrated characters who live in a magical park (which, based on where you're playing, can be Central Park, Boston Common or another location around the world). Trutton tells players they can help save the park from greedy developers by cataloguing its mystical inhabitants, which are

essentially an alternate-reality layer coded to appear at points in the real world, such as at a certain tree. Riddles and puzzle challenges add to the fun, and kids can save and share findings.

WHY IT WORKS: Quite simply, because it's a fun story coupled with the element of surprise and wonder—"without a hint of superfluosity," as

Big Spaceship CEO Michael Lebowitz (a fan) put it. The opportunity for marketers is to create something with similar principles—coupling technology and storytelling. "Simply discovering how the technology works is enjoyable enough," said creator James Kane. "It's a bit like the first time you played 'Pong'—you had

probably seen a graphical user interface before, but seeing it as an interactive game was a really enjoyable experience." He said he plans to roll out a game for "older and more-sophisticated age groups—and we will begin to introduce more-sophisticated game play for these projects."

—NICK PARISH

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Alma DDB and Fire Adertainment create a reality show about a band that met during the casting of a State Farm ad.

Adatina, a portal for Spanish-language news in Latin America, becomes Ad Age's latest content partner.

HISPANIC

Edited by Laurel Wentz, lwentz@adage.com

Hispanic Creative Awards

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Univision out to make more Spanish-language videos available online

To attract advertisers, TV network will put more of its shows on the web, improve search

By LAUREL WENTZ
lwentz@adage.com

AS MARKETERS and their U.S. Hispanic ad agencies seek more online opportunities, Univision Communications is finally rushing to address the shortage of Spanish-language video.

"There's a huge need for more relevant content," said Marla Skiko, senior VP-director of digital innovation at Publicis Groupe's SMG Multicultural.

Univision is planning to put more of its own TV shows online, hear pitches from outside content producers and add search-engine index Truveo to its website to help users find more Spanish-language video.

"Advertisers have expressed a clear interest in wanting to be more involved in video," said Kevin Conroy, who joined Univision from AOL as president of the revamped Univision Interactive Media division in January 2009. "They don't want their brand messages associated with user-generated content, but professionally produced content."

Univision's best source of Spanish-language video would be the popular novelas and other shows created by its main program supplier, Mexican media giant Grupo Televisa. But Univision has been stymied by a long legal battle with Televisa over who holds the U.S. digital rights to the Televisa shows that Univision airs in the U.S. A U.S. judge ruled in July that Televisa



'VIDAS CRUZADAS': Web-only novela integrates L'Oréal products.

doesn't hold the rights but stopped short of granting them to Univision, leaving digital use of some of the highest-rated Spanish-language programming in limbo for now.

"We'd very much like to be able to offer Televisa's content as video," Mr. Conroy said. "We're not in a position to do it quite yet."

The appeal of Televisa video is clear in the numbers tracked by TubeMogul, an online-video-analytics company, which ranks Univision as the most-pirated network on YouTube, thanks to heavy downloads of Televisa's novelas. Until now, Univision hasn't had much incentive to issue take-down notices, as other networks do, to keep pirated videos off YouTube. But that's changing.

"The best way is to offer the audience something compelling that is legitimate at the same time is applying our rights as copyright owner," Mr. Conroy said. "It's not just about policing what's there."

In the meantime, Univision is

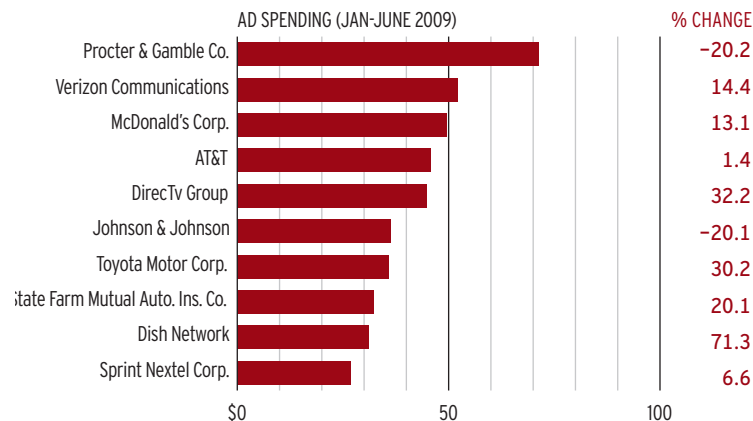
producing its own web-only novela, called "Vidas Cruzadas" ("Crossed Lives"), with sponsorship and in-show integration from McDonald's, State Farm and L'Oréal. The 15-episode show features Kate del Castillo as a woman who tires of waiting to meet the right man and decides to have a child on her own. For the first time, Univision, which insists even its ads be in Spanish, is offering an English-subtitles option.

Each of the three episodes a week starts with a sponsor's pre-roll ad, such as a L'Oréal spot starring Ms. del Castillo, who is also the company's new face. The first episode opens with a pack shot of a L'Oréal hair-coloring product, which Ms. Castillo and her mom have just used and are raving about. Much of the second episode is set at a child-filled McDonald's, to convey how much her character longs for a child and to provide plenty of shots of the McCafé coffee she orders.

Ms. Skiko said the Univision web drama was a little pricey, but she's looking forward to seeing more proposals. "Sometimes it's easier to have a bunch of smaller opportunities with a smaller price tag."

So far, the No. 2 Spanish-language network, NBC Universal-owned Telemundo, has done the most with Spanish-language video. Telemundo controls more of its own production, so it can create its own online-video and mobile versions of its TV shows, as well as web-only programming.

Changes in outlay among top marketers



Dollars in millions. Media from TNS Media Intelligence includes Spanish-language TV, magazines and newspapers.

Hispanic-media spending posts biggest decline yet

Autos, retailers down, while telcos, satellite TV are bright spots

By LAUREL WENTZ
lwentz@adage.com

ADVERTISING IN Spanish-language media fell 6.58% in the first half of 2009 in a decline that is unprecedented in the U.S. Hispanic market but less than half the 15.4% drop Nielsen recorded for the general market compared with the first half of last year.

The top 50 advertisers in Hispanic media spent 5.6% less during the first half of this year, compared with the same period in 2008, according to TNS Media Intelligence. Three of the top 10—Procter & Gamble Co., Johnson & Johnson and Toyota Motor Corp.—cut their spending 20% or more.

While all the carmakers and most of the retailers among the top 50 Hispanic advertisers were down by double digits in ad spending—with the exception of

Home Depot, up 11.9%—the brightest spots were telecommunications marketers and satellite TV companies.

Some marketers are doing more with less. Hispanic agency Conill used radio with great impact by creating a spot during a traffic report in which the reporter described freeway conditions amid clunking sounds, then advised listeners who thought the noise was coming from their cars to buy a certified preowned Toyota. Other spots interrupted music with grating noises and the same message.

Those radio spots were favorites at the recent judging for Ad Age's Hispanic Creative Advertising Awards. The winners will be announced Sept. 18 at an awards show in Miami and Sept. 21 in Ad Age and on AdAge.com.

A few marketers are spending much more this year. General Mills upped its Hispanic media budget 121% to \$26.4 million in the first half of 2009, jumping from near the bottom of the top 50 Hispanic marketers almost into the top 10.

Work: Downy fabric softener



While shooting a typical testimonial spot for Downy fabric softener, U.S. Hispanic agency Wing persuaded Procter & Gamble to take a chance and film an edgier test commercial at the same time.

The agency is trying to raise the bar on creative and on how to communicate the benefit of long-lasting fragrance in the

Hispanic market, where scent is everything.

The spot is set at a laundromat, where one young guy observes another doing laundry and is so drawn by the fragrance of his fabric softener that he wanders over, picks up the stranger's underwear and sniffs it, exclaiming at how good it smells. The other guy says, "I haven't washed

it yet." That certainly drives home Downy's long-lasting-scent message.

"Unlike the general market, where Downy owns the equity of the category, in Hispanic we're looking for ways to stand out," said Alain Groenendaal, president-CEO of Wing, Grey Worldwide's Hispanic agency.

Many Latin

American immigrants are more familiar with Colgate-Palmolive's rival brand Suavitel, which has been eroding Downy's market share in key Hispanic markets such as Los Angeles and Texas. Downy's share of the fabric softener market is down 3% this year over last year, according to Nielsen figures, continuing a long-term

downward trend.

Wing was already filming the Downy testimonial spot in Argentina, so it didn't cost much more to shoot a single scene with two young guys and a washing machine. P&G aired "Lavadero" ("Washing Machine") in a limited number of Hispanic markets for a few weeks at the end of July, and the spot will go

into the company's next round of qualitative testing to see how Hispanic consumers react to the unconventional approach.

"Fragrance is a real signal to Hispanics, not just of a good smell but of cleanliness and softness manifested by scent," Mr. Groenendaal said.

—LAUREL WENTZ

More on AdAge.com

■ Meredith has named Martin Reidy, former president-CEO of Publicis Modern and Dialog, head of integrated marketing.

■ Levi's has gone outside the fashion industry for its first global chief marketing officer, Jaime Cohen Szulc.

PEOPLE & PLAYERS

Edited by Anna Baskin, abaskin@adage.com

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NEW YORK: JAY-Z 'ANSWERS THE CALL'

Shawn "Jay-Z" Carter announces his "Answer the Call" Sept. 11th concert benefiting the New York Police and Fire Widows' and Children's Benefit Fund. (From l.) New York City Fire Commissioner **Nicholas Scoppetta**; New York Gov. **David Paterson**; Mr. Carter; **Michael Bair**, president, Madison Square Garden Media; and **Jay Marciano**, president, MSG Entertainment.



LAS VEGAS: VEGAS TOASTS ITS MEN'S ISSUE

Vegas magazine celebrates its first men's issue. (From l.) **Jason Binn**, founder and CEO, Niche Media; **Alison Miller**, group publisher, Vegas; **Josh Strickland**, star of Las Vegas production "Peepshow"; and **Kate Bennett**, editor in chief, Vegas.



EL SEGUNDO, CALIF.: HAVING FUN IN TRAFFIC

Ad agency Traffic hosts its first industry event in its new office. (From l.) **Mike Tankel**, chief innovation officer, Traffic; **Jerry McGee**, exec VP-Western region, 4A's; **Roger Van Remmen**, president-CEO, Brown, Van Remmen, Kanuit; **Susan Franceschini**, executive director, ThinkLA; **John Powers**, president-CEO, Traffic; and **Tom Cordner**, chief creative officer and co-chairman, Traffic.



SANTA MONICA, CALIF.: FOOD & WINE CELEBRATES COFFEE

Food & Wine magazine hosts a Nespresso tasting event in partnership with Sur La Table. (From l.) **Frédéric Levy**, president, Nespresso North America; **Gail Simmons**, special projects, Food & Wine, and judge, "Top Chef"; and **Kerin Seeger**, exec VP-merchandising, Sur La Table.



NEW YORK: WORLD'S BEST AWARDS

Travel & Leisure magazine presents World's Best Awards in categories from best cities to best airlines. (From l.) **J.P. Kyrillos**, VP-publisher, Travel & Leisure; **Mark Harmon**, CEO, Auberge Resorts; **Marty Wall**, general manager, Inn at Palmetto Bluff; and **Nancy Novogrod**, editor in chief, Travel & Leisure.

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TALENTWORKS

Edited by Jennifer Rooney, jrooney@adage.com

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PEOPLE ON THE MOVE



Silver

The Travel Ad Network has promoted **Brian Silver** to president-CEO from president-chief operating officer. Before joining the company in 2007, Mr. Silver was chief operating officer for Didi Search Marketing and VP-operations for IAC Advertising (the advertising-solutions and -sales division of Ask Jeeves). He also was VP-general manager of MaxOnline, which he joined in 2002 after helping facilitate the merger of DoubleClick Media and interactive-advertising firm L90.



Gellman

Steven Gellman joined the Los Angeles Times Media Group as publisher of LA, Los Angeles Times Magazine. He has previously held executive positions with lifestyle and industry brands including The Hollywood Reporter, Los Angeles magazine and BAM, the California music magazine, where he began his more than 20-year media career. Mr. Gellman comes to LA as the publication marks its first anniversary.



Kernes

Cash4Gold has added **Shawn Kernes** as chief technology officer. He was most recently director-product development customer support at eBay, and before that served as VP-chief technology officer at StubHub. Mr. Kernes will oversee the development and implementation of technology strategies, engineering and technical operations at Cash4Gold.



Harwood-Matthews

Omnicom Media's PHD named **Robert Harwood-Matthews** exec VP of PHD West and managing director of its Los Angeles and San Francisco offices. Mr. Harwood-Matthews comes to PHD from TBWA, where he was most recently global managing director of Infiniti, heading an integrated unit for luxury brands in its Los Angeles office. Before that he was CEO of TBWA, Manchester, U.K.



Diamond

Mercury Media has elevated **Daniel Diamond** to VP-East Coast operations from VP-media supervisor. Mr. Diamond joined Mercury Media in 1991 and went on to hold various leadership positions in the agency's media department, including traffic manager, media software manager and senior media research analyst.



Hackett

CBX appointed **Kieran Jason Hackett** to the new position of senior VP-brand activation. Mr. Hackett comes to the strategic-branding firm from design and architecture firm the Rockwell Group, where he was most recently studio leader, in charge of the company's brand-activation capability.



Doty

Entertainment-marketing agency Trailer Park hired **Curt Doty** as exec VP of its new "advanced content" group, which combines its Blu-ray and DVD business sectors. For the past five years, Mr. Doty was VP-creative services at Universal Studios Home Entertainment, where he led campaigns for movies such as "Curious George," "The 40-Year-Old Virgin" and "Shrek 2." He has also been responsible for the creative and technology development for Blu-ray.

Digital-media-buying platform MediaMath announced two executive hires: **Steven Kaufman** was named exec VP-account services and **Richard Greenberg** was named VP-marketing. Mr. Kaufman joins MediaMath from Digitas, where he spent 10 years leading its New York media team and global search-engine-marketing practice. Mr. Greenberg was formerly a partner at Rosetta and spent five years in brand management at Procter & Gamble and Unilever.

Submit people moves to Anna Baskin at abaskin@adage.com.

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This position requires seven to ten years strong marketing experience in the restaurant industry and the leadership skills to guide our product marketing team in this challenging, competitive marketplace.

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Not defending

From Page 3

policy a long, long time ago."

When clients and employees ask about the rationale behind the approach, Mr. Richards explains it like this: "What if I were working as a creative director, and my boss came into my office one day and said, 'I really like what you're doing, but I'm going to interview three people for your job, and there's a good chance you'll keep your job, but if you don't we're going to part ways'? I can tell you that I'd work there for maybe another 10 minutes. It demonstrates an enormous lack of respect."

Still, Richards Group made an exception when it chose to defend—and successfully hung on to—the account of longtime client Home Depot after a review of the \$600 million business last year. "Home Depot had moved marketing under the direction of merchandising, and merchandising in vendor relationships requires a mandated review," Mr. Richards said. "It had nothing to do with lack of respect."

To be sure, not all reviews are called due to dissatisfaction with a client or turnover in the chief-marketer seat. Government accounts, which include state tourism and lottery ad accounts, typically require reviews on a five- or 10-year basis.

Procurement is changing the game too. Industry executives report that more and more pitches are being driven by purely financial circumstances; the marketing team may be perfectly happy with its agency, but procurement departments are continually in search of a better deal. In such cases—if the existing relationship is healthy, and the current agency is willing to negotiate compensation—it's not uncommon for

The 4A's 'Points to Consider'

Defending a piece of business is a big economic decision for an agency and can be emotionally draining for its staff. The 4A's suggests several "Points to Consider" when deciding whether to defend an account that's headed into review:

ANTE UP

If the review is mandated—such as a periodically scheduled review of a government account—then an incumbent should stand a reasonable chance of retaining the business and should consider participating.

Roster reviews and consolidations, where the client is reviewing the capabilities of several incumbents at the same time with the objective of restructuring or combining businesses in order to further scale or alignment, should provide each incumbent with a legitimate opportunity to prevail. Assuming a balanced playing field exists, capable incumbents normally participate in a roster-review process.

DRAW ANOTHER CARD

If a client raises concerns about the agency relationship or business performance, the first step should be trying to identify the sources of problems. The client and agency should co-create an action plan to fix the situation and embrace an ongoing, 360-degree monitoring and evaluation mechanism to make sure fixes are implemented in a mutually satisfactory and timely manner.

FOLD 'EM

If the client decides to conduct an unscheduled or non-roster review of the business without attempting to fix the existing relationship, this doesn't bode well for the incumbent, and the incumbent may not have a fair chance of prevailing.

Management changes at the client, especially when the newcomers have pre-existing relationships with other agencies participating in a review, mean the incumbent's chances of prevailing are likely limited.

If the client has previously worked with the agency to fix relationship or business performance problems and subsequently the client decides to put the business in review, the incumbent agency's likelihood of retaining the business are probably remote.

—RUPAL PAREKH

an incumbent to retain the business.

For Matt Seiler, global CEO of Interpublic Group of Cos.' Universal McCann, the decision about whether to defend a piece of business comes down to the health of the client-agency partnership. "If you have a shitty relationship, and the business goes up for review, it's going to be difficult to suddenly become something great for them from that starting point," Mr. Seiler said. "If the relationship is good, then, of course, you defend it with everything you've got."

"Maybe it's a good policy for other agencies, but I don't think it's a good policy for us," said Duff Stewart, CEO of Omnicom Group's

GSD&M Idea City, which has landed on both sides of the issue. The Austin, Texas-based shop chose to defend its lucrative U.S. Air Force account, for example, and last April came out with a potential nine-year, nearly \$400 million contract after a lengthy shootout with DraftFCB for the business. A few years earlier, when Walmart invited GSD&M, its agency of 20 years, to repitch its \$580 million account following the high-profile reversal of awarding the account to DraftFCB, GSD&M walked away.

Defending can be a sound proposition provided you "think you can win and you believe in the strength of that brand," Mr. Stewart said. Otherwise

it's likely to be perceived as desperate.

Statistically speaking, there's no question the odds are stacked against incumbents. "The conventional wisdom is that in a [formal] review, the incumbent is only going to retain the business between 5% and 10% of the time," said Tom Finneran, exec VP of agency-management services, 4A's.

"Marketers have several possible reasons to include an incumbent in a review when they really don't have a snowball's hell of a chance of winning," Mr. Finneran said. They may want to "try and shake a few nickels and dimes out of the system," he said, or ensure "servicing continuity" during the review; prove to themselves that the grass really isn't greener on

the other side; or, he said, it could be a "wimp's approach" so as to avoid giving an agency bad news.

"There's a little bit of a perception that they're letting them down easy," said Ann Billock, principal at consultancy Ark Advisors in New York. "The agency-client relationship is an intense one. ... They have personal relationships with these people and care about them very much."

"There can be exceptions—like any relationship, it can be salvaged with the right amount of counseling," said Mike Doherty, president of Seattle-based Cole & Weber United. "But nine out of 10 times, defending is a waste of time and money. If the agency has failed to demonstrate its value in a way the client appreciates, you're staring from a much deeper hole than the bright shiny new objects of desire that a pitch offers."

In his view, clients are prone to asking incumbents to participate "more often than they should." He added: "Inviting them to pitch is a way of feeling better about breaking up in some cases."

Pile's Ms. Neer said she and other consultants routinely advise marketers to think hard about inviting an incumbent agency and do so solely when the shop has a good shot at keeping the business.

Still, Ms. Neer estimates that in "50% of the reviews we do, the incumbent is asked if they'd like to participate, and typically, if they are asked, most of the time they do."

"The onus is just as much on the agencies to realistically evaluate their chances," said Ark's Ms. Billock. "It's part of the charge of agencies' new-business departments to work with upper management to evaluate the toll that is being taken on them and employees and decide whether it's worth it."

CONTRIBUTING: MICHAEL BUSH

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TV nets notice uptick in 'just in time' ad buying

Hope is demand will begin to increase as economy improves

By **BRIAN STEINBERG**
bsteinberg@adage.com

TV NETWORKS HAVE placed a big bet that demand for ad time will increase as the ailing economy limps toward something resembling recovery. And early indications are that some marketers are starting to spend again.

All five broadcast networks—and many of their cable counterparts—have placed their faith in “scatter” advertising, which is purchased on an as-needed basis rather than weeks or even months ahead of time.

Many networks have reserved at least 10% more of their inventory than usual, in the hope that they’ll be able to sell the ad time at better prices than they would have been able to in the recent upfront market, during which advertisers were under economic duress. Generally speaking, ad volume in the upfront was down 10% to 20%, with dollars committed to the new broadcast-prime-time schedule coming to between \$7.8 billion and \$8.1 billion, according to Advertising Age estimates, down from about \$9.23 billion last year. But the networks won’t know whether the gamble is

going to pay off until well into the first quarter of 2010.

While more clients have canceled options for ad deals struck during upfront talks, “volume and pricing for scatter has been fine,” said Mike Shaw, president-sales and marketing at Walt Disney’s ABC. “You have more ‘on-time’ buying going on. A lot of times, you get a budget on Wednesday that Tuesday you didn’t know was coming—to be on the air the following week. We’re seeing the broadcast model at the networks morph a little bit in the last nine months to what cable has historically experienced, which is a lower sell-out in the upfront and more scatter on a 52-week basis. So we’re adapting to more of that model, at least in the short term.”

“The trend now is unmistakable—and some think might be irreversible—that clients will wait as long as possible before they commit money, clearly to have maximum flexibility with their funds,” said Richard Goldfarb, senior VP-media sales at cable’s National Geographic Channel. Like ABC’s Mr. Shaw, however, Mr. Goldfarb said he has seen robust scatter demand in past weeks.



SHAW



GOLDFARB

A heavier-than-normal scatter market means some ad positions normally reserved in the upfront could be up for grabs. There could be some slackening in deals that call for weaving products into scripts and shows; these pacts often require more time and planning because of their complexity. And some long-time ad roosts may dissolve due to financial concerns. Some advertisers will be looking to pounce.

“We’re looking at things a little differently than we have in the past. We know there’s still validity in the upfront and there’s still an opportunity for us to lock something in,” said Mark D. Gibson, assistant VP-advertising at State Farm Insurance. “But this is an opportunistic marketplace, and we’re seeing long-held sponsorships, long-held positions coming open because of what’s happening in the economy.”

Could this shift in attitude toward scatter buying become permanent, leading to a TV-ad marketplace that is more difficult to forecast? Marketers may like the ability to hold on to dollars until the last second, and also the heightened level of flexibility, but they also hate to pay more than they have to. The

emphasis on scatter “will be temporary,” said ABC’s Mr. Shaw, “because at some point, somebody is going to end up paying 10%, 15%, 20% above upfront pricing [and say], ‘Why am I going to do that when I can just buy the upfront?’”

In this kind of marketplace, advertisers’ attitudes can change as quickly as their ability to commit money. “The one thing you can predict in this marketplace is that it’s very unpredictable,” said State Farm’s Mr. Gibson.

Part of the reason for the interest in scatter is TV’s overall power. Ad slots for Super Bowl XLIV, set to be broadcast in February on CBS, are 65% sold out, according to a person familiar with the situation. Pricing seems to be holding steady, with CBS able to secure between \$2.5 million and \$3 million for top positions, according to the person familiar with the situation. In a sign of how marketers are holding back, however, NBC had sold more than 80% of its Super Bowl inventory at about this time last year.

FedEx Corp., a veteran Super Bowl advertiser that pulled out in 2009 event in the midst of a tough economy, is considering whether it should return in 2010. “FedEx has not yet made a decision whether to advertise in the 2010 Super Bowl. A formal decision will be made later in our fiscal year,” the company said

in a statement.

There’s plenty of risk involved, however, in banking on scatter. No one can really be sure when the economy will improve. With the stock market enjoying a great run over the summer, some finance watchers have recently been tut-tutting over September’s traditional place as one of the worst-performing months for the economy. Networks are left anticipating a demand for their ad inventory that, if the economy stays in its weakened state—or, worse, slips anew—could be crippled.

No one believes the TV networks will be wiped out if scatter is less than robust in the months ahead, but it would certainly crimp their style. TV executives would have to “really look at this model and say, ‘Why can’t networks on a stand-alone basis be profitable?’” said Jamie Rizzo, a senior director at Fitch Ratings who monitors media companies. “Who’s the odd man out in that equation? It could be the talent. It could be the independent producers. It would go all the way down the value chain.”

Some money may come into network coffers in the fourth quarter, but much of marketers’ allocation for the period was committed during upfront negotiations, media buyers said, mostly because this year’s haggling extended well into August; normally the upfront wraps by late June.

First half

From Page 1

newspapers, down a whopping 45.7%. All that combined to blow a \$10.3 billion hole in ad spending.

Of course, the Nielsen report didn’t even track the damage to marketing activities beyond 30-second TV spots and ad pages. And it didn’t capture the recession’s less-quantifiable burdens. Media sellers found themselves asked to do work, for example, that marketers or agencies had once done themselves—until they laid off the employees who’d done it.

But the numbers at least provided a new way to sum up, and an opportunity to bid farewell to, six months of notably bad times. The only good news is: The second half is looking, thank heaven, like an improvement.

GRIM START

The first few months of 2009, when many were terrified of economic freefall, played especially brutally. “The most shocking thing about the first quarter was how advertising that was booked started just cancelling,” said Carlos Lamadrid, senior VP-chief brand officer at the Woman’s Day Brand Group. “The phones rang off the hooks, and not in a good way. In a period of just a few weeks, schedules just disappeared. Budgets just went away.”

“I personally got lots of calls from clients apologizing and feeling awful because their budgets were slashed,” he added. “What could I say but ‘Gosh, sorry.’ Clients were distraught and worried.”

“With creative marketing and integrated deals we have found lots of new business,” Mr. Lamadrid added. “Woman’s Day magazine is only down 7.8% through October. And single-digit down is the new up.”

Another media seller remembered his growing alarm as he looked down the list of last year’s advertisers—only to see that many had reduced advertising so much that they’d basically gone dark. “The shock was when you’d look at the prior year and realize that almost every company had completely cut their advertising this year,” he said. “It’d be: ‘Dark. Dark. Bankrupt. Dark. Search advertising only. Dark.’ Etc.”

As media sellers entered the recession, they received fewer requests for proposals from advertisers. As it proceeded, they saw diminishing returns from the RFPs they did get to answer.

“Historically people would come back and say, ‘You’ve got the business’ or ‘You don’t have the business’ within a couple of weeks,” said Paul Rossi, North American publisher at The Economist. “The RFPs that are in limbo are much higher now.”

When responses did come, they frequently reduced the scope of

work initially envisioned. Maybe a project originally proposed a price tag of about \$1 million. “Then they’ll come back and say, ‘Actually it’s \$750,000.’ Then it’s \$500,000,” Mr. Rossi said. “There’s a lot more to-and-fro-ing and a lot more negotiation.”

Putting the first half behind him, however, Mr. Rossi sounded encouraged. “Our RFP volume is actually pretty good at the moment,” he said. “So that bodes quite well for the fourth quarter.”

WORSE THAN BEFORE

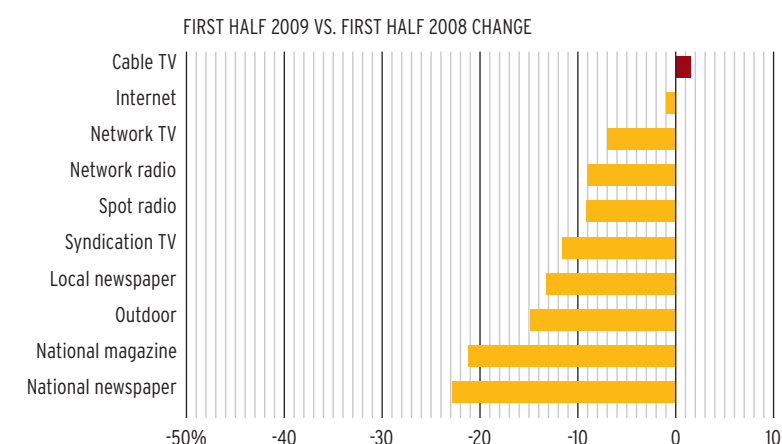
This dip everyone’s trying to pull out of, however, is the only one of the three big media downturns in the past 25 years that has truly affected all kinds of media, said Jeff Haley, CEO of the Radio Advertising Bureau and a former global marketing executive at Time Warner.

“The only thing I can find remotely positive to say is we are all suffering together,” Mr. Haley said. “This is not a repudiation of the value of measured media, not a secular issue related to emerging technology. It’s a significant economic reality we’re all living in, and accommodating in each of our own ways.”

The recession disrupted marketing activities beyond traditional advertising, of course. The damage in areas such as public relations, word-of-mouth, direct mail and events may not have been as steep, but first half was difficult for those

SPENDING BY MEDIUM

Cable was the only bright spot, as even online outlays declined



Source: Nielsen Monitor-Plus

sectors, too.

Wrap in everything, and media and marketing spending this year will probably arrive 10.6% below 2008, according to Tom Love, exec VP-strategic resources and insights at ZenithOptimedia. That would be the steepest decline in annual ad spending since 1980.

Revenue for the public relations agencies belonging to Interpublic Group declined 5% in the first half, according to Harris Diamond, head of the Constituency Management Group, which oversees Interpublic agencies in events, public relations, branding and sports marketing. “On the PR side we’re not seeing clients shutting down like previous

recessions,” he said. “The contrast is rather significant. Our largest agencies are holding up the best and the others are doing okay.”

“The events business clearly saw a cutback there on revenue, billings and events,” Mr. Diamond said. “Trade shows canceled, product launches and business meetings canceled. For us that’s a couple-hundred-million-dollar business, and we’re clearly seeing the impact there. But now we are starting to see the phone ring again in that sector.”

And now, unlike at the start of the year, the phone is ringing in a good way.

CONTRIBUTING: ANDREW HAMPP,
MICHAEL BUSH

Phoenix

From Page 3

naming rights for the NFL stadium near its Phoenix headquarters—even though it has no sports team.

But even with all that marketing firepower, many branding experts still don't know what the University of Phoenix really is. "We are in a category unto ourselves," said Michael Sullivan, senior VP-media services and marketing at Apollo.

So just what is the University of Phoenix? Since its inception in 1976, the school has catered specifically to working adults, a niche underleveraged by traditional colleges and universities. Citing data from the National Center for Education Statistics, Mr. Sullivan said only 27% of undergraduates are "traditional" students—those who live on campus and go to school full time. For the remaining majority, "University of Phoenix provides a quality alternative that is more accessible than conventional four-year colleges and universities," he said. The average age of a Phoenix student is 34; most work full-time and/or raise a family while attending school.

Phoenix offers affordable tuition, flexible class scheduling and, since 1989, online classes—embracing a form of distance education few traditional universities have felt, at least until recently, is on par with face-to-face learning.

"Phoenix entered the higher-education landscape with a radically different approach, one that offered limitless flexibility and convenience. They developed a large and loyal following before other colleges and universities even realized what was going on," said Elizabeth Scarborough, CEO of SimpsonScarborough, a higher-education-marketing consulting firm. "They're filling a gap that really was not filled before."

It's a lucrative gap. In Securities and Exchange Commission filings, Apollo reported that revenue increased to \$2.9 billion in the first nine months of fiscal 2009, up 25.5% from the same period in 2008. This jump in revenue came largely from increased enrollment and select tuition increases. Since

Nov. 30, 2005, degree enrollment has grown 56% to 420,700, according to Phoenix's 2008 annual report.

Phoenix's clear, practical and goal-oriented mission may be why traditional academia historically has cast it aside, treating it with disdain. "New is sometimes different," said Karen Solomon, associate director-accreditation at the Higher Learning Commission of the North Central Association of Colleges and Schools, the regional body charged with accrediting Phoenix. "It's hard for people to understand when they don't have a framework of experience in that."

Since 1978, Phoenix has been accredited by the commission, the same body that accredits Northwestern University, the University of Michigan and the University of Arizona. "People can focus on the for-profit status in a negative way," said Brian Mueller, former president of Apollo and CEO of Grand Canyon University, a private, for-profit Christian university. "But without question, on the positive side is the fact that these institutions are serving larger and larger numbers of students at affordable levels."

Undergraduate tuition and fees average \$12,000 per year at Phoenix but vary depending on location and degree program, Mr. Sullivan said. Average per-year tuition and fees for private four-year schools, by contrast, come to more than \$25,000, according to the College Board, a not-for-profit membership association with more than 5,400 educational organization members. Average tuition and fees for public four-year schools total roughly \$6,500 a year.

The school declined to talk about its marketing dollars or the allocation behind its ubiquitous "I am a Phoenix" ad campaign. Initiative is Phoenix's local media agency; Carat is its national one. The school turned to startup Pereira & O'Dell for creative duties last December after a six-month review. Pereira & O'Dell did not comment for this article. Apollo also has an in-house agency, Aptimus, bought for \$48 million in 2007 and based in San Francisco.

One agency executive who participated in the school's account pitch last year said part of Phoenix's per-

Media spending 101

Between 1996-97 and 2006-07, the market share of associate, bachelor's, master's and doctoral degrees from for-profit schools grew to 8% from 3%, according to "The Condition of Education, 2009," a publication of the National Center for Education Statistics. That growth corresponds to a proliferation of for-profit schools. In the same 10-year time span, the number of two-year for-profit schools rose to 533 from 470, and the number of four-year schools rose to 453 from 144.

Here are the top six measured-media spenders (excluding the University of Phoenix, which ranks No. 2) in the for-profit-education category, according to TNS Media Intelligence.

	TAGLINE	SPENDING
ITT TECHNICAL INSTITUTE	"Education for the future"	\$137.2 MILLION in 2008, up 7.7% from 2007
DEVRY UNIVERSITY	"We major in careers"	\$35.9 MILLION in 2008, down 14.1% from 2007
EVEREST COLLEGE	"Career-education network"	\$35.6 MILLION in 2008, up 51.4% from 2007
WESTWOOD COLLEGE	"A place where you can succeed"	\$23.9 MILLION in 2008, up 8.2% from 2007
UNIVERSAL TECHNICAL INSTITUTE	"Auto, motorcycle and marine schools that take you from mechanic to technician"	\$18.6 MILLION in 2008, up 56.8% from 2007
KAPLAN UNIVERSITY	"A different school of thought"	\$18.0 MILLION in 2008, up 32.7% from 2007

—MARISSA MILEY

ception problem was endemic to the success it has met with internet advertising. "If the majority of your focus is put on direct response and driving traffic to an enrollment form, you don't have any emotional feeling as to what the University of Phoenix is," he said. "And that's why they feel more like an HMO or an insurance company than an institution that can improve your life."

It's difficult to gauge the quality of a Phoenix degree, particularly when it comes to job-placement track records, as so many enrolled students are already employed full-time. "To really get at that you'd have to do a national survey of employers or recruiters," Ms. Scarborough said. "And I've never seen that kind of

data." What's more, statistics from the Department of Education mischaracterize the school's graduation rate (they measure the graduation rates of only those who are first-time students; almost 94% of Phoenix's "working learners" do not fall into that category).

But Phoenix's in-house calculations, shared publicly for the first time last year in a self-published Academic Annual Report, are not comparable to any other data. Case in point: According to the Department of Education, Phoenix's online campus had a 4% graduation rate for undergraduates; in its own academic report, Phoenix listed completion rates of 27% for associate degrees and 38% bachelor's degrees

and 60% for graduate degrees—comparable to national averages.

Phoenix has fought criticism in court as well. According to the company's most recent quarterly SEC filings, among the pending litigation is a lawsuit accusing the school of improperly compensating its enrollment counselors and submitting knowingly false records to get money from the federal government. And in a 2003 program review, the Department of Education found Phoenix had violated Title IV incentive-compensation regulations and later settled out of court for a \$9.8 million fine, although Phoenix never admitted any wrongdoing and continues to call the report "flawed and dated."

Phoenix does not have a stand-alone advertising program, though it does offer degrees in communications and marketing. Few agencies contacted for this article said they had seen Phoenix résumés come across their desks. "In the past three months, we have received around 750 résumés, and we can remember seeing only one from the University of Phoenix," said Robin Lander, director of human resources at Deutsch.

But John Challenger, CEO of out-placement firm Challenger, Gray & Christmas, said in many ways, traditional and online education programs are merging, and we are in the midst of a major shift in how education is delivered in the U.S. That is particularly true given President Barack Obama's wish to extend higher education to more Americans.

The difference between online and traditional education already has been minimized in the corporate world. Procter & Gamble, Unilever and Google are among the many companies that offer tuition reimbursement to employees taking classes at Phoenix. The University of Pennsylvanias of the world are offering more and more online classes, and even General Electric alum "Neutron" Jack Welch now has an online M.B.A. program.

As Phoenix's size continues to grow—and, at the same time, more public and private nonprofit colleges and universities embrace the online world and come to understand the value of marketing—it may just be on its way toward acceptance, or at least understanding.

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Amy Curtis-McIntyre
Senior Vice President, Marketing
Global Hyatt Corporation



ANA

Fiction

From Page 4

should feel. In fact, two marketing directors and a group president are among the women who have green-lighted the "Happy Period" campaign from Leo Burnett Co., Chicago, over the years.

Wendi Aarons of Austin, Texas, the author of the letter, said social-media isn't the only place the letter has turned up. In an e-mail she said it also has been quoted on a couple of radio stations and in a San Francisco Chronicle column. Some teen girls started a fan page for her and her letter on Facebook (albeit with only 109 members). And a message-board discussion on urban-legend site Snopes.com is the top listing for a Google search on "happy period" and in the first page of organic listings on "Always."

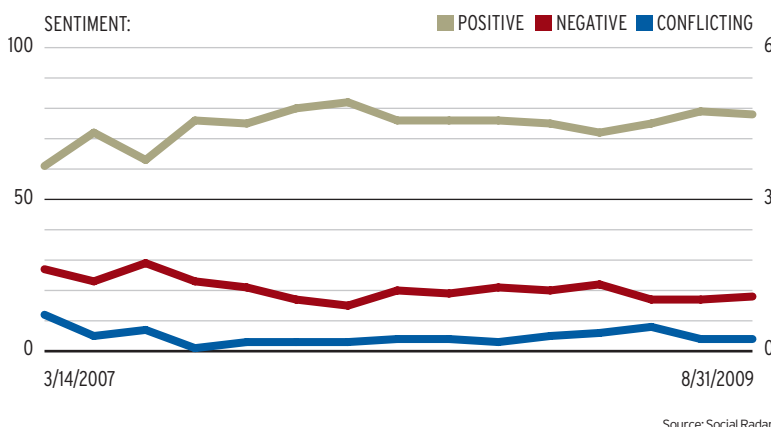
But P&G has largely ignored the letter. Ms. Aarons said she's never been contacted by the company in the 30 months since the letter started making the rounds, though traffic logs for her blog show many P&G people have visited.

P&G's reticence has left her husband, who runs a social-media company, "very flummoxed that they didn't capitalize on the dialogue at all," she said.

Flummoxed he may be, but P&G's silence may have been the best move. The mythical letter seems not to have hurt Always one bit. Its dollar market share is up 5.8 percentage points since the "Happy Period" campaign came out and 2.6 points to

JUST A MYTH

Data from Infegy's Social Radar social-media-monitoring system show nary a drop in brand sentiment for Always and the "Happy Period" campaign after the infamous, fictitious letter denouncing it appeared in March 2007.



52.4% since Ms. Aarons' letter started making the rounds, according to Information Resources Inc. data reported by Deutsche Bank.

"It can be a very polarizing campaign," a spokesman for P&G said of "Happy Period." But the complaints come mainly from women who prefer tampons. The original consumer insight behind the campaign—that pad users tend to feel less negative about their periods and see them as a normal, healthy part of life—appears to have been right, given the brand's growth the past three years.

Perhaps that growth could have been greater had it not been for Ms. Aarons' letter, but probably not.

Brand sentiment for Always and the "Happy Period" campaign, as measured by Infegy's Social Radar social-media-monitoring system, has remained overwhelmingly positive since it first appeared in March 2007. The letter accounts for about 80 blips per month on the Social Radar, compared with more than 52,000 broadly for the brand, said Adam Coomes, president of Infegy.

All this raises the question of whether brands should ever respond to social-media criticism of their ads, said Jim Nail, chief marketing and strategy officer of TNS Cymfony (at least through this week, after which he plans to leave to pursue a career in



AARONS

How to be a myth buster

Sometimes it's hard to resist the urge to break "news" on Twitter or Facebook or via e-mail—especially if it's a bit of industry gossip. But here are some basic rules to keep in mind.

- Never trust; always verify.
- Think before you tweet or hit forward.
- If it's too good to be true, it just might be.
- That unhinged, ridiculous story your great-aunt sent you about catching AIDS from a payphone? Keep that in mind.
- It's not always up on business stories, but check Snopes.com or other urban-legend sites.
- Pick up the phone and call the company yourself.

clean technology or renewable energy).

Mr. Nail's answer is: "Probably not."

Social-media controversies that speak to the core of a brand promise—such as the YouTube video in which (now former) Domino's employees adulterated food, or another showing people breaking into Kryptonite bike locks—need to be addressed, he said.

But people who just don't like ads typically pose less risk.

In a way, P&G's nonresponse to Ms. Aarons' letter these past 30 months has been the mirror opposite of J&J's rapid response to those Motrin ads that offended some women who carry their babies in slings.

"I'm not at all convinced you need to respond to everything," said Pete Blackshaw, exec VP-strategic services of Nielsen Online. "There's certainly some speculation that J&J, by responding early to the blogger moms, may have ... given more life to something that otherwise may have died."

Infegy's data suggest that ad and media-buying controversies don't have much lasting impact either way. While negative brand sentiment briefly surpassed positive during the Motrin ad controversy last November, the indexes returned to their previous levels fairly quickly.

Calls for boycotts of P&G over its supposed ad pullout from Mr. Beck's show may have had a modest effect on sentiment about the company in August. But sentiment has been moderately in favor of P&G among people discussing the matter online, according to Social Radar data, particularly once information started coming from conventional news media rather than social media around Aug. 19.

One thing's for sure: The letter to that fictional brand manager has been a boon to Ms. Aarons' career. Besides helping her launch her own blog, she said, it also helped her get a literary agent for a forthcoming book.

Reckitt

From Page 1

start the video.

So, the marketing world, and particularly the niche of online video, was left with a conundrum. Video sites had waited for years for the first big, bad package-goods marketer to shift a piece of its massive TV budget and take a flier on the space. And Reckitt Benckiser, with its scientific marketing, \$475 million measured-media budget, and brands such as Lysol, Jet Dry, Air Wick and Clearasil, certainly fill the bill.

But Reckitt turns out not to be the white knight video execs were expecting. It's wielding a hefty budget, true, but demanding such a low CPM rate that even video ad networks took a pass, let alone publishers trying to stay afloat in a down advertising market. Initially, four ad networks—all venture-funded startups—agreed to take the buy, Brightroll, Glam Media, TidalTV and Yume. That was an unpopular decision among some of their peers, both publisher and ad networks, who feared the buy—probably the biggest single investment in web video by a marketer—would drag down rates across the market.

"The question is, are they losing money on that deal? Likely," asked one media CEO of those that took

the buy and who, like others consulted for this article, would very much like to do business with Reckitt Benckiser in the future and asked not to be named.

"I think they are making a mistake in their media strategy, because Reckitt is about premium brands; it won't showcase those brands—it will schlock them up," said Doug Knopper, CEO of video ad server FreeWheel.

So far, video ad network Brightroll is the biggest recipient of Reckitt's big video spending, and CEO Tod Sacerdoti said it is not losing money. "It's not a loss leader at all," he said. "The reason we wanted to be involved with an advertiser like Reckitt—aside from the money—is it is pushing the market in ways most marketers are unwilling or unable to do."

Networks typically keep a fixed percentage, like 40%, and pass 60% on to publishers.

Reckitt Benckiser declined to comment for this article, but Adam Kasper, senior-VP of digital media at its agency, Media Contacts, said the biggest challenge was actually getting the inventory at the budgeted rate. So far the campaign, which began in April, has served 5 billion impressions, and Mr. Kasper believes it will take until December to spend the rest of the \$20 million. Part of that is legwork on Mr. Kasper's part, cajoling once-reticent

publishers to take the campaign.

Break Media took some spending for sites like Screenjunkies, and also acted as a guide to help Mr. Kasper and Reckitt source the kind of video sites that would qualify. "Some thought Reckitt was trying to cheapen the marketplace," said Andrew Budkofsky, Break Media's senior VP-sales. "Every advertiser thinks 'premium' is different. We felt there was a range of CPMs at any given time and that it made sense for us."

Mr. Kasper, an avowed fan of web video who does plenty of business on the high end buying \$40 CPMs on Hulu, believes that Reckitt is actually doing the market a favor by exposing the sheer volume of inventory that can be had and paying a fair price for it.

"The online video market has been overinflated for years," he said. "To the extent this campaign has helped bring it down makes it more palatable to clients. The truth is, online video as a channel is never going to succeed at costs that are higher than TV."

Moreover, not all online ad execs see the buy as bad news. "I actually think it did publishers a favor by drawing a brighter line between different types of advertising," said Michael Henry, former sales chief at Veoh, now CEO of video rep firm Outrigger Media. "There's certainly a place for remnant or direct-

"Some thought Reckitt was trying to cheapen the marketplace. Every advertiser thinks 'premium' is different. We felt there was a range of CPMs at any given time and that it made sense for us."

response TV dollars to run in online video, but that's going to look like commercials running between analog episodes of "Happy Days" at 2 a.m., not a demographically-targeted mid-roll on "CSI."

Reckitt and Brightroll are jointly funding a Nielsen study no doubt proving some aspect of its effectiveness, and plan to make a big deal of it in the fourth quarter. Some online ad execs fear the outcome. What if the campaign turns out to be an unqualified smash hit? Then it validates a strategy that if repeated by the rest of the category puts content owners and probably even some ad networks out of business.

For his part, Mr. Kasper is pleased. The campaign has gone swimmingly from Reckitt's per-

spective. Business is booming: Net income was up 17% on an adjusted basis in the second quarter while the video campaign was underway. Reckitt plans to renew the campaign for 2010—and perhaps even increase it. More and more sites are coming around, so Mr. Kasper has every reason to believe he will have better inventory to work with next year.

What's more, the outlay was big enough that Reckitt and all the partners involved—some 12 took significant spending—will come out with better research than has ever been generated on the effectiveness of online video as a marketing channel compared to TV. The downside? They can use it to win more \$2 CPM buys.

But many believe a marketer like Reckitt had to wreck the online video marketplace in order to save it. Without the volume, no credible comparison to TV is possible. Without TV dollars, online video looks like on overlay text ad on YouTube.

"There is a false equilibrium of ad rates, and they exposed that," Mr. Sacerdoti said, referring to the premium video sites that make a living charging high CPMs and constraining inventory. "There are lots of sites that have aggregated very large audiences that have different price tolerances than the broadcasters."

Goodby

From Page 1

ing an out-of-control steam train while lighting cigars with a vanishing stack of \$100 bills.

According to “The Chaos Scenario,” advertising is now in a screaming “death spiral,” in which “fragmentation of an audience and DVR ad skipping lead to an exodus of advertisers, leading in turn to an exodus of capital, leading to a decline in the quality of content, leading to further audience defection, leading to further advertiser defection and so on to oblivion.”

Oblivion. Jeez, I hope my kids don’t read this.

Anyway, if it sounds like Bob seems to take a little too much pleasure in this last, uh, “scenario,” it’s because he does. A few random quotes: “Not to sound negative, but all ads are spam.”

“The fact is, people care deeply—sometimes perversely—about consumer goods, from Tag Heuer to North Face to Tab. What they don’t like is being dictated to about what they should care about or when they should be caring.”

“Ad agencies are simply not organized in a way to profit from modern means of connecting with

customers. So they pay lip service to the digital future while digging their heels into the 30-second-spot present.”

Is there any chance we could save Little Nell? Garfield has some heart for consumer-generated things, and describes Legos’ successful use of ideas and strategies collected from regular folk (we used to call those focus groups). He writes of Doritos’ success with consumer-generated work on the Super Bowl last year. But you have only to look at the cover of Bob’s book—which was consumer-generated and consumer-selected—to see that this might not be the future. Or at least the only future.

Garfield also likes “movements”—upwellings of consumer sentiment that motivate companies to do what The People really want them to do. He cites the funny “Comcast Must Die” suggestion that he started himself. That particular reference, though, only seems to have created its own form of chaos lite, since Comcast is neither dead nor have they changed much in its wake.

That’s about it for hope. The book’s conclusion is: We’re pretty much dead meat, treading water in the maelstrom of old-media fragmentation. What’s next? Who

knows?

But it’s possible that Garfield’s infatuation with chaos blinds this otherwise smart and acerbically witty guy to the possibility that paid, real advertising could morph itself into something people actually want to experience and seek out. Fifty years ago, San Francisco advertising man Howard Gossage said, “People read what they want to read. Sometimes it’s advertising.” It still could be, Bob.

There is simply too much money and corporate energy devoted to this cause for those budgets, and hopes, to disappear overnight. There will be no “Post-apocalyptic Post-Advertising Age,” as Garfield calls it.

Not only that, but I firmly believe we don’t *want* to be advertised to in private, with nothing to discuss around the water cooler. We like the social interaction of enjoying or hating these ham-fisted corporate efforts together. The world won’t simply turn into—as Bob says it could, at one point—a place where corporations exclusively adopt the “collaborative filtering” Amazon and Netflix use to sell products: “People who liked those socks also enjoyed this fig jam!”

Garfield is indeed right to take pleasure in the Darwinian excising of bad advertising. I do, too. But he

Chaos is not good for making money. Thus, the chaos that is aptly but a little too enthusiastically described by Garfield, will pass.

overlooks the very thing that will fund this unlikely rebirth of advertising we actually like. And that is the current inability of the internet to make money.

The fact is, much of the internet is not paying for itself, especially in the media realm. Bob would say: Great—then die, media realm, die. I, on the other hand, believe that very soon the internet will finally wean us off the expectation that everything’s free online. And it will do so through a combination of micropayment entry fees and, yes, advertising that people like.

Not everyone will be able to adapt to these changes. Not everyone who is making advertising now will be able to make advertising that people like (boy, is *that* an under-

statement). But the chaos will abate.

I think this because I believe that even the internet, deep down, seeks order rather than chaos. Chaos is not good for making money. Thus, the chaos that is aptly but a little too enthusiastically described by Garfield, will pass.

In “The World Is Flat” (a more optimistic examination of change in the world), Thomas Friedman chronicles the manner in which the world adapts to change in radically unforeseen ways. Faced with rising costs, JetBlue hires stay-at-home mothers as their telephone sales people. Personal-assistant work is outsourced to people on the other side of the world while we sleep. A little town in Connecticut goes from failed Navy base to wild gambling center in 10 years.

I believe this kind of thing will happen to us. Well, you know, most of us.

The world of advertising and media *is* chaotic right now. Garfield has done well to entertainingly bring up what may perhaps be the biggest, most vexing transition going on in the world today. Irritatingly, he doesn’t give the best of us very good odds of surviving it all.

I do.

I’d give it a gentle two stars.

Sorry, couldn’t resist.

P&G

From Page 3

of 10% would be an aggressive goal, but somewhere in between that would be, we think, within the realm of possibility.”

That would put e-commerce on par with such channels as dollar stores and drugstores, he said.

InternetRetailer.com pegs the entire sales of Walmart.com at less than \$2 billion. P&G’s global sales to Walmart Stores alone—mainly offline—are about \$12 billion.

Forrester pegged total online retail sales at \$156.1 billion last year and projected growth to \$229.1 billion, or 8% of total retail sales, by

2013. But fewer than a third of online consumers purchase package goods online today.

Nielsen earlier this year projected e-commerce sales will grow 20% to 25% annually for consumer package goods in the years ahead.

Alice.com, a new venture-capital-funded site for CPG e-commerce that lets manufacturers keep the profits, is off to a fairly fast start since its May launch, with its 387,000 visitors in July, surpassing Diapers.com.

Online sales dovetail with P&G’s growing investment in digital media, Mr. Watson said. “The ability whenever the consumer raises her hand and says, ‘I’m ready to buy,’ to connect her directly to a

purchase rather than have her wait and go to a store, we think of it as providing better service.”

P&G has increased its marketing spending on digital—to 4% of total spending in the first quarter, per TNS Media Intelligence, and likely a much higher proportion if all spending on such things as search, video and behaviorally targeted ads were included. Online sales help pay the freight, though Mr. Watson said P&G likely will never make direct sales a major part of its business model and looks mainly at the impact on offline sales to measure impact from digital spending.

And digital is delivering rising return on investment, as measured through marketing-mix models,

even as the company spends more, he said. “Many people predicted it would not happen that way.”

Increasingly P&G looks at digital spending the same way, be it via media or online trade marketing. And those lines are blurring as Walmart.com and Target.com sell banner ads on their sites.

“Whether it’s an investment in a banner ad, in a search-marketing ad or in a shopping experience ... we will look at all of those and their ability to drive revenue for our company,” he said.

For that matter, P&G is increasing the e-commerce profile of its own sites as well, adding more prominent “where to buy” and “shop” buttons on its websites,

which are by no means digital backwaters. With 1.5 million unique visitors last month, Pampers.com had five times the traffic of Diapers.com, according to Compete. The “shop” button on the site leads to Drugstore.com, Target.com, CVS.com, Diapers.com, Amazon and P&G’s own TheEssentials.com.

P&G isn’t playing favorites: TheEssentials.com gets last listing when a shopper wants to buy diapers at Pampers.com. The site, with only about 30,000 visitors last month, is dwarfed by the others. But a growing number of P&G brands—also including Tide, Old Spice and Secret—have begun selling their wares in the past year on the site.

Cloud

From Page 3

Wordpress, etc.—are now woven into the lives of just about everyone on the web. But what happens when there’s a problem, or as happened to Gmail last week, it simply breaks down? The Gmail outage left leaving tens of millions of people without e-mail for 100 minutes; complaints about it no doubt contributed to Twitter locking up, too.

In an age when consumers broadcast their experiences with products and services—on blogs, Facebook, Twitter and elsewhere—businesses have come to see customer service itself as a form of marketing. But in the cloud, the economics simply don’t support one-to-one communication. “When you have tens of millions of users, and they aren’t paying anything, it isn’t scalable to have people answering phones to try to help

them,” said Google enterprise spokesman Andrew Kovacs.

The rule in the cloud is the majority of problems can be fixed by the user with a careful reading of the FAQ page. Some also try to crowd-source fixes by grouping complaints and related solutions online, or by outsourcing tech problems to their more enthusiastic users.

That’s fine for the vast majority of people who appreciate the service and the fact that it’s free. But will it still be fine when they ask consumers to spend money, such as through the payment system Facebook is testing, or Google Checkout? Or when Google tries to wrest another business or university out of the clutches of Microsoft and into enterprise versions of its cloud apps?

Only in the rarest instance will the problem merit a phone call. To do otherwise would be to further scuttle the business model (real or imagined)

on which these services depend. Consider that Facebook has 250 million-odd registered users and 850 or so employees. That’s a ratio of nearly 300,000 to 1. DirecTV, by contrast, has 26 million customers worldwide and 13,000 employees, or a ratio of 2,000 to 1. And rarely is a customer-service number part of the bargain in the free-conomy.

Consumers are less reliant on the phone today than even two years ago, but “when consumers are really angry, the phone is important,” said Pete Blackshaw, exec VP-Nielsen Online. “If you want to stem the viral tide, the phone is a shock absorber.”

More and more, companies inside and outside the cloud are taking a more scientific—and yes, cheaper—approach. Intuit refers questions to a community of experts on its software, in part because it’s cheaper but also because they believe the answers are better. “For small business, it’s more

useful to have someone from your own industry answer your question,” said Scott K. Wilder, general manager of Intuit’s small-business division.

Mr. Kovacs said 90% of Google’s consumer problems are best handled online anyway and it has a staff monitoring complaints for “edge cases,” or those can on very rare occasions, trigger a call. How often? “Not often, and we want it never to happen,” he said.

For \$50 a year Google offers its “premier edition,” which includes phone support, added security, more storage and a guarantee of 99.9% uptime. But paying Google Storage customer Staci D. Kramer, co-editor of ContentNext Media, still found herself out of luck when her debit-card number was stolen this summer and changing it caused a payment lapse. That triggered a shutdown of her Gmail account, which took 24 hours to restore after Google had accepted her payment.

“We are all used to Google doing things fast: Google took the money right away, but it took 24 hours to apply to Gmail,” she said. “I’ll buy the argument you don’t have to support free services by phone. I do not buy the idea that you should slough off paying customers.”

In Ms. Culhane’s case, Facebook reacted quickly and shut down her account after one of her friends smelled foul play; Google responded with a form letter. “The problem came with Gmail; all they kept sending me was a form letter,” she said.

Ultimately, it may be the services that best handle customer care get the upper hand, much like Zappos and Amazon in e-commerce—and that if you want to talk to someone, you’ll have to pay for that, along the lines of Apple’s AppleCare.

Or, in the cloud, as it is on Earth, you get what you pay for.



GARFIELD'S ADREVIEW

BY BOB GARFIELD

NYC's bottle-of-fat ads as nauseating as industry response

Like many complex public-policy issues for which the financial stakes are high—think universal health-care coverage and climate change—the link between soft drinks and obesity has tempted certain interested parties to make jackasses of themselves.

We'll shortly consider one of those parties—the New York City Department of Health and Mental Hygiene—and its subway campaign against excessive soft-drink consumption. First, though, we shall heroically attempt to frame the issues:

1. Sugared drinks are pauses that refresh, and also fill you with empty calories. According to the American Heart Association, they represent 33% of American sugar consumption.

2. There is an obvious and direct link between empty calories and the obesity epidemic.

3. Excluding the toll it takes on public health in general, obesity affects the individual, not others. Unlike smoking, illegal drugs or excessive alcohol consumption, if AdReview wishes to guzzle six liters of Coke per day, that's our problem alone.

4. Coca-Cola Co., for example, is in the empty-calories business. It isn't obliged to try to stop AdReview from larding ourselves into oblivion. Nor does it face a moral issue. Coke is refreshing and delicious and not in reasonable quantities harmful.

5. There is nonetheless a genuine public-health crisis in the indiscriminate intake of empty calories, particularly by children. It certainly behooves governments to raise awareness of the facts and dangers attendant to soda gluttony.

6. It also behooves parents to restrict their kids' beverage consumption—in exactly the way they should restrict TV, and TV-commercial, consumption.

7. For similar reasons, any school superintendent who permits soda machines on school property should be summarily fired. (And they ought to revamp their cafeteria menus, too, because they're a national disgrace.)

8. All of the above applies equally to McDonald's and other crap slingers. So, let's look at what New York City did to fulfill Item No. 5.

The subway posters show someone pouring various sugary beverages into a glass—only what spills out isn't sweet tea or sports ade or soda pop; it's human fat. The headline says: "Are you pouring on the pounds?" Then, "Don't drink yourself fat." Then, the copy: "Cut back on soda and other sugary beverages. Go with water, seltzer or low-fat milk instead."

Putting aside the careless and amateurish art direction (what's with the highball glass?), the message is loud and clear. But it is also literally nauseating.

AdReview does not believe even the best-intentioned PSA has any right to make the audience physically sick. It's reminiscent of the British anti-dog-litter cinema spot that showed adult people pooping on the sidewalk. It's just too gross to inflict on people. Hence: jackass alert.

But not as jacky as the asses at the American Beverage Association, who decided to take umbrage at being singled out. ABA wants you to know that only 5.5% of America's calories come from soft drinks. "Simply naming one food source as a unique contributor," it asserts, "minimizes a disease as complex as obesity."

No, it doesn't. What "minimizes" understanding is selectively choosing one statistic in order to gloss over a supremely salient fact: that the other 94.5% of caloric intake provides, in varying degrees, what soft drinks never do: nutrition.

Even burgers and french fries, which together account for fewer calories than sugared beverages, offer some nutritional benefit. Pepsi and Snapple offer none.

It's obnoxious for New York City to assault subway riders. For the swill industry to assault the truth is an outrage.

More on AdAge.com

■ Need a daily dose of cynicism? Read Bob's blog at ADAGE.COM

REVIEW: NYC DEPT. OF HEALTH

★★★★



AGENCY:
In-House
LOCATION:
New York

WWF

From Page 1

print ad that exploited the Sept. 11 terrorist attacks made on behalf of the World Wildlife Fund was outed and condemned widely on the internet. It widened when the agency denied it had anything to do with a video version that was entered in Cannes—a claim that turned out to be a lie.

Complicit in the crisis was awards-show culture that doesn't do nearly enough to weed out scam ads, those edgy creative concoctions that get only enough media weight to qualify for the awards circuit. As tasteless and ineffective as it might have been, "Tsunami," the DDB ad in question, actually netted a so-called "merit award" in the prestigious One Show this year. That award was withdrawn during last week's outcry, which sparked the One Show board to create new rules to regulate scam ads.

According to new rules released Friday, the show will ban for three years any ad that "has run once, on late-night TV, or has only run because the agency produced a single ad and paid to run it themselves." Fake ads and people credited on them will be banned for five years. It remains to be seen whether other awards shows will follow suit and adopt more-stringent standards when it comes to eliminating these kinds of ads.

The print ad depicts dozens of planes flying toward a Manhattan with the now-fallen World Trade Center towers still standing. The copy: "The tsunami killed 100 times more people than 9/11. The planet is brutally powerful. Respect it. Preserve it."

The ad garnered enough blog attention to land DDB Brasil President Sergio Valente and the responsible creatives the title of "Worst People in the World" on Keith Olbermann's MSNBC show. It first appeared on the blog Ads of the World, which received the work as part of a DDB press release. Ad Age sibling Creativity also received the ad, in what was said to be a mistake, from DDB Brasil.

One of the most shocking elements of the affair was how poorly DDB, both locally and at the global level, responded to the crisis. In addition to the embarrassing mismanagement on the ground in Sao Paulo—the office initially and almost comically denied creating the ad—DDB's worldwide leadership was apparently caught in an end-of-summer slumber and was slow in responding to a major crisis at one of its most important agencies.

Days after the offending ad surfaced, Global CEO Chuck Brymer, whose agency works on heartland American brands such as Budweiser, McDonald's and State Farm, could muster only a short statement on behalf of an agency

Local ads, global fury

A roll call of local ads that drew global ire when blogs found them

MICROSOFT POLAND'S RACIAL EDIT

Microsoft Poland's business website displayed a racially manipulated version of a photo from the software company's U.S. site. In the original, a black man is sitting at a conference table with an Asian man and a white woman. For the Polish site, a white man's head was pasted over the black man's. The image was condemned for its laziness—the black man's hand is still visible in the Polish version—and for racial insensitivity.

BURGER KING'S SACRED SNACKS

Ads for the fast feeder in Spain in July depicted the Hindu goddess Lakshmi sitting on top of a ham sandwich above the banner "A snack that is sacred." The ad, from an agency in Spain, was offensive not only because it used a deity to sell sandwiches but because many Hindus are vegetarian.

MEXICO'S ABSOLUT WORLD

An Absolut vodka print ad from Teran/TBWA in Mexico City redrew a map of Mexico to include most of the U.S. Southwest. Even though the ad ran only in Mexico, it was called racist by some Americans once blogs carried it north of the border last year.

EL PAÍS AND 9/11

Spanish newspaper El País ran an ad in 2004 showing pictures of the Manhattan skyline before and after the Sept. 11 attack with the caption "A lot can happen in a day. Imagine what can happen in three months" to promote three months of free access to elpais.com. Negative attention home and abroad forced the paper to run a page-one apology.

IN 2001, ONE OF THE WORST TRAGEDIES IN THE HISTORY OF HUMANITY KILLED 2,819 PEOPLE.

IN 2005, THE TSUNAMI KILLED 280,000 PEOPLE. THAT'S 100 TIMES MORE DEATHS.

SHOCKER: Ad caused a firestorm of controversy in the blogosphere.

whose creative prowess DDB is always celebrating: "I find the advertisement offensive and insensitive and I humbly apologize on behalf of myself and the employees of DDB Worldwide."

After requests for further comment, a PR person gave another brief line: "We are taking corrective actions to ensure that future pro bono work from our offices undergo a more rigorous review."

On the agency website, and in a joint statement with WWF-Brazil, DDB Brasil apologized for the ad and attributed it to "the inexperience of some professionals on both sides, and not bad faith or disrespect toward American suffering." DDB Brasil has been the WWF's agency in Brazil for three years and has won numerous creative awards for its work for the conservation group. DDB Brasil also won Agency of the Year at Cannes this year for win-

ning more Lions than any other agency

Given the embarrassment the situation has brought for both the ad network and the global conservation network, one wonders how an ad packed with incendiary imagery got past DDB checkpoints to make it into international award shows.

"Obviously somebody made this ad to win awards and get attention," said Bob Moore, chief creative officer at Publicis USA, when consulted on the matter. "It's absolutely tasteless. It probably was a rogue creative team trying to win awards. This desperation to win awards is getting out of control."

"This ad also shows us there is no such thing as local," he continued. "Digital distribution has made it so that everything is global. You need to be sensitive to a wider audience. But that's not the case here because they entered it into international awards shows. That's half the problem."

CONTRIBUTING: RUPAL PAREKH

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■ Readers had a lot to say about the latest fake-ad controversy. Add your two cents at ADAGE.COM

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

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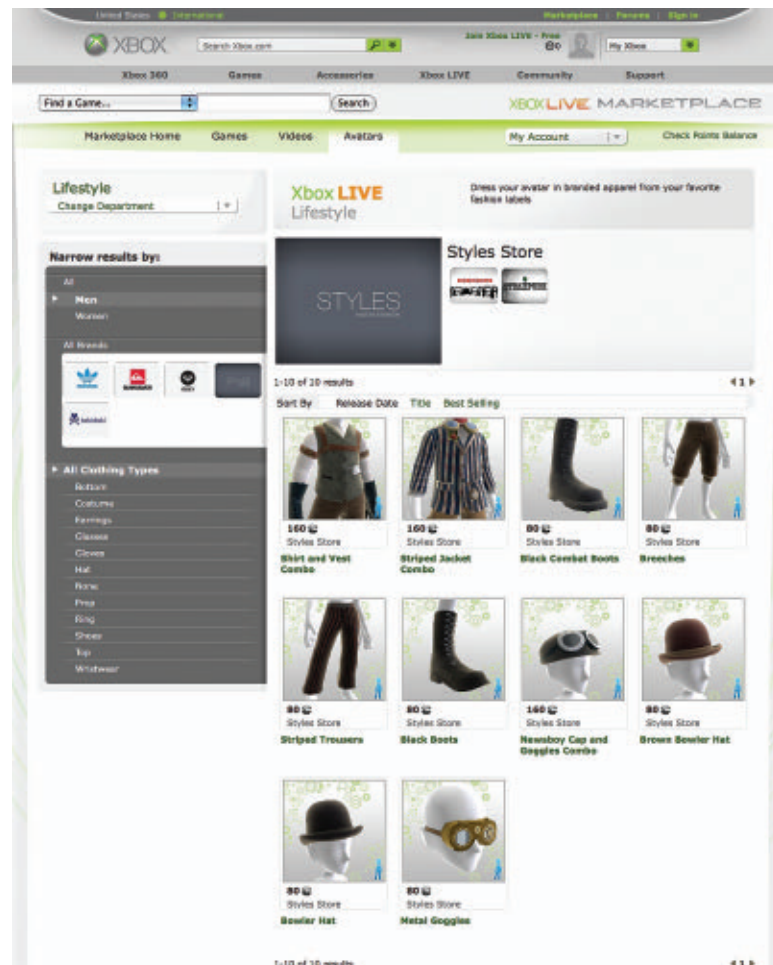
Submit your choices for outstanding TV, print and interactive ads to Teresa Iezzi, Editor, Creativity, 711 Third Ave., New York, N.Y. 10017 or e-mail tiezzi@creativity-online.com.

CREATIVITY TOP FIVE

In this week's episode of Creativity's Top Five, Grizzly Bear gets an unsolicited video gem from a fan director, Crispin Porter & Bogusky, Europe, create a fun Facebook travel game for SAS; writer and philosopher Alain de Botton sets up shop in London's Heathrow airport; Microsoft teams up with brands to dress up Xbox Live gamer avatars; and RKCR/Y&R offers its creative and strategic services to local small businesses and sellers in London's Camden Market.



RKCR/Y&R 'POP-UP AGENCY'



MICROSOFT 'XBOX LIVE MARKETPLACE' IN-HOUSE



HEATHROW AIRPORT 'A WEEK AT THE AIRPORT: A HEATHROW DIARY' MISCHIEF OF LONDON



SAS 'GLOBE OF FORTUNE'

AGENCY: CRISPIN PORTER & BOGUSKY, EUROPE

Creative director: Anders Gustafsson. Art director: Dennis Rosenqvist. Copywriter: el Guapo. Producer: Axel Widen. Designer: Anders Johansson. Designer: Joakim Khoury. Motion designer: Jorgen Bengtsson. Production companies: Pong and Speed of Sound.



GRIZZLY BEAR 'TWO WEEKS' (FAN VERSION)

Director: Gabe Askew.

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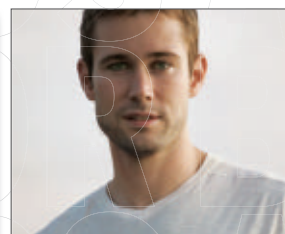
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