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Source: Screenvision internal theatre list as of 3.6.09, Cinema Advertising Council marketplace representation report as of 12.1.08 with appropriate exhibitor shifts applied



## Ford leaving Chrysler, GM in its rearview

Strategy to build brands, discount less pays off as automaker steals share

By JEAN HALLIDAY  
jhalliday@adage.com

SUDDENLY, the wind is at Ford's back.

Maybe it's the rising quality of its cars. Maybe it's the halo surrounding Ford for passing up federal funds being devoured by its Detroit rivals. Or it could simply be Ford's focus on building image in its marketing while others flog incentives. But for whatever reason, America seems to have decided that Ford is a better idea after all.

Through January, Ford Motor Co.'s retail-market share had risen for four consecutive months for the first time in 14 years, and that share was coming from General Motors and Chrysler. New data from CNW Market Research show that 19% of consumers who planned to buy a GM passenger car in January or February instead

bought a Ford, Lincoln or Mercury. Some 15% of people who set out to buy a Chrysler or Dodge car in January instead switched to one of Ford's brands.

"Times like these can provide opportunities for us to distance ourselves for the long term," said Ford's Ken Czubay, VP-sales and marketing. "We are doing fine from a conquest standpoint."

Indeed, in the first two months of the year, the number of qualified buyers who planned to buy a Ford jumped 16% from 2008, CNW said. Qualified buyers who intended to buy GM fell 12% and Chrysler 33%.

That's a remarkable feat for Ford, considering that until three years ago, it was running ads tagged with the rather pathetic plea, "If you haven't looked at a Ford lately, look again."

"To be able to grow even a little bit of share in such a tough market is an accomplishment," said Cameron McNaughton, president



CZUBAY

See FORD on Page 22

## What's in a domain name? Marketers weigh the cost

Companies wrestle with decision to buy into blitz of new dot designations

By BETH SNYDER BULIK  
bbulik@adage.com

TODAY THERE ARE 21 generic top-level domains, or those little words that come after the dot at the end of a web addresses, including .com, .net and .gov. But that's all about to change. A proposed expansion of domains means that by the end of the year there could be hundreds. Coca-Cola and Pepsi could request .soda or .softdrinks; Procter & Gamble and Unilever could sign up

for .laundry or .soap; and McDonald's and Wendy's could get .burger or .fries. The potential for names and online branding would be limited only by the imagination of the creative marketing industry.

But what if you had to pay for every one of the new domains that relates to your brand? The initial cost estimated by the Internet Corporation for Assigned Names and Numbers, the nonprofit agency that oversees the distribution and policy of domain names, is \$185,000 for registration plus anywhere from \$25,000 to \$75,000 in annual fees.

See ICANN on Page 20

## Bank on more promos like Vault's

Five reasons why, in this economy, we'll see more pushes like this.

- Coupon redemption rates jumped 10% in the fourth quarter; 94% of consumers now say they use coupons.
- Enticing cash-strapped consumers with discounts and free products is some marketers' best shot at taking share.
- As sales slow, growing share is becoming tougher than stealing it.
- Coupons offer value without permanently eroding price points.
- There are more options for coupon distribution, including social media and downloadable coupons, that appeal to a young audience yet eliminate some of the cost for marketers.



## Coke: Buy 1 rival, get our brand free

Soft-drink giant's Vault takes on Mtn Dew with unusually aggressive offer

By NATALIE ZMUDA  
nzmuda@adage.com

IN AN AUDACIOUS and quite possibly unprecedented move likely to resonate with recession-weary consumers, Coca-Cola will give away a free sample of its Vault brand to anyone who buys PepsiCo's Mtn Dew.

The aggressive "Don't Dew It" promotion aims to get die-hard Dew-ers

to try Vault, which after three years on the market isn't just an also-ran to the Pepsi brand; it's an afterthought. According to Beverage Digest, juggernaut Mtn Dew commands more than an 80% share of the citrus segment, while Vault holds about 4%.

But being No. 2 doesn't sit well with Coca-Cola, which believes if it can get consumers to taste Vault, they'll convert. "Simply put, it's designed to drive Vault consideration and recruitment among Dew drinkers," said Scott Williamson, a

See VAULT on Page 19

## Adworld has new king in Sir Martin Sorrell

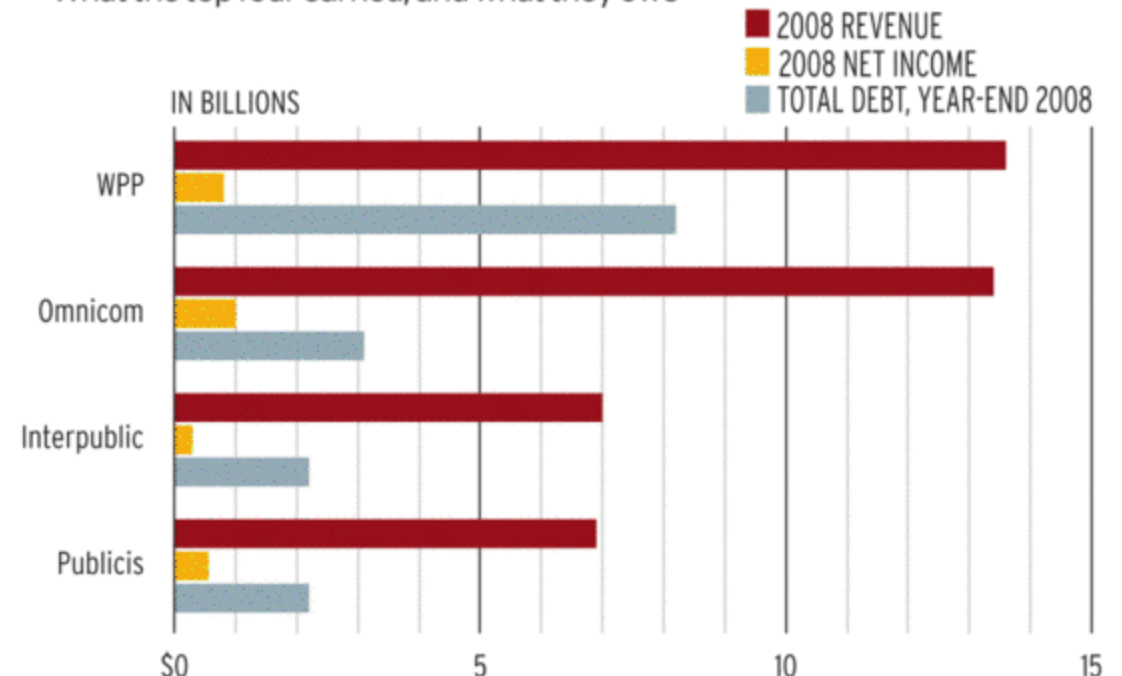
WPP passes previous leader Omnicom, but the win comes at a cost

By RUPAL PAREKH  
rparekh@adage.com

THERE'S OFFICIALLY A new world order in Adland. WPP, the British ad giant led by Martin Sorrell, last week moved ahead of U.S.-based Omnicom Group as the world's largest owner of agencies based on reported revenue. But exactly what the total cost will be for Mr. Sorrell, who has racked up the largest debt

### HOLDING COMPANIES AT A GLANCE

What the top four earned, and what they owe



See WPP on Page 19

## Sleeping-pill, firearm sales rise

Bad economy's good news for makers of guns and antidepressants.

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## Would you want this man's job?

Coldwell Banker's Fischer says real estate isn't an impossible sell.

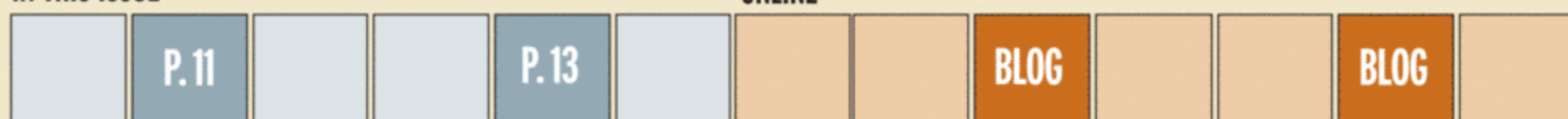
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# PROGRAMMING GUIDE FOR THE WEEK OF MARCH 9

Your map to highlights from Ad Age and Creativity

## IN THIS ISSUE



## SKENAZY: 'MADEA' CAN TEACH US ALL A THING OR TWO

The genius of the "Madea" movies is in combining straightforward, even hokey, storytelling with a cast that looks more like real life than any so-called reality shows. Race, age, size, income—the ones you usually see least in the movies are the ones you see most here. And that's why Tyler Perry is getting rich.

## WHAT CAR BRANDS CAN LEARN FROM SATURN'S DEMISE

360 Brand Machine's Kevin Smith writes that the original Saturn idea, and the requisite organizational structure and execution, is exactly what General Motors and others need in this environment. Perhaps Saturn can finally complete its founding mission to give back critical lessons to save GM.

## JOHNSON: DON'T ASK ME TO DO MORE WITH LESS

I don't like to use the expression "do more with less." It's just a polite way to ask someone to suck it up and give you something for nothing. I want to ask people to be smarter and more innovative, not to work more with fewer resources and rewards. Plus, I don't believe in doing more with less.

[ADAGE.COM/SMALLAGENCY](http://ADAGE.COM/SMALLAGENCY)

## KNISS: HOW DO AGENCIES BUILD A COMMUNITY?

At our humble student-run advertising agency, we are re-evaluating every aspect of what we do, including the building of a community. So how do the big players tackle the issue of community? What can we smaller agencies learn? Or what can the big players learn from us?

[ADAGE.COM/GENNEXT](http://ADAGE.COM/GENNEXT)

## Pardon the interruption

Advertising Age will not publish a print issue next week. All our news, analysis, data and columns will be available as usual at AdAge.com. The next print issue will publish on March 23.

## RIES: LOVE WON'T LEAD THE WAY

Love works for leading brands. But without some help from a No. 1 that does something stupid, it's exceptionally difficult for a No. 2 brand to overtake a leader. You can't fall in love with the No. 2 brand in the category until you first fall out of love with the No. 1 brand. That's why No. 2 brands should not promote "love."

[SEE ADAGE.COM/COLUMNS](http://SEE ADAGE.COM/COLUMNS)

## IN THIS ISSUE



## DIY DOING BETTER IN DOWN MARKET

Car repair, home hair care, home cooking and soup. With consumers scrimping on big purchases and indulgences, some sectors are finding things looking up in a bad market.

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## MOST READ STORIES ON ADAGE.COM

What our readers are checking out

### 1. Facebook's Changes Give Brands More Freedom

[READ IT AT ADAGE.COM](#)



### 2. Forrester Report on Sponsored Blogs Draws Google's Ire

### 3. Web 2.0 Etiquette: A Review

### 4. Event Marketing Takes a Hit

### 5. What If Gen Y Wants to Be Behaviorally Targeted?

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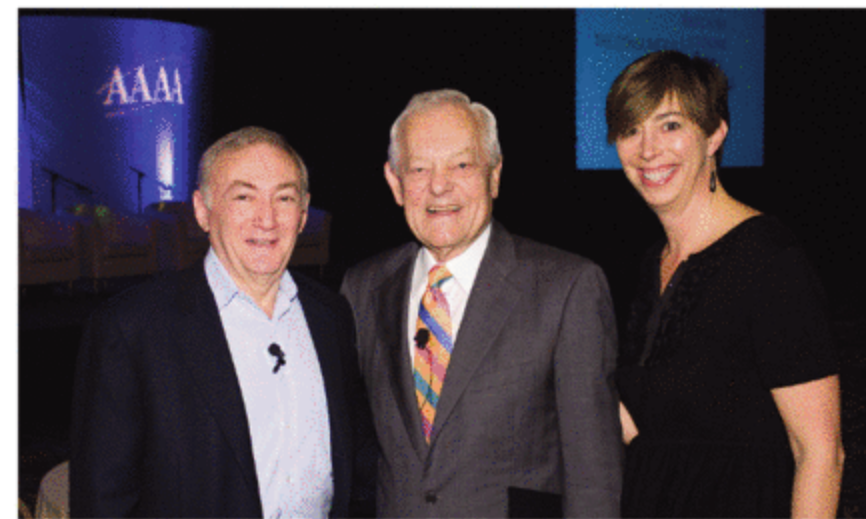
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**SEEKING SOLUTIONS:** Marc Goldstein, Bob Schieffer, Nancy Hill

# At 4A's conference, smaller crowd cries out for solutions

By **MICHAEL BUSH**  
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EMPTY HOTEL BARS, canceled agency-sponsored dinners and fewer attendees. This year's American Association of Advertising Agencies' Media Conference & Tradeshow in New Orleans was riddled with all of the cost-cutting signs of the times and will no doubt serve as an example of what most industry trade shows will look like in 2009. But in spite of the low turnout and dinner cancellations, the attitude wasn't all doom and gloom.

The number of registered attendees was 736, roughly a 30% drop-off from 1,100 attendees last year. Kipp Cheng of the 4A's said a final total of how many actually came was not immediately available, but it was probably closer to 650.

"Attendance is definitely down, but if you're a first-time attendee, this is not the best example of what this show has been in the past," said Page Thompson, CEO-North America, Omnicom Media Group.

While most in attendance said the attitude at the conference wasn't as pessimistic as one might believe, they did say attendees were leaving without the one thing they went there to find: solutions. That's an unfortunate result for companies that invested the time and money—in short supply for many—to send a team of people to New Orleans looking for answers.

"What I'm hearing from the people I've been speaking to is that they aren't taking home any type of solutions, and that's the reason they came here," said one attendee on the final morning of the conference.

Peter Klopogge, president of Pointlogic, a research and analytics firm that works with agencies such as OMD and Naked, said he was disappointed with some of the information coming out of the panels.

"In many cases there were great people onstage, but the moderator didn't get more out of them," Mr. Klopogge said. "I know everything is moving toward digital, but I felt there was too much focus on that. I expected a bit more of a balance."

"A lot of people came here looking for solutions, but I'm not sure we have any solutions yet to give," OMG's Mr. Thompson said. "But going forward, we need to rethink what this show is, and I think Nancy [Hill, head of the 4A's] is trying to do that."

One agency executive was a bit harsher in his criticism, saying a lot of the panelists didn't offer anything worth putting in your back pocket and taking home to use. "We have people up there on panels talking about how we need to look at the consumer and what they want. Yeah, we know that already," the executive said. "We now need to start providing solutions to the problems."

Not everyone was as pessimistic.

Greg Warren, exec VP and managing director at Publicis Groupe's MediaVest, said he's not leaving the conference on a high note, but he isn't looking at it as a waste of time, either.

"We're no closer to solving things than we were two days ago," Mr. Warren said. But "there was a lot of good discussion and a good dialogue."



# How Financial Times defies the times

Famed pink broadsheet in the black by raising price, charging for web

By EMMA HALL  
ehall@adage.com

THE FINANCIAL TIMES is charging more for copies of its salmon-colored daily broadsheet and is making readers pay for its online content as well—not exactly recessionary measures in the toughest times ever for the newspaper industry.

The Financial Times Group has bucked the newspaper trend, with 2008 profit up 13%. The robust performance saw owner Pearson's shares rise on a day when the U.K.

## What you can learn from FT

- 1. People will pay for content**—if the content is high quality and relevant to a niche.
- 2. When it comes to monetizing online,** garnering a lot of eyeballs alone isn't enough.
- 3. Just because there's a recession** doesn't mean you have to give away the farm.

stock market plunged to a six-year low. Not that the Financial Times is immune to an ailing global economy: Its ad revenue and newspaper readership both fell 3% in 2008, while management recently announced 80 layoffs and introduced the option of a three-day

week over the summer to help cut costs.

But circulation revenue was up 16%, thanks mostly to a dramatic cover-price rise from £1 (\$1.42) to £1.80 (\$2.55) in the space of 18 months. And the 3% ad-revenue drop was minimal compared with

those of some rivals that recorded 30% falls at the start of this year.

Perhaps most significantly of all for the long term, people must pay to view Financial Times content on the web. In 2008, the number of digital subscribers was up 8% to 109,609. On top of that, FT.com claims 1 million registered users, with 7.2 million unique users in 2008 (up 27%) and 49.2 million page views (up 68%). Daily newspaper circulation is 432,944, and worldwide readership is 1.3 million.

Charging for content on the web goes against the doctrine that information yearns to be free—and supported solely by ads. "We've taken a lot of flak," said Rob Grimshaw,

managing director of FT.com. "People have a funny attitude on the subject. Some people associated with the internet see it almost as a religious issue. They take great exception to putting content behind a veil."

"Internally, we always believed we were doing the right thing," he continued. "Our main product is content, and we wouldn't feel comfortable in a world where we couldn't sell our main product."

The site, which has Asia, U.S., Middle East, U.K. and Europe versions as well as a Chinese-language site, allows limited access to non-subscribers, who can see up to three

See FT on Page 20

## Economy accelerates shift away from upfront buying

Wary marketers cling to budgets, lean toward year-round purchases

By BRIAN STEINBERG  
bsteinberg@adage.com

WITH THE ECONOMY flailing, it doesn't take a rocket scientist to realize that TV-ad sales for next fall's prime-time schedule are primed to droop. Behind the scenes, however, lies something potentially more drastic. The dreary financial climate could trigger a permanent transformation in how shows such as "Lost" and "American Idol" are bought and sold.

Broadcast TV for decades has largely been a game of pay now and

hope for the best later. Networks routinely sell between 75% and 80% of their ad inventory for the coming fall season during the glitzy "upfront" sales sessions that take place in May and June. As the recession deepens, however, it is becoming clear that marketers are being forced to keep their money in their pockets much longer. Putting down large chunks of change for ads that won't run for months is a less attractive option.

As instability continues, the situation looks to grow worse. Pricing for so-called scatter ad time, or inventory purchased on an as-needed basis, has stayed on par with what marketers paid last spring. So

See UPFRONT on Page 20

## Credit-card marketing message: We'll help you pay off your debt

Visa, AmEx, MasterCard promote rewards, debit to frugal cardmembers

By BETH SNYDER BULIK  
bbulik@adage.com

CREDIT'S OUT, debit's in—just ask Visa, MasterCard and American Express.

As housing prices fall and job losses mount, consumers are increasingly keeping their plastic tucked tight in their wallets. U.S. consumers trimmed credit-card debt \$6 billion from November to December last year, the only monthly decrease for the past two years. Although credit-card debt is still high, at \$5,710, up 6% year

over year according to TransUnion, studies show consumers are struggling to pay down what they already owe.

In many cases they are failing. Credit-card delinquency, defined as more than 30 days past due, grew to 5.9% in January, the highest since a previous peak of 6.3% in January 1992, according to Moody's. Credit-card charge-offs, or uncollectable debts, are also up to more than 7.5%, and many analysts believe the tally could crest above 10%.

"A lot of people are feeling powerless with all the challenges they're facing, and one way to take control is by using a debit card," said MasterCard VP-U.S. Advertising

See CREDIT CARDS on Page 21



**NO, YOUR INVITATION WASN'T LOST IN THE MAIL:** In a sign of the recessionary times, DDB is canceling its famed beach party at Cannes.

SAM FAULKNER

## BRING A NOTEBOOK, NOT A BEACH TOWEL, TO CANNES

With less revelry, ad fest will be a lot more sober—in every way

By LAUREL WENTZ  
and RUPAL PAREKH  
lwentz@adage.com, rparekh@adage.com

FOR ANYONE WONDERING how global recession will affect the Cannes Lions International Advertising Festival this year, listen up: DDB Worldwide is scrapping the Friday-night beach bash that has been a Cannes staple for a decade.

"You'd have to be tone-deaf to throw a big party this year at Cannes," said DDB Worldwide CEO Chuck Brymer. "It's not the right time, and it's not the right signal. We're going to put it on ice."

DDB's Cannes fete has been the festival's signature party since 1999, with tickets scalped on eBay and crowds of 1,000 or more. This year,

as some global networks say they will cut attendance at the festival as much as 50%, Mr. Brymer will host what he hopes will be a hot ticket of a different kind: a Friday-morning festival seminar with David Plouffe, President Barack Obama's campaign manager, followed by an invitation-only luncheon.

In short, Cannes 2009 is shaping up to be more about sober education than inebriated entertainment. "The tone will be very different," said Richard Pinder, chief operating officer of Publicis Worldwide. "Entirely focused on learning and improving."

Mr. Pinder said Publicis will send half as many people as usual to Cannes this year, cutting out the internal meetings networks often hold during the festival, and instead

just pay for the creative teams that have done the best work and execs involved in the festival's seminar program. He said Publicis won't cut back on entering work that could win a Lion, but there will be fewer "vanity" entries "that a CEO agrees to in a country to keep their creative director happy and which, at best, drive shortlist numbers."

Oh, and Publicis' Thursday-night party? Canceled. Leo Burnett isn't likely to do its Friday-night beach party either, and Havas will not hold its Havas Café by the beach.

Another global network that is slashing outlays on the festival this year estimated it spent \$1.5 million last year to send some 300 del-

See CANNES on Page 22



# Journalism goes local with wave of start-ups

New blogs attempt to reinvent the model for community news

By MICHAEL LEARMONTH  
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WE'RE SEEING THE newspaper business collapse in slow motion, but what will replace it? That's the question behind a wave of start-ups trying to find a new model for local journalism.

The New York Times dipped its toe in the water with the launch of two local blogs it calls The Local: one covering the Brooklyn communities of Fort Greene and Clinton Hill, and another covering the New Jersey suburbs of Maplewood, Millburn and South Orange. Each site has a dedicated Times reporter, but they share an editor and take contributions from bloggers and journalism students.

"What we are doing here is seeing if we can contribute usefully to

See LOCAL on Page 22

# National mags hope to find bright spot in regional ads

By NAT IVES  
nives@adage.com

IT'S NOT JUST start-ups and newspaper refugees fighting over local marketing and media—national magazines have planted a stake in local turf as well. Publishers are hoping that regional ads in magazines can provide their industry with a very welcome bright spot, even though the fight for local ad spending is only getting more bruising.

Last year regionally targeted ads, which look like any other ad in the subscriber copies that get them, actually took a bigger hit than magazine ad pages on the whole, which fell 11.7% last year, according to the Publishers Information Bureau. National equivalent pages, as they're called, fell 18% in 2008.

The recession, however, is encouraging marketers to look harder still for efficiencies, and ear-

See MAGAZINES on Page 21

## PAID CIRCULATION: THEN AND NOW

20 of 1990's top 25 papers have seen circulation fall

1990 RANK		PAID CIRCULATION		% CHANGE
1	WALL STREET JOURNAL	1990: 1,857,131	2008: 2,011,999	↑ 8.34
2	USA TODAY	1990: 1,427,604	2008: 2,293,310	↑ 60.64
3	LOS ANGELES TIMES	1990: 1,196,323	2008: 739,147	↓ 38.22
4	NEW YORK TIMES	1990: 1,108,447	2008: 1,000,665	↓ 9.72
5	NEW YORK DAILY NEWS	1990: 1,097,693	2008: 632,595	↓ 42.37
6	WASHINGTON POST	1990: 780,582	2008: 622,714	↓ 20.22
7	CHICAGO TRIBUNE	1990: 721,067	2008: 516,032	↓ 28.43
8	NEWSDAY (LONG ISLAND, N.Y.)	1990: 714,128	2008: 377,517	↓ 47.14
9	DETROIT FREE PRESS	1990: 636,182	2008: 298,243	↓ 53.12
10	SAN FRANCISCO CHRONICLE	1990: 562,887	2008: 339,430	↓ 39.7
11	CHICAGO SUN-TIMES	1990: 527,238	2008: 313,176	↓ 40.6
12	BOSTON GLOBE	1990: 521,354	2008: 323,983	↓ 37.86
13	NEW YORK POST	1990: 510,219	2008: 625,421	↑ 22.58
14	DETROIT NEWS	1990: 500,980	2008: 178,280	↓ 64.4
15	NEWARK STAR-LEDGER	1990: 476,257	2008: 316,280	↓ 33.59
16	HOUSTON CHRONICLE	1990: 442,044	2008: 448,271	↑ 1.41
17	CLEVELAND PLAIN DEALER	1990: 428,012	2008: 305,529	↓ 28.62
18	MIAMI HERALD	1990: 414,646	2008: 210,884	↓ 49.14
19	MINNEAPOLIS STAR-TRIBUNE	1990: 407,441	2008: 322,360	↓ 20.88
20	DALLAS MORNING NEWS	1990: 397,555	2008: 338,933	↓ 14.75
21	ST. LOUIS POST-DISPATCH	1990: 382,381	2008: 240,794	↓ 37.03
22	BOSTON HERALD	1990: 358,925	2008: 167,506	↓ 53.33
23	ORANGE COUNTY REGISTER	1990: 353,637	2008: 236,270	↓ 33.19
24	ROCKY MOUNTAIN NEWS	1990: 351,996	2008: 210,282	↓ 40.26
25	ARIZONA REPUBLIC	1990: 330,706	2008: 361,333	↑ 9.26

# WHERE 1990'S TOP PAPERS ARE NOW

Two decades later, only four pubs have grown paid circulation

By NAT IVES  
nives@adage.com

OF THE 25 BIGGEST weekday papers in 1990, the year newspaper employment peaked and the year before circulation declines really gathered momentum, 21 papers have lost ground. One, The Rocky Mountain News, was just shut down by Scripps. Only four have expanded paid circulation: two national papers with distinct marketing hooks, USA Today and The Wall Street Journal; one money-losing ego play, the New York Post; and The Arizona Republic, which is up a remarkable 9%.

A lot of that growth accrues to Arizona's own population growth; recent years have seen paid circulation slip there, too. But check in with The Arizona Republic today and you'll see it's still working circulation as hard as it can—the calculus is just getting ever more complicated.

## SUNDAY FOCUS

The paper is focusing on Sundays, for one thing, where the most ad revenue resides. "Every Sunday in the paper, in this Super Sunday timeframe that we've been working on, we've made it special—to give the customer something different, whether it's a special package from the news content side or whether it was a special promotion we worked on with an advertiser," said John Zidich, president and publisher. It also raised home-delivery prices all week and even dropped some costly Sunday circulation serving areas 200 miles away. "The whole philosophy in our circulation department has changed dramatically in the past year," Mr. Zidich said. "We're basically looking at the cost-analysis of every unit of circulation."

The overall result? The Republic is on track to post a narrow circulation increase for Sundays when the latest reporting period ends a few weeks from now.

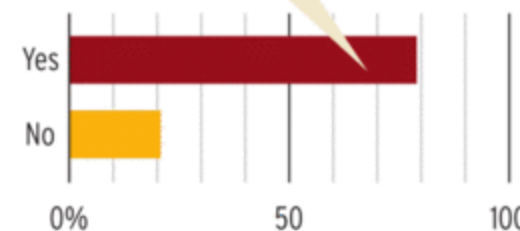
Paid weekday circulation for the six months ending Sept. 30, 1990 and 2008, as reported to the Audit Bureau of Circulations

## WHAT YOU SAY

THE QUESTION:  
SHOULD AUTOMAKERS  
DECLARE BANKRUPTCY?

79%

said it's a wise idea for GM and Chrysler to declare bankruptcy.



The question of whether embattled automakers General Motors and Chrysler should file for bankruptcy protection garnered a fury of comment from respondents, the majority of whom suggest the two go gentle into that good night.

"If the products don't sell, and the people running the company can't figure that out, Mr. Darwin's theory should be allowed to play itself through," said **Deb Armstrong** of Mediaspace.

"Just get it done with, so everyone knows the rules of the game, and we can move on," said **Matthew English** at Arch & Beam Global. "At least in bankruptcy, there will be a predictable set of steps and rules that will allow people to move forward. Being in limbo just hurts everyone."

**Mark Schrief** at Elateral said, "The U.S. automakers have lost their standing at home and abroad... There is no marketing magic that will bring the consumer back in the timeframe or numbers necessary to stave off extinction."

**Gabriel Bear** at Bridge Solution doesn't think Chapter 11 is enough. "'Bankruptcy' and 'clean slate' are doublespeak for broken promises, and nothing more. The industry needs to be campaigning for removal of vehicle supply in America, by tax incentives funded by fuel taxes. This will create demand, which will allow not only continued manufacturing, but make funding R&D fiscally prudent again."

But **Chris Greiner** of Advertising Database says that "while it may make sense as one financial solution, it will scare the wits out of the buying public. For many people, the automobile represents the second-largest purchase they will ever make. When they choose other brands (read: imports), the end is near for the domestic industry."

—MAX LAKIN

NEXT WEEK'S QUESTION:  
WOULD NEW INTERNET DOMAINS,  
SUCH AS .SODA OR .AUTO, BE GOOD  
FOR MARKETERS?

To answer, log on to [AdAge.com](http://AdAge.com).



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Simply Fascinating



# Gun makers and retailers post strong sales increases

Sour economy, potential for tightened regulations drive buyers to firearms

By NATALIE ZMUDA  
nzmuda@adage.com

THE ECONOMY MIGHT be tanking, but firearm sales are going great guns.

Despite the weakest holiday season on record, outdoor-products retailer Cabela's turned in strong fourth-quarter sales, largely as a result of an increase in firearm and ammunition sales. Smith & Wesson is reporting pistol sales up 40%, and Sturm, Ruger & Co. reported an 81% increase in firearm revenue.

In November, on the heels of Barack Obama's election, background checks for firearm sales jumped 42% to a record 1.5 million. But that pace has not abated, with a 24% rise in background checks in December, a 28% uptick in January

and a 23% increase in February.

A new Democratic administration typically heralds a rash of gun purchases, as consumers fear the possibility of more restrictions on firearm purchases—the election of Bill Clinton in 1992 accompanied an 18-month surge in firearm sales. But industry experts say the tough economy, along with a desire for leisure activities close to home, will ensure strong firearm sales in the coming months, regardless of the attention the Obama administration gives to gun issues.

"The continued increase in gun sales can be attributed to both political and economic factors," said Ted Novin, director-public affairs for The National Shooting Sports Foundation. "In tough economic times, more people become concerned about security—a strong reason to purchase a firearm.

Similarly, when income is an issue, it's reasonable to believe that hunting becomes that much more popular. Hunting in the field, as opposed to a local grocery store, ensures safe, high-protein food at a much lower price."

Eric Zinzchenko, publisher of Field & Stream and Outdoor Life, said hunting is the only hobby where you can go out and "bring your dinner home." He added, "The ability to feed your family in these tough economic times [is] a point that we're seeing is not lost [on consumers]."

Sales figures at a host of manufacturers and retailers are surprisingly robust, given consumers are reigning in their spending habits. Regarding Cabela's strong fourth-quarter sales, President-CEO Dennis Highby said sales at stores open at least a year, which rose 2%, would likely have been down 1%, excluding firearm



**CABELA'S:** Retailer turned in strong fourth-quarter results thanks to firearm sales.

and ammunition sales.

"We're excited that we have the merchandise that people want in this type of environment," Mr. Highby said during a call with analysts. "We saw strength in ammunition, firearms; reloading was big; archery was strong. He added that those categories remained strong in the first six weeks of the year.

BassPro, a privately held company, also reports its sales are robust. Larry Whiteley, a spokesman for the company, said that the company had a "very good" fourth quarter and a strong start to 2009. Mr. Whiteley said firearm sales are up but added that the fishing category has been outperforming as well.

On the manufacturing side, publicly traded firearm manufacturers, such as Smith & Wesson and Sturm, Ruger & Co. are enjoying strong sales and relatively steadier stock prices. Smith & Wesson said aside from the 40% growth in pistol sales in its most recent quarter, tactical rifle sales soared 308%. Sturm, Ruger & Co. reported an 81% increase in firearms revenue. In a message on its website, Rock River Arms, which specializes in custom rifles and pistols, cites an "overwhelming increase in orders" in explaining why it can no longer provide estimated delivery dates, and notes that it is increasing production.

**BRIGHT SPOTS**

Part of a series

# Pharma benefits from surge in sleep-aid, antidepressant prescriptions

Marketing outlays down, but more consumers seek relief from anxiety

By RICH THOMASELLI  
adageeditor@adage.com

YOU SNOOZE, YOU LOSE? Not for some pharmaceutical companies seeing big sales jumps for sleep aids and antidepressants, despite lower marketing spending in both categories.

Despite dramatic decreases in marketing, prescriptions for sleeping pills are up.

According to IMS Health, prescriptions for major sleeping-pill brands rose 7% last year, while antidepressant-brand prescriptions jumped 15%.

The economy, it appears, is keeping us up at night, according to a new



**NOT-SO-SLEEPY SALES:** Scripts up 7%.

"Sleep In America" poll out this week from the Washington-based National Sleep Foundation. Some 31% of respondents said they are losing sleep over the dismal economy and their own financial situation.

"The pattern certainly suggests" the economy is a factor, said Amy Wolfson, a professor at College of the Holy Cross in Worcester, Mass., and one of five members of the poll

taskforce. "There are worries about the economy and that can certainly lead to insomnia."

Even more surprising, prescriptions are up despite a dramatic decrease in marketing—in the case of sleeping aids, by hundreds of millions of dollars. According to figures from TNS Media Intelligence, spending on sleep-aid Ambien CR fell from \$190 million in 2007 to \$150 million in 2008 while outlays on Lunesta plunged to \$107 million in 2008 from \$271 the prior year. Rozerem alone cut spending by \$100 million from \$140 million in '07.

The cutbacks were less clear-cut for antidepressants. Spending on Cymbalta was pretty much flat at \$179 million in 2008 but spending on Effexor fell by more than half

from \$21.2 million in 2007 to \$9.8 million last year, TNS figures show.

According to a 2008 study by Marketdata Enterprises, Tampa, Fla., sleep is a \$23.7 billion annual industry in the U.S. That includes medications, sleep labs/sleep centers, mattresses and pillows, continuous-positive-airway-pressure machines and retail sleep aids. According to IMS Health, almost \$19 billion of that comes from direct-to-consumer prescription sleep medications.

Dr. Robert Aronson, a sleep specialist at Cardinal Sleep Center in Joliet, Ill., said there is a correlation between the falling economy, a lack of sleep and the uptick in prescriptions and purchase of sleep aids—and he doesn't see it ending soon. "The economic problems are likely to be pro-

tracted," he said. But, he added, continual use of sleep aids are "not good because sedative hypnotics are best used for short-term insomnias due to transient stressors."

Sales of antidepressants in 2008 were up 2% compared with 2007. While prescriptions were up, dollar sales of prescription sleep aids were down 30% in '08 vs. '07 because the patent expired on Ambien (which was succeeded by Ambien CR). Sales were also hurt by the introduction of the cheaper generic Zolpidem, not to mention the emergence of more wallet-friendly over-the-counter sleep medications such as Unisom.

The total over-the-counter market for sleep aids reached \$604 million in 2008, an increase of 9% over 2007 according to Packaged Facts, a division of Rockville, Md.-based Market Research Group.

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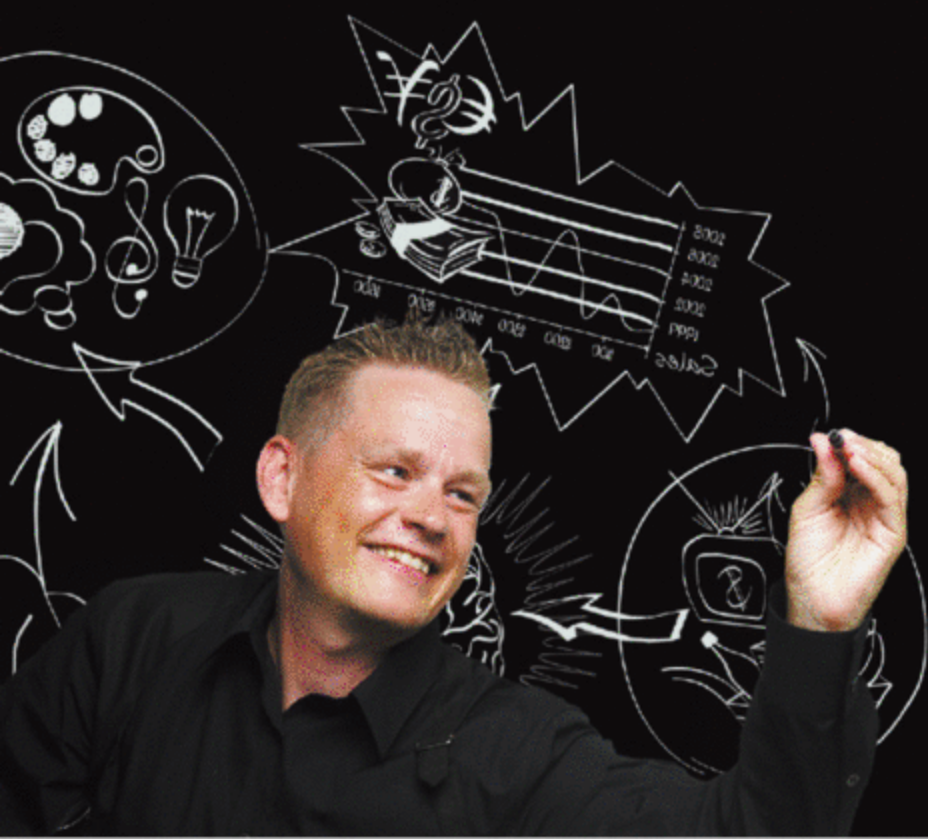
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# Stalled auto market a boon for parts, repair

Consumers spend to maintain cars instead of buying new ones

By JEAN HALLIDAY  
jhalliday@adage.com

THE BAD NEWS: Americans aren't buying many cars these days. The good news: They are keeping the ones they do own longer, and spending more on their upkeep.

According to researcher R.L. Polk & Co., the median age of passenger cars hit a record last year of 9.4 years, breaking the prior high of 9.2 years in 2007 and 2006. The median age for all trucks jumped to 7.6 years from 7.3 years in 2007.

That's a boon for marketers who sell mufflers, brakes and motor oil.

"Consumers are hanging onto their cars longer and doing the required maintenance to make sure they last longer," said a spokesman for AutoZone, which reported its best quarter in five years last week, with same-store sales jumping 6% for the 12 weeks ended Feb. 14.

The retailer saw all categories of maintenance parts, including motor oil, oil filters, wiper blades, spark plugs, belts and hoses, increase in the prior quarter, he said. AutoZone offers free services such as its Loan-A-Tool borrowing program and its year-old, in-store kiosks that let customers study parts options, along with how to perform jobs themselves.

Lisa Kranc, senior VP-marketing for the chain, said AutoZone ads from Sponge, Chicago, have remained disciplined by keeping the "Get in the Zone" tag consistent for seven years and by letting consumers know the retailer is there to help them. Radio spots "speak loudly to value," Ms. Kranc said.

Anthony Cristello, senior VP and analyst at BB&T Capital Markets, said repair chain Monro Muffler Brake and retailer Advance Auto Parts also posted good results for the fourth quarter of 2008.

An exception was Midas, he said, partly because that repair chain doesn't own its outlets, so it takes longer for franchisees to adopt new company policies. By Midas' admission, it also did not position its services right in the weakening economy.

When Chairman-CEO Alan Feldman reported the company's third-quarter results (the most recent available at press time) late

last year, he said the chain had "been promoting brand awareness and quality services, while our competitors have been promoting extreme value." The strategy wasn't right for the times, so same-store sales declined in every U.S. region. "We are revamping our marketing plans to promote value on a local level," he said.

Last week, Midas broke a value-oriented ad campaign on radio offering special deals. Actor Martin Sheen narrates the ads, created by freelancers Matt McCutchin and Gary Alfredson with the brand's local agency, Moroch Marketing, Dallas.

Royal Dutch-Shell Group's Quaker State motor oil also changed strategies. The brand's ads had been aimed at auto enthusiasts and focused on performance, with the tag "Unleash all your horses."

But the company did online research with a couple of thousand consumers and found they were seeking value and ways to insure a vehicle "can run as good as it can as long as it can," said Troy Chapman, marketing manager.

Quaker State is now targeting a broader audience with a value and engine-durability repositioning, said Chris Hayek, global brand manager. A multimedia

blitz from Doner, Southfield, Mich., broke a few weeks ago. Quaker State is also running a contest asking consumers to submit short videos to quakerstate.com showing why they have the world's worst commute, said Rob Strasberg, chief creative officer at Doner.

Shell doesn't break out sales for its motor-oil business. But David Portalatink, director-industry analysis at NPD Group's automotive-aftermarket arm, said motor-oil marketers enjoyed an 8% jump in U.S. sales at auto-parts stores in 2008 vs. 2007. NPD tracks sales monthly at 18,000 auto-parts stores.

Goodyear Tire & Rubber Co. reported last month that it sold fewer tires in 2008. "The consumer tire business is down overall," a spokesman said; automakers bought fewer original tires as they slashed production.

The company's North American tire business posted a \$156 million loss last year vs. income of \$139 million in 2007. To boost U.S. sales, the marketer will start to focus its efforts on new, mid-price tires this spring to tap into the most popular price segment, the spokesman said, with ads from McCann Erickson, New York.

# Who's getting a boost from downturn do-it-yourselfers

DIY spirit pervading numerous categories could last for years

By JACK NEFF  
jneff@adage.com

CONSUMERS WITH LESS money in their pockets and more time on their hands because of the recession seem to present a big opportunity for do-it-yourself propositions of all kinds. Thom Blischok, president-consulting and innovation for Information Resources

Inc., sees a cross-category DIY trend that could linger well into the next decade, one of several ritual changes produced by restrained consumer spending, which he said he expects to last four to eight years. Here are some of the brands and businesses already benefiting.

## AUTOZONE



As the Dow Jones Industrial Average traded at an 11-year low last week, AutoZone hit an all-time high, above \$155. With most retailers' sales down, AutoZone's fourth-quarter same-store sales rose 6%, and earnings per share rose 21%. Sales growth actually improved as the quarter progressed, as more people apparently were fixing or maintaining their own cars.

That left Chairman-CEO William Rhodes talking down expectations on a March 3 conference call with analysts. He noted that some of AutoZone's growth came from improved market share and that a decline in miles driven remained a headwind for the chain.

## HOME HAIR CARE



As the recession worsens, sales of Procter & Gamble Co.'s Clairol have continued to rise about 6% so far this year, similar to 2008, according to IRI data from Deutsche Bank. And after years of volume declines for the hair-coloring category, volume was essentially flat last year and up 2.9% in the four weeks ended Feb. 22, though that was driven in part by heavy promotion, as category sales declined 1.6% for the period. Also helping: Clairol's Perfect 10 hair coloring, launched in 2007 at a roughly 50% premium on the rest of the Nice & Easy lineup.

The flight from salons also appears to be helping Alberto-Culver Co.'s Nexxus, despite prices rising to a stratosphere of near \$20 for some products at mass retail. Nexxus had double-digit sales growth in the fourth quarter despite a hair-care category that was down overall on both a volume and a dollar basis year over year. Casey Keller, U.S. president of Alberto-Culver, said more people styling at their home and visiting salons less frequently may be a factor.

## HOME COOKING (AND SOUP)



At Campbell Soup Co., food-service sales were down 7% last quarter, while sales of soup to retailers were up 4% as the recession saw more people eating at home—and more cheaply. That retail number would have been about three percentage points higher if it weren't for recession-racked retailers cutting back inventories, particularly of condensed soup, according to Campbell. Consumer purchases of soup in all retail channels rose 8% in the second half of 2008, Chairman-CEO Doug Conant said on a Feb. 5 conference call with analysts.

Campbell rival Progresso appears to be doing better as well. General Mills Chairman-CEO Kendall Powell said on a December conference call that Progresso's market share was up 1.6 points through the first half of the company's fiscal year.

## COOKING SCHOOLS



Of course, a lot of that trend toward home cooking involves a shift from pre-cut, prepared meals assembled in a chain restaurant kitchen to pre-cut, prepared meals heated in the home microwave. Yet NPR's Marketplace reports a boom in attendance at cooking schools for the culinarily challenged, citing rising attendance around Portland, Ore., including at a school run by a former Rand Corp. economist who saw which way the economy was headed.

## WEBMD



The do-it-yourself trend appears to extend, perhaps ominously, to medical care. IRI's Mr. Blischok believes more consumers are visiting sites such as WebMD in lieu of going to the doctor.

Data from Compete appear to bear him out. They show a significant jump in U.S. traffic to WebMD starting in September, just as the collapse of the stock market and unemployment rates accelerated. In all, Compete shows WebMD traffic up more than 40% to 21.7 million from September to January.

A WebMD spokeswoman wasn't sure if that was linked to the economy. But in a conference call with analysts on fourth-quarter results, WebMD CEO Wayne Gattinella noted a 21% increase in traffic from a year ago to 54 million overall, adding that the company had spent "zero" on traffic-acquisition efforts.

## HOWCAST



Howcast, a website launched earlier this year by two former Google executives and devoted to how-to videos, may also be benefiting from the DIY trend. After a flat-ish summer, Howcast's traffic surged starting in September as the economy worsened, more than doubling to 230,000 by January. Then again, the site's not all about saving money. The top search phrase driving traffic there is "how to have sex," per Compete.

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Reader comments from AdAge.com

■ "This column presents an incredibly stupid and ignorant idea. ... Ad Age needs smarter, more thoughtful writers."

■ "Kids will buy the Cocoa Puffs shirts, but not for retro reasons. It is now slang for marijuana laced with coke."

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

'TV Everywhere' may shine light on cable's weak spot

Jeff Bewkes is proposing a remedy for TV's woes with "TV Everywhere." But many cable networks may ultimately find the cure is as bad as (or worse than) the disease.

To paraphrase Roger Ailes, no one gets up in the morning and thinks, "Today, I'm going to watch some cable TV." TV is TV, and most people don't realize that part of their cable bill goes to the producer of "The Closer" in the form of subscriber fees.

Yet if Time Warner, Viacom, Discovery, Time Warner Cable, Comcast, and everyone else who's onboard (at least in principle) with the "TV Everywhere" concept have their way, consumers will get a quick reminder of the difference between cable and network TV. That is, they're paying each month for TNT, MTV and ESPN, whether they watch them or not, but not for NBC, CBS or ABC.

Under "TV Everywhere," websites such as Fancast, Hulu, Joost, and even YouTube would get access to cable programming if they agree to implement a security system where web surfers have to prove they pay for the networks as part of a cable or satellite package. This solves two problems for cable networks: It transports their profitable (and less-advertising-dependent) model to the web,

and lets them reach new, younger audiences who are watching more on the web, and—depending on who you believe—may be dumping cable or simply not subscribing in the first place.

Yet the most successful video portals on the web—YouTube and Hulu—are successful because they erected no barriers between users and the content.

But even if the networks behind "TV Everywhere" can create a system that doesn't infuriate users and drive them to piracy, implementing it will bring into sharp relief for consumers that TV isn't just TV. Some shows they pay for more or less directly, and some they don't. This realization can't be good for cable networks and operators, which need to preserve their tiering system so those who, say, never watch sports, continue to pay \$3 a month for ESPN.

Web distribution means cable and satellite lose their monopoly on the distribution of shows, and once that happens, the breakdown of that model seems inevitable. In attempting to preserve it on the web, the networks could hasten the day when consumers decide that they're really just not that into TNT or MTV and, well, they're just fine watching the free stuff.

READERS RESPOND

Conferences are valuable investments

Re: "Trade Groups Must Prove ROI to Member Companies" (AA, March 2). I strongly agree with the headline of your editorial—that every trade-association activity must deliver real value to its members. However, I strongly disagree with your exceptionally negative, highly generalized criticism of industry conferences—criticism that makes no distinction between sales-incentive trips and informational conferences.

Well-designed, information-rich marketing conferences impart timely, actionable insights that are invaluable in today's challenging economic times. At these events, attendees learn about current trends and best practices long before they are codified by researchers, and in far greater depth than can be reported in industry trade publications. That's why attendance at two recent industry events—the ANA's "TV and Everything Video Forum" and the IAB's Annual Leadership Meeting itopped 400 participants. A reasonably strong turnout is also anticipated at the Four A's 2009 Media Conference in New Orleans, where more than 700 attendees are expected.

Marketers are quite savvy and discriminating in evaluating activities that support their

businesses. So far, attending conferences organized by the industry's major trade groups continues to be seen as a high-value investment of time and money. Recognizing the number of conferences Ad Age runs each year, it would seem that your organization has reached a similar conclusion. Otherwise, why run them?

Bob Liodice  
President-CEO  
ANA  
New York

No broken hearts over banner ads

RE: Steve Rubel's "Banner-Ad Quality Takes a Dive With the Economy" (AdAge.com, Feb 16) I've been doing online marketing for Fortune 100 brands for 10 years, and I have to say I don't think it's really going to rebound. Banners just don't have the impact that they used to. ROI is miserable. And the branding impact is almost nil due to banner blindness. Good article, but unfortunately I think we're destined for more "Acai berry" and "Credit Score" ads for a long time to come.

Jonathan Snider  
Freeport, Maine

A translation of social-media speak

RE: "When Calculating Twitter's

ROI, Don't Forget Its Change on Organizations" (AdAge.com, Feb. 25). BLACKSHAW: "We need to rethink the entire notion of ROI."

CHAPEL: Translation: We've racked our brains about this and have come up with nothin'... so, let's lower expectations and change the rules.

BLACKSHAW: "But social media softens the silos."

CHAPEL: ... as well as brain cells and business discipline. It celebrates that, actually!

BLACKSHAW: "It's hard to turn over a rock in social media, dip your toe into Twitter or comment on someone's blog without rethinking the fundamentals of a firm's organization."

CHAPEL: I've turned over a lot of rocks in social media. The things that crawl underneath have lots in common—one thing in particular: They do not understand the basis of the fundamentals of an organization in the first place. It's layers and layers of make-believe business theory by people with empty pockets who cannot balance their own overdrawn check books.

BLACKSHAW: "Social media, at the end of the day, is about reinventing communication."

CHAPEL: Exactly. However, the issue is that communication is fundamentally human and timeless. The social-media

evangelists are trying blindly to reinvent the "human" part of the equation based on EMPTY platitudes.

In your words, Pete, "You could even argue that it's the long-overdue realization of one-to-one marketing that we over-romanticized back in the 1990s." Yep. And if you remember, most ad guys were high at the time.

I could go on but the rest is just the same refried social-media blather. It sounds so like Werner Erhard's EST. (Note: It took about 10 years for that garbage to run its course.)

Amanda Chapel  
Chicago

CORRECTIONS

■ RE: "Media Agency of the Year" (AA, March 2). Tim Spengler is U.S. president of Initiative, not U.S. CEO, as he was identified in the story.

■ RE: "Casseroles Make Comeback as Easy, Quick Meals for the Cash-Strapped" (AA, March 2). The fact that consumers in a recent study said they prepare casseroles between three and five times a week should have been attributed to Robin Ross, group manager-cheese, Kraft Kitchens, not Jane Freiman, group manager-kitchens at Campbell Soup. It was also Ms. Ross who expressed her surprise at the finding.

AdvertisingAge

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Edited by Ken Wheaton, [kwheaton@adage.com](mailto:kwheaton@adage.com)

## Catch up with our blogs

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## Tyler Perry's 'Madea' offers lessons for media, marketers

LENORE SKENAZY



I JUST GOT BACK from a wildly popular place I've never been to before. If you're white, chances are you haven't either: Madea Land.

I rented "Madea's Family Reunion," (a No. 1 movie when it opened in 2006) then caught "Madea Goes to Jail"—the No. 1 movie in America two weekends in a row, as of this writing. How were they?

Funny. Melodramatic. And mind-blowing in every aspect—including the racial divide. Tyler Perry's audience is only 5% white. But let's start with funny.

There is something utterly loveable about a giant grandma with an attitude as big as her bosom. In "Family Reunion," a two-hour stage play filmed on a single set, Madea presides over a busy backyard, mumbling insults with the kindest of smiles. "You look like a moldy Fruit Roll-Up," she tells a white-haired neighbor wearing a purple suit. As others coo at a baby, she coos sweetly too: "You just as ugly as you can

be. Yes you is!" When asked by the reverend when she's going to start attending church, she replies, "As soon as your church opens a smoking section." But best of all is when this grandma starts emptying her beat-up pocketbook.

There's a handgun. And a slightly smaller handgun. And another handgun. All of which she treats like a bunch of hard candy, just something an old lady carries. Whenever she has a point to make—such as, "A man should never hit a woman"—she gently tells a cousin to duck, or move a little to the left, then whips out her .45 and aims it point-blank at the irritant. She is angry but happy, too, because she's got a pistol to help make her point.

Making points is what these movies are all about, and the melodrama makes them easy to understand. In "Family Reunion," one of Madea's granddaughters is about to marry a man for money, but he's abusive. *Not good.* Another granddaughter is about to leave her man

because he doesn't have a job. But they truly love each other so that, too, is *not good.* Meanwhile, a middle-age single mom rebuffs a suitor because she has become hardened by life. Good? No. In "Jail" the point is equally clear: Don't judge people by the mistakes they've made (drugs, prostitution). Judge them by their character and help them to change.

What's mind-blowing about these hit-you-over-the-head movies is how fun and fresh they are, thanks to Perry's presence, yes, but also his casting. It's just amazing to walk through the looking glass into a movie where almost everyone, including the extras, is African-American—and it's not "The Great Debaters." It's the Everyday Real Lifers, without a single white protagonist. It must feel like a real relief if you are black and usually stuck going through the Hollywood looking glass the other way.

Equally mind-blowing is the age range of the characters. In

"Reunion," particularly, the beautiful young things are no more important than the older characters. Older, fatter characters, at that. And the fat isn't even an issue! Perry's people just come in different ages and sizes—another bit of normal life that somehow seems completely shocking in the movies.

More than \$60 million worth of ticket buyers didn't mind the fact that "Family Reunion" had pretty awful production values. And "Jail" is not going to win any awards for cinematic genius. So what?

The genius here is in combining straightforward, even hokey, storytelling with a cast that looks more like real life than any so-called reality shows. Race, age, size, lifestyle, income, wig choice—the ones you usually see least in the movies are the ones you see most here.

Throw in a cross-dressing, pistol-packing grandma, and you just can't lose.

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## Don't be reticent, marketers: Give consumers a reason to buy

RANCE CRAIN



THE ECONOMIC RECOVERY won't come by playing it safe.

So what if Nancy Pelosi, Barney Frank and Chris Dodd believe that if anybody is having fun it can't be effective marketing? So what if TMZ and Maureen Dowd think golf tournaments where sponsors entertain good customers are scandals of Bernie Madoff proportions?

The thing that's going to get us out of this mess is giving people a reason to buy, and it can't be a namby-pamby reason, and you can't be deterred by what critics might say—even if the government thinks it's your new CEO because you've taken bailout money.

Considering the uproar over auto executives taking private aircraft to Washington to get their handout, the jet-plane guys are seemingly stuck between a rock and a hard place. They could tiptoe around, hoping that somehow they won't forever remain in the crosshairs, or they could be react in a non-apologetic and aggressive manner.

I'm glad to see at least two jet-plane makers are taking the latter approach.

"Timidity didn't get you this far. Why put it in your business plan now?" says Cessna in a type-filled ad that starts strong and then wimps out a bit at the end.

"In today's corporate world, pity the poor executive who blinks. The good news is, in trying times like these, fortune tends to favor those who make bold, decisive moves. It's simply about adjusting, not retreating, starting with a good hard look at your flight department."

The ad goes on to ask if executives are flying the right aircraft or if they can adjust capacity to meet demand. I don't quite get what that means; is Cessna hinting that it might be wise to fly a prop plane until the coast is clear?

The ad ends: "One thing is certain: True visionaries will continue to fly. Because, in tempestuous times, leaders recognize it's not about ego. Or artifice. It's simply about availing yourself of the full range of tools to do your job." The

tagline is simply "Rise." As in, rise up in rebellion, or rise above it and just keep doing your job? It's not clear.

I like the direct—you might say confrontational—approach being taken by Hawker Beechcraft a whole lot better. In a full-page ad in The Wall Street Journal, the company pitches Starbucks to trade in its Gulfstream 550 for a cheaper Hawker 4000.

"Dear Starbucks, you still need to fly. We're here to help," the headline says. "We recently learned in the press that you're selling some of your business aircraft. That must have been a difficult decision, since taking advantage of business opportunities in today's challenging times calls for speed and flexibility impossible to find with commercial carriers."

Hawker Beechcraft said the 4000—which is half the price of the Gulfstream—would allow Starbucks execs to visit "thousands of Starbucks locations in more than 43 countries around the world." The ad goes on to give

the specs of the plane.

I also like the way the hard times are engendering more cooperation among heretofore implacable forces. Gail Collins, a columnist for The New York Times, recently wrote about how soap-opera writers are working product plugs into the dialogue for their characters.

"For some time now, characters in daytime dramas have been taking time from their normal activities, like having amnesia, to engage in animated discussions about the sponsor's products. The ABC soap actors spent February talking about how Campbell's soup and other assorted products are good for your heart (and tasty, too!)," Ms. Collins wrote.

In a touching display of cooperative enterprise, she ended her column by saying that if the time comes when publishers "determine that the only way to keep newspapers in operation is to have their employees wear jackets that say 'I ♥ Kmart' on the back, I'm there."

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

### NEWMAN-CARRASCO: WHY SO SQUEAMISH?

While Malcolm Gladwell's "Outliers" is positioned as a book about success, it is worth recommending in the context of the multicultural-marketing dialogue. By including insights into Hofstede's Dimensions and cultural legacies, Gladwell manages to reinforce the premise that cultural legacy is part and parcel of consumer behavior and should be embraced as such by marketers and their respective agencies. So why are people in marketing circles so "squeamish" about culture—or, to paraphrase Attorney General Eric Holder's controversial remarks, in things racial and cultural, why are we an industry of cowards?

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

### MADDEN: WHEN DID WE GET SO WIMPY?

We're watching the news while talking heads do their best to analyze the problem, logging on to see who else is analyzing the problem, and believing anyone with a mouth or access to a keyboard that there is no good news out there. If these same geniuses who are supplying us with the news had it together, maybe they would have announced that there was going to be problems afoot, instead of beating their chests about the incredible real-estate market in 2003 and interviewing Donald Trump about his latest show.

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

### DUNN: REACH OUT TO STUDENTS

How does an industry that makes the most mundane things seem interesting fail at selling itself as a viable career option? One of the biggest myths regarding diversity in this industry is that multicultural students are not interested in advertising as a career because it doesn't appeal to them.



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## THE CMO INTERVIEW

MICHAEL FISCHER

COLDWELL BANKER



## REALIZING REAL ESTATE DREAMS AMID RECESSION

Coldwell Banker VP Fischer sees opportunity in challenging times

By JENNIFER ROONEY  
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THE TWO BIGGEST purchases in a consumer's life? Houses and cars. The two things consumers aren't buying right now? Houses and cars. But Michael Fischer has had to lead marketing efforts for both. And he's unfazed. His philosophy on marketing troubled products and services: "Build trust. No one wants to trust their hard-earned dollars to someone or a brand they have questions about," says Mr. Fischer, 49, senior VP-marketing of Coldwell Banker Real Estate and former director-marketing communications at Nissan North America.

Easier said than done in a recession. But as he celebrates his one-year anniversary at Coldwell Banker, a 103-year-old real-estate company, Mr. Fischer is enthusiastic about the opportunity to grab "dreamers" and boost web efforts.

In an interview with Ad Age, he talked about how he plans to market the Coldwell Banker brand in a

near-catastrophic housing market.

**You're overseeing marketing for a brand that's smack in the throes of one of the worst housing markets we've seen in decades. What becomes your marketing strategy in those sorts of conditions?**

How to differentiate us, how to keep us relevant, how to keep our message in front of consumers, and how to use our 103-year legacy to our advantage, to get people to really think about whether or not they want to get in or out of real estate.

**Is real estate just an impossible sell right now, and therefore isn't it nearly impossible to market a real-estate brand?**

No. There are 5 million home sales forecasted for 2009, equating to 10 million "sides"—buyer/seller sides. They are immediately in the market. But there are also tens of millions [of people] who are in the "dreaming" process. They're online, looking at listings, building up trust with brands, local companies and

individual sales associates anonymously from the comfort of their office or home. Marketing remains extremely important to reach consumers and help our affiliated companies increase market share.

**You came from the auto industry. What's different about marketing a service as opposed to marketing a product?**

Real estate is local, and so is the car business in a lot of ways. Whatever we do nationally we have to make sure that our brokers and our agents understand what we're doing, making sure our messages will be relevant to their business day-to-day. So that's been the biggest similarity for me and really why [Coldwell Banker] looked to have someone from the car business come over to try their hand at real estate.

**Do you feel increased pressure these days to show ROI?**

Yes. But we have a marketing fund that's generated from our affiliates, and so there has always been a need to

"Any time there is any type of conflict like there is right now with the economy, consumers are looking for brands they can trust."

show value and to measure all the ROI for marketing, because we need to report every year to the affiliates what we did with the dollars that were generated from the marketing funds.

**Let's talk about consumer trust. Is that something you need to work to rebuild?**

Any time there is any type of conflict like there is right now with the economy, consumers are looking for brands they can trust. One of the reasons why I came to Coldwell Banker, and why I love Coldwell Banker, is this idea of a 103-year legacy. So we've seen it all, we have great leadership, and that, to me, gives me the right to have a trust conversation with consumers during these tough times. And that's really what we're trying to do, and why the founders [Colbert Coldwell and Benjamin Banker] in our legacy play such an important role in our marketing.

**And so how are you doing that?**

This housing downturn really started about a year and a half, two years ago. So last year we brought the founders in as our main spokespeople for the brand [in a campaign developed by agency of record McKinney, Durham, N.C.]. And it does a lot of things. No. 1, it helps differentiate us. It also gives us the ability to show that 103-year history, and to really be able to tell people, "Hey, we've seen this before. Real estate comes back. It will be better, you know?"

**The founders have Facebook pages, and they're on Twitter. Why those platforms?**

The particular customer we're looking at really loves that empowerment [of the internet], but they know that when it comes time to make the purchase decision, they need to engage a real-estate professional. So we know they're online, we know they're looking for information online. So going into Facebook, going into Twitter—not only do we have an opportunity to have a conversation with consumers, but it also gives us a great opportunity to talk to the 100,000 or 110,000 global agents that represent Coldwell Banker.

**Are you going to be spending more or less on marketing in '09, and is it important for a real-estate company to be spending more in this economy?**

I will tell you we're spending less. Our budget is derived from home sales. So when home sales are down, our budget is affected. But what I've done is made sure that all the back-office spending that doesn't truly

## Michael Fischer on Michael Fischer

■ **MARKETERS HE APPLAUDS, EVEN EMULATES:**

Geico. I really admire the subtle change they made in the proof points to address the economy while keeping the brand personality consistent.

■ **WHAT'S KEEPING HIM UP AT NIGHT:**

How we can continue to add marketing value to our affiliates and agents as real estate continues to evolve. What will the value proposition look like five years from now? Ten years from now? Also, how we can get our brand to be more engaged with our consumers while also keeping our agents front and center in the transaction?

■ **THE BOOK HE'S CURRENTLY READING**

**AND WHY:** "Into the Wild," by Jack Krackauer. I've been reading a bunch of historical biographies lately and needed a change. Plus, I feel a little like Alex walking into the wilds of Alaska with this recession. I hope my story ends better.

add value against our three brand pillars—our legacy, our network and our innovation—we really aren't spending and investing the money in it.

**Are you putting more in your online and alternative media as opposed to TV?**

Yes. Last year we were about 30% online in our media mix; this year we're about 40%.

**Have you lost share to people are looking to sell themselves or discount real-estate companies offering lower agent fees?**

I haven't seen anything really making a big dent. When I was in the automotive industry back in 2000, everybody was worried that Edmunds and Kelley Blue Book were going to put dealers out of business. That never came to be because it was the second-largest purchase in anyone's life, and you weren't going to trust that to the internet. Well, if that holds true for the second-biggest purchase, I'm convinced it's holding true for the No. 1 biggest purchase in someone's life. They're going to need a professional, and that money you pay an agent is well worth it.



# WHAT CAR BRANDS CAN LEARN FROM SATURN'S RISE AND FALL

Going back to an innovative, consumer-driven culture can save GM

By KEVIN SMITH

ksmith@360brandmachine.com

IN A FEW WEEKS we will learn the ultimate fate of GM's Saturn brand. A number of options are on the table, but it is now clear that Saturn is no longer part of GM's long-term future. How did a business-school case study, and a rare moment of GM shining brilliance, fall so far so fast? Yet, while Saturn has lost its trajectory in GM's orbit, it continues to point the way car companies and many other brands need to go in these challenging times.

Back in the '80s, GM was getting hammered by the imports and GM CEO Roger Smith decided it was high time to fight back with a multibillion-dollar skunk works code-named Saturn. Its mission: an all-out effort to push back the imports and return new innovations to the broader GM organization.

Saturn was granted autonomy from GM's bureaucracy and let customer needs and wants drive its decision-making rather than the often inward and cost-driven approach GM had used for so many years. Operationally, under the air cover of Mr. Smith, Saturn was well-funded and granted its own board of directors and unique autonomy within the corporation.

This freedom from GM's legacy and an entrepreneurial brand culture drove innovation in all aspects of the business, from car engineering and manufacturing to labor relations and employee compensation to Saturn's breakthrough customer experience. It all had a clever handle, too: "the Saturn Difference."

## HOW IT LOST ITS WAY

Saturn built an organic brand with a powerful internal brand culture, driven by the customer, and the results were staggering. Saturn won buyers back from the imports. Its clever product launches surprisingly exceeded the lofty quality and resale measures established by Honda and Toyota and claimed third-party customer-satisfaction awards year after year. The brilliant Hal Riney launch ads became Saturn's voice and told the brand story in a genuine way that touched people's hearts. What's more, Saturn would go beyond traditional advertising to truly bond with its owners. The Saturn Homecoming owner event became the first of its kind in the industry, and customers were smitten by the way they were treated by this daring and caring little car company.



**'THE SATURN DIFFERENCE':** Hal Riney's launch ads became the voice of the brand.

They rewarded Saturn with an unprecedented level of customer loyalty and became part of the Saturn cult of brand advocates. Saturn was truly living the brand promise.

But soon Saturn was losing its way. Some speculate that GM saw Saturn as being a finished product that didn't require significant ongoing investment. And internal politics were beginning to surface, too. Soon, Saturn was a target for other GM portfolio brands as they competed for scarce product and marketing resources in GM's overpopulated brand portfolio. In effect, the freestanding Saturn division had become a bothersome internal rival, nearly as menacing as outside competitors.

And, where product is the lifeblood of any automotive brand, and where car model changes every four to five years are normal, Saturn vehicles saw only one redesign in their first decade of existence. Ironically, Saturn had the most loyal buyers in the industry but had no new products to keep those customers in the flock. And when it was finally granted new product from a mandated "common platform" strategy, some of the most homely cars imaginable emerged—from the bland Saturn LS midsize to the ugly science experiment known as the Ion. With those products, GM broke the

Saturn promise.

Today, GM deserves credit for its last-ditch multimillion-dollar product investment into Saturn. Its showroom features a dazzling array of stylish new products off common GM platforms. But here's the rub: There's not much in a Saturn showroom you can't find in any other GM brand. It's no longer a different kind of car, and it's no longer a different kind of car company either, as the original Saturn organization is mostly folded into broader GM. It's all just not working, and the founding Saturn promise is even further in the rearview mirror. And sadly, in GM's survival environment, Saturn is expendable.

All marketers can learn important lessons from GM's Saturn experiment—such as the power of a differentiating branding idea and breakthrough innovation guided by consumers. Such as the need for a unifying internal brand culture and truly living a genuine tagline through all the brand touch points. Like the need to stay a product generation of ahead of your customers, and the idea that brands need constant feeding and the realization that brand portfolios can quickly get too big to adequately support.

For GM, hopefully something can be salvaged from Saturn. Indeed, the original Saturn branding idea, and the requisite organizational structure and execution, is exactly what the broader GM organization needs in this critical transformational environment. Ironically, as Saturn is now jettisoned, perhaps Saturn can finally complete its founding mission to give back critical lessons to save GM and move it forward. But if GM doesn't survive, Saturn's original platform remains a brilliant case study in consumer-driven integrated marketing. Chances are, this hasn't slipped past another number of carmakers planning entry into the U.S. market and possibly looking to take Saturn's top-shelf retail network and its old brand playbook off GM's hands.

## KEVIN SMITH ...



VP and director-strategic planning at both JWT and Campbell-Ewald, and has 20 years of automotive experience.

is principal of 360 Brand Machine, an automotive strategic-marketing and brand consultancy. He is a former senior

JONATHAN SALEM BASKIN

ON MARKETING AND LEADERSHIP

## Let Newton ground you in the Bizarro World of marketing

Well, we're a quarter of the way into 2009, and I think it's all but official: The marketplace has morphed into Bizarro World. Nothing works like it should, so everything is up for grabs, including the fundamentals of marketing and brand strategy. I bet people have told you recently (with straight faces, no less):

- The best way to get consumers to buy things is to avoid selling to them.

- Only content that is apparently worthless possesses any value.

- The more consumers get for free, the more money you'll make.

Some of the most exquisite nonsense has even appeared in this magazine, suggesting that you can't measure what's truly worth measuring.

Now, forget for a moment that the digital experts du jour violate their own rules—they usually provide a service, valued by demand, for which you have to pay—and consider the laws of classical physics that underpin their efforts. Our lives are still guided by Isaac Newton's three laws of motion, published in 1687. Maybe a quick recap might tell us something important about consumer marketing in the Bizarro World of 2009:

Newton's first law says, "A body persists its state of rest or of uniform motion unless acted upon by an external unbalanced force." In other words, you can't change something unless you change it. It doesn't matter how brilliantly you engage, converse or play to people's inert biases or predispositions. You have to bring something new to the equation, and it must be relevant and useful enough to change the result.

The second law seems written to describe popular trends: "Force equals mass times acceleration," or, in marketing terms, "the more people involved, the more powerful the campaign." This doesn't describe a friend list on Facebook, or the volume of tweets during any given 10-second span, but rather the development of true, involving and sustainable communities. Get participants to participate on stuff that matters—i.e. talk to customers first, because they have a vested interest in supporting you.

The third law is "To every action there is an equal and opposite reaction." So shouldn't the reactions to your marketing have something to do with your business proposition? If the response you're driving for is a chuckle, or just a pass-along to another consumer, no wonder the gurus don't want you to measure it. Given a nanosecond of time to interact with people, the best most of us can do is waste it?

I'm thinking that it makes sense to revisit these basics of physics before you approve that next reality-defying Bizarro World campaign. Let the apple hit you on the noggin first. No, not the brand. The fruit.

## QUESTIONS FOR: BIZARRO WORLD CAMPAIGNS

**REALITY:** If it defies your common sense, maybe it's not so sensible?

**CAUSALITY:** If your proposed actions don't directly prompt meaningful reactions, why do them?

**METRICS:** If it's worth doing, it's worth measuring, isn't it?



## JONATHAN SALEM BASKIN ...

is the author of "Branding Only Works on Cattle" and blogs about marketing at Dim Bulb, dimbulb.typepad.com.



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# Introducing the new TimesPhone Mobile News Navigator 1.0



**PHONE HOME:** What if the news wasn't a product, but a utility?

It doesn't exist—yet. But would you pay extra for a phone with a mobile-optimized news service?

THE THUD was so loud it's still painfully echoing in my ears.

Hearst's recent informal announcement, via *Fortune*, that it planned to launch a Kindle-esque wireless e-reader—on which customers could read magazines and newspapers—has landed like the proverbial lead balloon. The arguments against it are pretty obvious: Nobody really wants another gadget to lug around; media companies have a history of “innovating” lame technologies; etc.

But there's a larger philosophical—or metaphysical, or even existential—issue at issue here. It has to do with the “thingness” of news.

The Hearst e-reader project suggests that media executives just can't stop clinging to the concept of news as a *thing*—news as a discrete product that can and should be purchased like milk or cereal or any other package good. It's amazing that in 2009, that idea still has such a grip. Arguably a death grip.

For a lot of consumers, “news” these days exists as, simply, a cloud (à la cloud computing)—not a discrete product that needs “better” packaging, like a fancy e-reader, to become marketable/desirable again. Some might argue that this is part of a generational shift, but the truth is you don't have to be young to find yourself drifting in this direction as a news consumer.

I grew up as a committed consumer of media-as-product (e.g., I was the dorky kid with his own Time and Newsweek subscriptions starting in seventh grade; I grew up structuring my mornings around newspaper reading; etc.). But I recently realized that on an average day I now consume most breaking news on my iPhone using various apps and mobile-friendly sites. The New York Times' prototype Article Skimmer, for instance, is surprisingly useful on an iPhone, though it's formatted for a desktop or laptop web page. My news consuming is generally not time-blocked—meaning, it's not at all like how I used to pull up to the morning paper with a cup of coffee intending to devote a (hopefully) uninterrupted chunk of time to

ingesting news.

Rather, news is just one more channel or thread within the constant data flow that comes my way. In truth, so much news comes to me almost by osmosis: via tweets and blog posts and Gmail Web Clips and forwarded bits and videos from friends and colleagues and readers (“Did you see this?”).

Meanwhile, over in the Hearst Building, there are a bunch of people trying to invent a gadget they think is the future—when, in fact, what they're really doing is planning to sell me the news in a fundamentally outdated way: as a discrete package good.

Once upon a time, it made sense for media executives to behave and think as if they were Procter & Gamble executives—package jockeys. And so the same old tired thinking persists: *If only we could come up with a snazzier, hipper, more futuristic container for our product...*

Some people clearly regard the “news cloud” as a horrible development—a phenomenon we must strive to reverse. By, for instance, putting newspaper content back behind pay walls.

But the news cloud isn't ever going to dissipate. In fact, that reality—the inexorable expansion of the news cloud—is where a new revenue model potentially comes into play.

I would pay for an iPhone-optimized New York Times Article Skimmer, for instance. The trick is to sell it to me not as a product, as “the news,” but as a service—in the same way I'm asked to pay additional fees for cellphone-specific utilities (e.g., iPhone apps) that help me better manage the information that floods into my mobile life.

What if, instead of paying for a separate device, or dishing out micropayments for bits of news here and there, I could pay for, say, a TimesPhone bundle? For instance, my regular AT&T phone/data plan, with a monthly add-on (in the same way I'm will-

ing to pay extra for a text-messaging bundle) for a constantly updated Times app that helped me navigate and make sense of the news cloud?

Speaking of the Times, one of the most-read recent tech stories on NYTimes.com was “The Cellphone, Navigating Our Lives.” In it, John Markoff argued that our cellphones are changing “how we organize, find and use information”—based on the metaphor of the map. “As this metaphor takes over, it will change the way we behave, the way we think and the way we find our way around new neighborhoods.” He's exactly right—and his point about the cellphone being “the world's most ubiquitous computer,” with 4 billion in use around the world, bears repeating.

We're all living in and moving through an increasingly dense data cloud—one that treats “news” in a rather undifferentiated fashion (e.g., breaking news about a plane crash gets juxtaposed with a friend's Facebook update).

The media companies that survive will be the ones that help us find our way through that cloud.

E-mail: [sdumenco@adage.com](mailto:sdumenco@adage.com)

**THE MEDIA GUY**  
SIMON DUMENCO

## More on AdAge.com

■ Rupert Murdoch's “behavior now is not different than it's been throughout his long career,” says Murdoch biographer Michael Wolff. “His shareholders are never his primary concern. He does what he wants to do—even if that might appear to be counterintuitive or dopey. He wants what he wants. Indeed, in a way, his recent actions, including the purchase of Dow Jones, indicate a return to the old, deal-a-minute, risk-everything Rupert.” For the full online-exclusive Q&A with Wolff—the latest installment of Dumenco's Media People, a new interview series with media grandees—visit [ADAGE.COM/MEDIWORKS](http://ADAGE.COM/MEDIWORKS). To make sure you don't miss any online-exclusive MediaWorks content, sign up for the free MediaWorks e-newsletter at [ADAGE.COM/REGISTER](http://ADAGE.COM/REGISTER).

## WATER COOLER

BY NAT IVES

## Market plunge a cautionary tale for media companies

Last week kicked off with a stock-market plunge that returned the Dow Jones Industrial Average to 1997 levels, exacerbating concern over just about everything.

Then things got worse: The Standard & Poor's 500 tumbled below the levels of Dec. 5, 1996. That's the day when **Alan Greenspan** wondered aloud about “irrational exuberance,” suggesting the economy was even then operating on borrowed time.

Newspapers, of course, would be lucky to regain their stock prices from the 1990s, as **Mark Fitzgerald** pointed out in an Editor & Publisher column. McClatchy shares opened last Thursday at 39¢; on the same day in 1997, that stock opened at \$24.38. After Standard & Poor's cut Gannett's debt rating to junk last Tuesday, the stock price tumbled to levels it hadn't seen since 1974. This is “Life on Mars” territory. It's pre-USA Today.

But no one should get cocky just because they're not working with newsprint. “I am so grateful that we are not in the newspaper business,” Time Inc. CEO **Ann Moore** told an appreciative luncheon crowd of magazine executives in January.

She has probably diversified her portfolio beyond shares in Time Inc. parent Time Warner, which opened last Thursday at \$7.32. But its stock is down 85% from the day America Online formed the company by buying the old Time Warner in 2001.

The better exercise, however, may be to think about the future of public media companies. Gannett finished February by slashing its dividend 90%. The New York Times Co. has finally suspended its dividend entirely, after an earlier reduction failed to sufficiently shore up its finances. The ferocity of the recession has taken nearly everyone by surprise, but did newspaper companies really need to wait until this point to start conserving cash?

It's another cautionary example of Wall Street's tug toward short-term growth. That's the same tug, by the way, that could lead Time Warner to divest Time Inc. if the recession lifts but growth does not return.



**BLAST FROM THE PAST:** In 1996, Alan Greenspan issued his famous “irrational exuberance” warning.

## THE HEAT INDEX

Weekly rating (0-10) of sizzle and fizzle

8

### ‘TYLER PERRY’S MADEA GOES TO JAIL’

“Madea” ruled the box office again in its second week, fending off the 3-D movie from the Jonas Brothers.

6

**PAID CONTENT** From “TV Everywhere” to plans by Cablevision and Hearst to stop giving away newspaper content online, paid content resumes its uphill climb.

4

**FACEBOOK** In a smart stab at playing catch-up, Facebook decided to ape Twitter's ability to give real-time updates.

2

**CNBC** Jon Stewart attacked its coverage for eight devastating minutes after CNBC canceled an appearance by Rick “The Rant” Santelli.



## More stories on AdAge.com

What you need to know so Google doesn't punish your sponsored blog post.

A review of Web 2.0 etiquette—make sure your twittering doesn't tick someone off.

## DIGITAL

Edited by Abbey Klaassen, [aklaassen@adage.com](mailto:aklaassen@adage.com)

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# Will Facebook's faster feeds, filters make it the new Twitter?

Site's coming changes can be beneficial to marketers if they take active role in keeping their pages fresh

By ABBEY KLAASSEN  
[aklaassen@adage.com](mailto:aklaassen@adage.com)

FOR THE LAST several months, social-media pundits have busied themselves debating whether Twitter was the new Facebook. But last week Mark Zuckerberg & Co. hoped to change that dialogue, launching a pair of modifications that had people asking if Facebook was the new Twitter.

For marketers, the changes mean more freedom on Facebook; for users, the moves mean they're going to get more information about each other, faster.

First, Facebook will move brands from pages specifically designed for marketing and promotion to pages that look and feel a lot more like an individual Facebook user's page, which will let them interact with their Facebook "friends" much more frequently through status updates, links and questions.

The second move is meant to change how Facebook users share and follow information, creating a new home page that will show users what their networks have been up to and make those exchanges more current—newsfeeds will now update in near real time, vs. every 10 minutes.

That means when a user visits his or her Facebook page, they'll see a long list of actions and messages from their friends, which can be filtered by family, closest friends or friends in a local network. The idea is to get people to share more and

share more often, while giving them better control over what kind of information they see.

When people share more, said Facebook CEO Mark Zuckerberg in his blog, "the pace of updates accelerates. This creates a continuous stream of information that delivers a deeper understanding for everyone participating in it. As this happens, people will no longer come to Facebook to consume a particular piece or type of content, but to consume and participate in the stream itself."

It's for good reason that the "stream" sounds like Twitter. Mr. Zuckerberg acknowledged that Twitter has done interesting things to accelerate the pace of information that gets shared among networks. And by letting brands act in the same way as users, they'll be part of the stream as well.

The moves are a "concerted response to the rise of Twitter as a real-time message broadcasting system that goes beyond members' personal circle of friends," wrote Erick Schonfeld on TechCrunch. "Facebook doesn't want Twitter to become the way large companies and public figures connect to fans."

There would almost certainly be a backlash as users get used to more information coming at them faster, so Facebook launched a number of filters. Users can choose to only see updates from their friends, their fam-

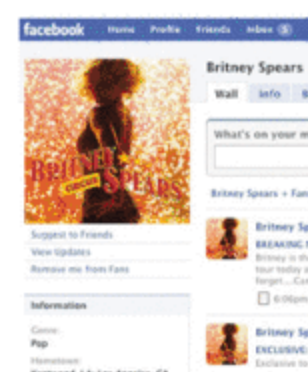
ilies or their closest contacts. Or they choose whose activities not to follow, like that friend from high school who's not really a friend anymore.

Every "page" will be converted to the new "profile" format automatically on March 11.

So what do brands need to know as they convert their Facebook pages to regular profiles in the next few days?

First, they should make sure the key messages are present on the main page, and upload video and other important images regularly so they continue to appear high on the wall, said David Berkowitz, director of emerging media at 360i, on Ad Age's DigitalNext blog. Anyone already active on Twitter might take some of what they've learned there and apply it to Facebook. "Marketers who take the most active role in keeping their pages fresh with regular updates will benefit the most," he said, but added a caveat: Every update must provide "some sort of value to the page's fans."

Indeed, with great power comes great responsibility, said Ian Schafer, CEO of Deep Focus, on DigitalNext. "You will have the power to (and responsibility of) publishing directly to people's home pages. ... But can brands be trusted to respect social (network) etiquette? And can a few brands that abuse their power ruin it for the rest of us?"



**YOUR JOB:** Updates must provide "value to the page's fans," said 360i's Mr. Berkowitz.

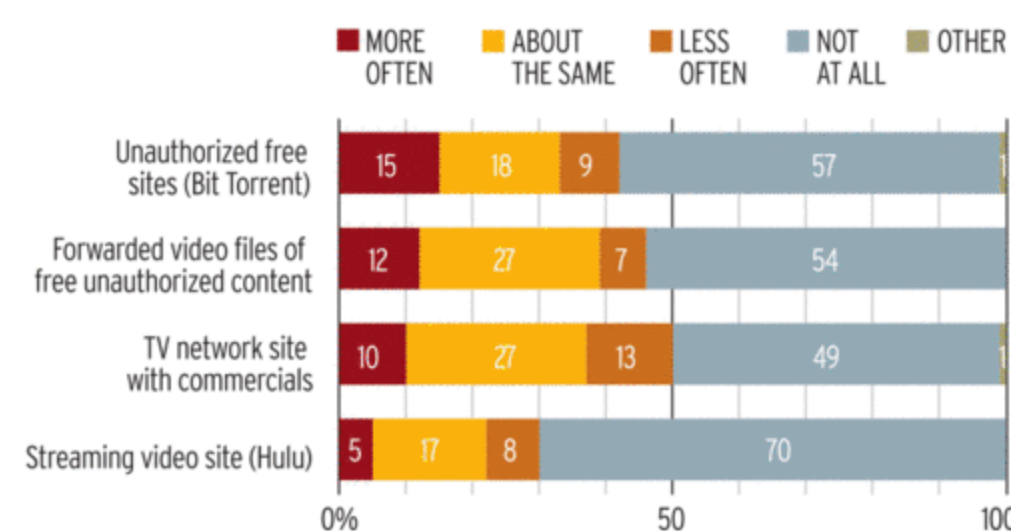


ZUCKERBERG

## MIKE VORHAUS

## ON DIGITAL COMMUNICATIONS

## ANTICIPATED USE OF ONLINE VIDEO SOURCES IN THE NEXT 12 MONTHS



Source: Frank N. Magid Associates, Inc.

## Use of unauthorized TV, movie sites expected to grow

How do consumers feel about "stealing" video content off the web? Well, we wouldn't dream of asking the question that way, but we did ask a large, nationally representative population how they felt about watching free movies and TV programs, sans commercials, from unauthorized sites that are unaffiliated with the studio or network that produced or distributed the content.

As you may expect, the acceptability of using such sites varied greatly across age groups. For instance, only 8% of 35-to-44-year-old consumers thought it was very acceptable or acceptable to use these sites, while 20% of the 18-to-24-year-old group thought it was very acceptable or acceptable.

We also asked consumers if they thought they would use these sites more in the future, and 15% of all age groups said yes. Perhaps of even more concern, among consumers who have not watched video online regularly, about 15% expect to use unauthorized sites in the next year.

Technology has made it possible to steal programming online, and many consumers seem totally comfortable doing so. Sounds like Napster to me.

### MIKE VORHAUS ...

is president of Magid Advisors for Frank N. Magid Associates.



PHOTO BY STEPHANIE DIANI

## Media Morph: In-video product placement

**THE PREMISE:** Online video advertising is, for the most part, stuck in the past, with the only significant innovation being the kind of bottom-third transparent overlays popularized by YouTube and Google. But what if ads, product placements or other messages were implanted in the video, in real time?

**WHO'S DOING IT:** A host of start-ups are attempting to make that happen, including New York and Tel Aviv-based Innovid, which has two live campaigns that integrate products, into video. Other players in this space include Mountain View, Calif.-based KeyStream, whose technology identifies blank areas in web video and

automatically inserts logos or messages; and a recently funded start-up out of Stanford University, Zunavision, which can realistically place messages on surfaces within video. Menlo Park, Calif.-based Euclid Media, founded by UC Berkeley computer science Ph.D.s, claims the ability to put messages on moving objects within video.

**AN EXAMPLE, PLEASE:** For Warner Bros., Innovid is placing "Watchmen" posters and other promotions across series from web-video producer For Your Imagination, including "Kyle Piccolo-Comic Shop Therapist," "The Retributioners" and "Abigail's X-Rated Teen Diary." The videos are syndicated across the web on sites such as

YouTube. Posters in Kyle Piccolo's comic-book shop, for example, change from "X-Men" to "The Watchmen," depending on who is watching and what placements they've already seen. "Watchmen" graffiti appears on a wall and "Watchmen" videos and comic books appear on shelves. When clicked,

they interrupt the video for more information about the movie.

There are seven integrations, some hard to catch if you're not watching closely. "We chose a subtle implementation instead of something very obvious saying, 'Click me!'" said Paul Kontonis, chief executive of For Your Imagination.

—MICHAEL LEARMONTH





## More on AdAge.com

■ John Condon is officially leaving Leo Burnett, after being asked to step down as chief creative last month.

■ Quiznos has appointed founder Rick Schaden to once again serve as CEO, succeeding Yum Brands veteran Dave Deno.

## PEOPLE &amp; PLAYERS

Edited by Anna Baskin, [abaskin@adage.com](mailto:abaskin@adage.com)

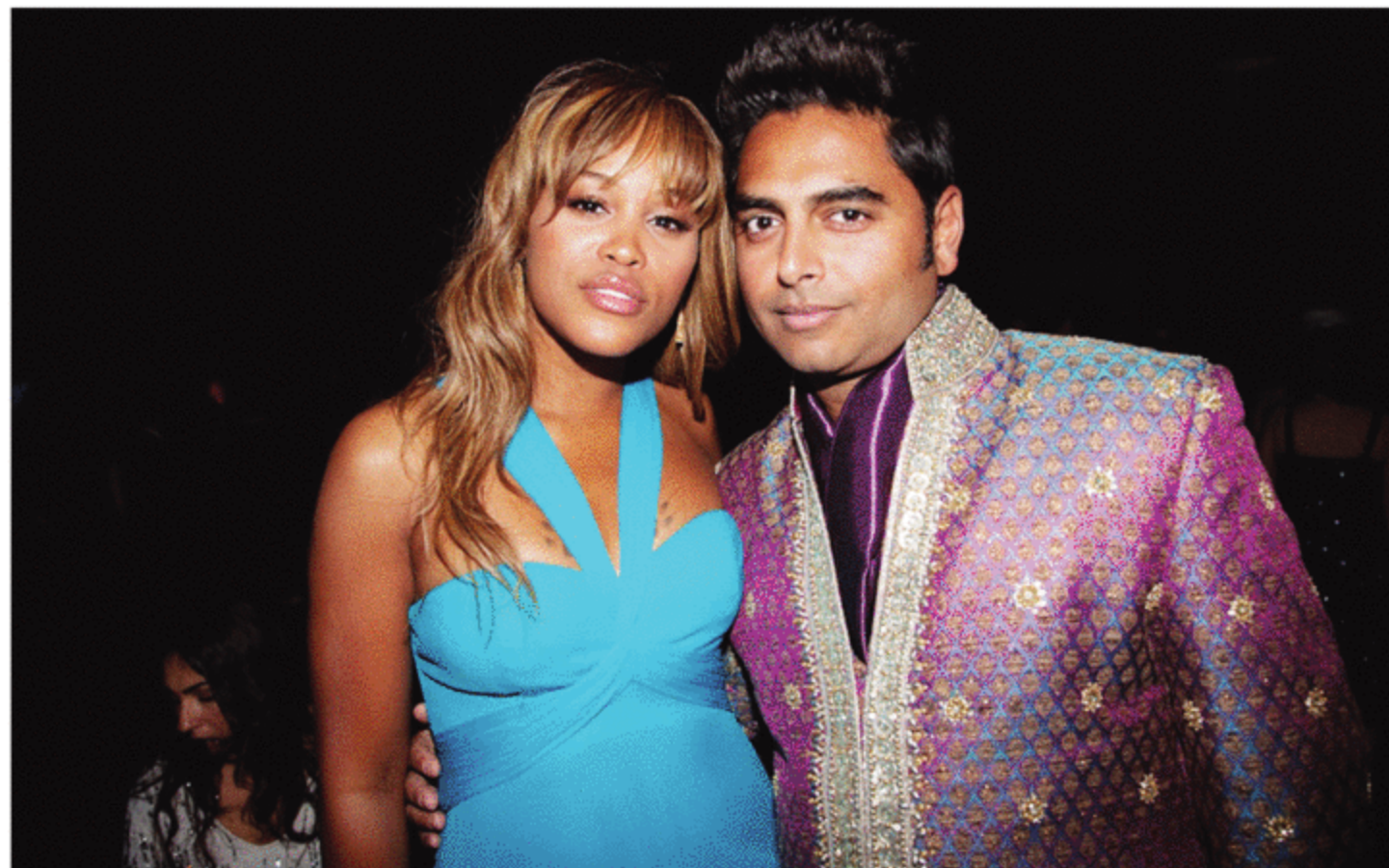
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## NEW YORK: THE ART OF THE INTERVIEW

The New Yorker hosts an event to discuss the art of the interview and the future of news. (From l.) **Ken Auletta**, staff writer, The New Yorker; ABC News' **Barbara Walters**; **Sir Howard Stringer**, CEO, Sony; and **Lisa Hughes**, VP-publisher, The New Yorker.



## LOS ANGELES: CELEBRATING 'SLUMDOG'

Fox Searchlight throws an Oscars after-party for "Slumdog Millionaire," sponsored by the new Vitaminwater10. (From l.) Rapper **Eve**; **Rohan Oza**, chief marketing officer, Glaceau.



## NEW YORK: IAB ANNUAL LEADERSHIP MEETING

The Interactive Advertising Bureau holds a Great Debate panel at its Annual Leadership Meeting. (From l.) **Randall Rothenberg**, president-CEO, IAB; **Jean-Philippe Maheu**, chief digital officer, Ogilvy North America; **Abbey Klaassen**, digital editor, Advertising Age, and panel moderator; **John Partilla**, president, Time Warner Global Media Group, and senior VP, Time Warner; **Sarah Chubb**, president, Condé Nast Digital; and **Quentin George**, chief digital officer, Mediabrand.



## NEW YORK: RED DRESS AWARDS

Campbell Soup teams up with "30 Rock" star **Jane Krakowski** to help raise funds and awareness for the American Heart Association's Go Red For Women movement at Woman's Day's sixth-annual Red Dress Awards. (From l.) Ms. Krakowski; Woman's Day Publisher **Carlos Lamadrid**; and **Jane Chestnutt**, VP-editor in chief, Woman's Day.



## NEW YORK: UNLEASHING YOUR 'SKINNYGIRL'

Health magazine celebrates the release of "Real Housewife" **Bethenny Frankel**'s book, "Naturally Thin: Unleash Your SkinnyGirl & Free Yourself from a Lifetime of Dieting." (From l.) **Lee Cordobes**, franchise sales director, Health; **Ramona Singer**, "The Real Housewives of New York City"; **Ellen Kunes**, editor in chief, Health; Ms. Frankel; **Dave Watt**, publisher, Health; and **Edwina Marvin**, partner and communications-strategy director, MediaCom.



## More TalentWorks online

■ The Martin Agency is trying to soften the blow of layoffs by paying prospective employers to hire its old employees.

■ Hiring? Check out Ralph Cutcher's list of 10 things for employers to keep in mind to find the right fit.

## TALENTWORKS

Edited by Jennifer Rooney, [jrooney@adage.com](mailto:jrooney@adage.com)

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Manager Brand Management  
Sears Holdings Management Corporation

Brand Strategy and Positioning Represents the brand strategies with multiple teams across the organization (marketing, product management, channel management, etc). Analyzes business results and presents recommendations for changes in brand strategy. Consumer and Market Research Reviews market research to anticipate competition and market trends and translate consumer attitudes into new branding directions. Product Development Supports the product development process by consulting with product managers on market requirements and product features. Then takes new products and prepares them for launch - developing and assessing product names and features to differentiate from the competition. Plans and coordinates product launch Marketing Ensures corporate marketing plans and brand strategies are aligned. Works to develop advertising and promotional programs that support the brand strategy, new product launches, or other initiatives. KNOWLEDGE, SKILLS AND ABILITIES REQUIRED Education/Training Bachelor's degree in relevant field; MBA preferred Experience 3-5 years of experience in brand management - ideally in consumer goods or in relevant product categories; other related professional experience in strategy, customer research, marketing or similar functions may be accepted Experience working in a matrix organization a plus Role specific abilities/skills Results orientation effectively manages a p&l to deliver planned results. Creative thinks in new an innovative ways about the business. Strong interpersonal and communications skills ability to interact effectively with all levels in the organization.

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## PEOPLE ON THE MOVE



Berrien

Mother Nature Network appointed former Forbes chairman **James Berrien** president and chief operating officer. Mr. Berrien was president and publisher of Forbes Magazine Group from 1999 to 2008, and before that held a number of senior positions at American Express, including president-establishment services and president-Travelers Check Group Worldwide. Mother Nature is an Atlanta-based environmental-news and -information website that launched last month.



Sheehy

**John Sheehy** became president and publisher of Afar, an experiential travel magazine launching in September 2009. Mr. Sheehy, former chief operating officer of Weider Publishing and former publishing director at Time Inc. Ventures, has run a consulting firm for the past five years that specializes in new-magazine and online development. He formerly served as president of both Utne Reader and American Hospital Publishing, and began his career as the founding general manager of Hippocrates, now Health magazine.



Wester

**Gregory Wester** was promoted from VP-product development and strategy to chief operating officer of VoodooVox, a leading ad-network technology and services company. Before joining VoodooVox, Mr. Wester founded and was president of Soapbox Marketing, a word-of-mouth-marketing agency, and was an early participant in the creation of the Word of Mouth Marketing Association, co-authoring its Word of Mouth Terminology Framework.



Schiller

Comcast Interactive Media tapped media and digital-advertising industry veteran **Scott Schiller** as its senior VP-advertising sales, overseeing sales for Fandango, Fancast, Movies.com and Plaxo. Mr. Schiller, a co-founder of the Interactive Advertising Bureau and its first vice-chairman, has more than 25 years of experience in leading positions at brands including Disney, AOL, Sony, Prodigy and MTV Networks. He joins CIM from Glam Media, where he was exec VP-global marketing and its original chief revenue officer.



Besner

House Party, a leading consumer activation and experiential-marketing company, hired **Greg Besner** as chief operating officer. Before joining House Party, Mr. Besner co-founded and was president of Computershare Executive Services. He was also president and co-founder of JLH Designs, which licenses consumer brand trademarks to design and distribute products globally. House Party's word-of-mouth marketing platform specializes in engaging consumer advocates to host in-home parties that center on a brand or product.



Chambers

**Essie Chambers** joined BET as senior VP-original programming. Ms. Chambers was most recently VP of Nickelodeon Original Movies. Before that, she was VP-development for the N, the MTV Networks' nighttime network for teen, where she managed all aspects of development and yielded a slate of critically acclaimed, award-winning programming.



Gallagher

BBE (formerly Broadband Enterprises Inc.) named **Joe Gallagher** to the new position of exec VP-sales. Mr. Gallagher has spent 20 years as an executive in media and digital-media sales, serving as national sales director for Tribune Interactive and national sales director for Dow Jones' online division before his most recent position as VP-multimedia sales for The Wall Street Journal.

**Alan Brittain** was named VP-sales, direct sales for the Eastern division at Screenvision. Prior to joining Screenvision, Mr. Brittain was VP-general sales manager for Fox station sales, and before that was senior VP-NBC station sales for NBC Universal.

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# Verizon targets women with Hub phone

Telecom enlisted iVillage community to help it market all-in-one device

By **MARISSA MILEY**  
mmiley@adage.com

OF THE ESTIMATED \$200 billion spent on retail consumer-electronics products in 2007, \$90 billion, or 45%, was likely spent by women, according to the most recent research by the

Consumer Electronics Association. Yet, many consumer-electronics marketers don't directly target them.

Verizon, however, isn't just targeting women with the Hub, its all-in-one, broadband communication device—it also sought their help in marketing the product. Moreover, it will devote half its marketing budget toward courting the demographic. A national campaign will break in April.

The Hub, dubbed "the home phone reinvented," was launched ear-

lier this year and sells for \$249.99 with a two-year contract. Monthly service is \$34.99. With the Hub, users can make unlimited calls; locate family members using GPS; text, e-mail and video message; buy movie tickets; and more. The Hub will be sold and distributed through Verizon Wireless.

The marketing was honed and informed from extensive research using members of the iVillage community. Why iVillage? Verizon's initial market research indicated that

the primary Hub purchaser would be a "lifestyle manager," and most often, that person would be female. The company started talking about developing a relationship with iVillage last year at the CEA's annual Consumer Electronics Show, where iVillage touted its ability to connect marketers with consumers by using unique "high-touch engagement." Verizon, already an advertiser on the iVillage site, was intrigued by this new opportunity.

"Marketers are curious about how [to] take advantage of conversational marketing," said Peter Naylor, senior VP-digital media sales at NBC Universal, which owns iVillage. "This is one way to enter into a dialogue with your prospective customers."

In April 2008, iVillage sent a note to the community soliciting feedback about the Hub in the form of a 10-minute survey. Some 265 women who met the survey criteria (they were broadband subscribers, 25 or older and lived in households with at least two people, among other things) watched an online video demonstration of the Hub and gave candid feedback. The marketer again reached out to the iVillage community in June and July, and posed follow-up questions to more than 70 women. In that case, women were asked questions in a private message-board forum—and could respond to each other's thoughts on the product.

"The feedback was invaluable," said Suzy Deering, executive director of corporate marketing for Verizon.

Verizon learned, for example, that women were drawn to the multiple features of the Hub that were right at their fingertips. They were particularly interested in the device's calendar function and its ability to text to multiple wireless handsets, Ms. Deering said. As a result, Verizon will promote those features aggressively



**VERIZON HUB:** "Home phone reinvented."

in its marketing for the Hub.

iVillage women were also drawn to a navigation feature that allows the user to look up directions on the Hub and send them to a wireless device, so that feature is highlighted in the TV advertising.

In one 30-second TV spot for Hub, a girl looking for a dress for a special occasion sends a picture of the dress to her mother, who is at home with the Hub. Mom receives the picture, looks up the location of a different dress shop nearby, and sends her daughter the information—all with the Hub.

Overall, Verizon learned from iVillage that it shouldn't play up the bells and whistles of the product but instead emphasize what it ultimately does: connect families. "Women are receptive to technology, but they aren't interested in how technology works," Ms. Deering said. Both Verizon and iVillage declined to share financial details about the partnership, citing Verizon's competition, but Ms. Deering said the Hub has a "healthy" campaign behind it, and "is completely taking the home phone to a new level."

## MARKETPLACE

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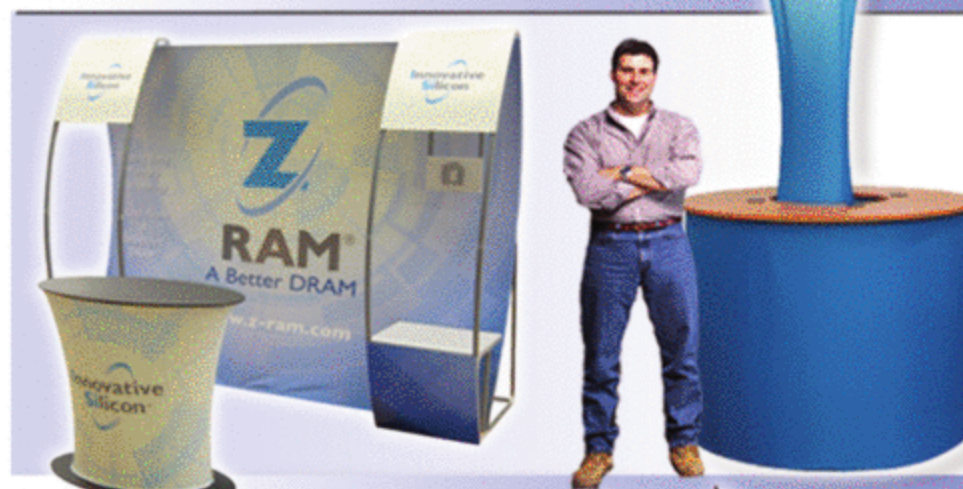
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# WPP

From Page 1

load in his sector in his quest to become the biggest player, remains unclear.

The parent of global ad networks such as Ogilvy & Mather and JWT and other marketing, media and PR companies such as Wunderman, MindShare and Burson-Marsteller posted \$13.6 billion in revenue for 2008. It managed to squeeze past Omnicom—which reported 2008 revenue of \$13.4 billion—thanks to the inclusion of two months of revenue from Taylor Nelson Sofres, the market-research firm WPP snapped up in a \$1.9 billion deal last October. Were it to include a full year of TNS revenue, WPP said, it would have reached \$15.4 billion in revenue last year.

In recent years, Mr. Sorrell has used the acquisitions of companies such as TNS, Grey Global Group and 24/7 Real Media to catch up with Omnicom—deals that have made WPP the most debt-laden of the agency holding companies. WPP ended 2008 with a total debt of \$8.2 billion, including debt WPP took on in its TNS acquisition. WPP's total debt increased last year by £2.3 billion or \$3.4 billion—more than the total debt load on the books of rival Omnicom (\$3.1 billion). Aggravating that figure is some \$800 million of debt that WPP acquired with the purchase of TNS.

In November, Standard & Poor's moved WPP's credit rating down a notch to BBB, a low investment grade. But analysts are still generally friendly to the company, with 15 of 26 rating it a "buy." Amid the worsening economy, WPP instituted a stringent global hiring freeze last fall, though Mr. Sorrell has since said the holding company would consider adding head count in some regions and disciplines that are seeing an uptick. Still, insiders at certain WPP-owned shops have privately speculated that corporate concerns about

debt are preventing agencies from investing in talent even when new business comes in.

Needless to say, Mr. Sorrell didn't precisely take a victory lap in a conference call with investors last week. There is, after all, that recession thing to worry about. He said, "I'd just like to say that in the 25, 30 years that I've been in the business, I have never seen anything quite like this."

Despite the tumult, he remained upbeat: "Although the economic gloom has heightened recently, with further earnings disappointments, surprise dividend cuts, continued financial restructurings and rights issues, we still believe there will be a recovery of sorts in 2010."

Mr. Sorrell's optimism in the face of economic adversity is no surprise. After all, he and WPP have risen from the ashes before. On the heels of a recession in the early '90s, WPP's stock plummeted, investors fled and some suggested Mr. Sorrell would be pushed out of the company. Members of the investment community at the time deemed the company on the verge of a collapse.

If the WPP chief's predictions are correct, the current holding-company landscape is only temporary, and will see a shake-up again with the consolidation of WPP's rivals. "It is almost an inevitability that Havas and Aegis will get together, and indeed that [Interpublic] will get together with somebody at some point in time," Mr. Sorrell said on the conference call.

Interpublic Group of Cos., the original agency holding company, ranked No. 1 among the Big Four ad giants as recently as 2000. It fell to the No. 2 slot, behind Omnicom Group, in 2001, and then third, behind WPP, in 2003. Five years later, Interpublic remains in third place. For 2008, it posted an impressive 6.2% jump in revenue to \$7 billion, but that left it only a breath ahead of French conglomerate Publicis Groupe, which reported 2008 revenue of \$6.9 billion.

CONTRIBUTING: BRADLEY JOHNSON

# Sizing up debt

	WPP	OMNICOM	INTERPUBLIC	PUBLICIS
	WPP is the most leveraged firm among the Big Four, with debt far above rivals'. S&P moved its credit rating down a notch in Nov. '08 to BBB, a low investment grade, after factoring in WPP's TNS deal and "the deepening global economic and advertising downturn."	S&P put Omnicom on CreditWatch in February, foreshadowing a potential downgrade to BBB+. That would be its lowest rating since 1993, putting it even with Publicis and a step above WPP. Omnicom soon may need to buy back or refinance some convertible notes.	S&P lowered its Interpublic outlook to "stable" from "positive" March 5 because of concerns about a prolonged recession. S&P cut Interpublic to junk status in 2003. The balance sheet is improving, but IPG may stay in the junk doghouse till an economic recovery takes hold.	Publicis' credit rating has held at BBB+ since 2005. Publicis reduced its total debt in '08 and doesn't face a big debt maturity date till 2012. The ad firm boasts: "Publicis Groupe has enjoyed the best growth, the best margins, and has a very solid balance sheet, with best cash flow."
2008 REVENUE	\$13.6 billion	\$13.4 billion	\$7.0 billion	\$6.9 billion
2008 NET INCOME	\$804 million	\$1 billion	\$295 million	656 million
TOTAL DEBT (12/08)	\$8.2 billion	\$3.1 billion	\$2.1 billion	2.2 billion
CHANGE IN TOTAL DEBT, 12/08 VS. 12/07	\$3.4 billion	Flat	-\$0.2 billion	-\$0.8 billion
TOTAL DEBT/EBIDTA' (12/08)	4.5	1.6	2.5	1.7
CASH & MARKETABLE SECURITIES (12/08)	\$3.7 billion	\$1.1 billion	\$2.3 billion	\$1.2 billion
NET DEBT TO EQUITY RATIO (12/08)	0.51	0.52	-0.06	0.29
NET DEBT/EBITDA (12/08)	2.47	1.02	-0.18	0.76
STOCK % CHANGE, NOW VS. 10/07 (MARKET PEAK)	-62%	-56%	-64%	-35%
STOCK % CHANGE, NOW VS. 12/31/08	-7%	-16%	-5%	7%
MARKET CAP	\$6.9 billion	\$7.0 billion	\$1.8 billion	\$4.9 billion
ENTERPRISE VALUE <sup>2</sup>	\$11.7 billion	\$9.2 billion	\$2.2 billion	\$5.7 billion
STOCK ANALYSTS' RATINGS	15 buy, 5 hold, 6 sell (U.K. shares)	8 buy, 7 hold, 1 sell	8 buy, 7 hold	13 buy, 7 hold, 1 sell (French shares)
STANDARD & POOR'S RATINGS (LONG-TERM)	BBB	A-	B+ (junk rating)	BBB+
STANDARD & POOR'S OUTLOOK/STATUS	Stable	CreditWatch with negative implications	Stable	Stable

1. Earnings before interest, taxes, depreciation and amortization. 2. Market cap plus preferred equity plus debt minus cash and marketable securities. Stock prices as of March 6. Sources: Ad Age DataCenter, Bloomberg, Standard & Poor's, company reports

# Vault

From Page 1

Coca-Cola spokesman. "We believe that when Dew consumers are offered the opportunity that they'll like Vault better."

It doesn't hurt that the product will be given away for free, a tactic that has garnered goodwill and delivered significant return on investment for marketers including Starbucks, Dunkin' Donuts and Taco Bell.

Via Coca-Cola's promotion, consumers can get a 16-ounce, 20-ounce or 24-ounce Vault free with any purchase of a 20-ounce Mtn Dew. The offer, billed as the "Vault Taste Challenge," encourages consumers to "Try Vault, with 30% more kick than Dew and a bold citrus taste." The coupon is good through late July. "It's not the largest Vault promo

ever, but it's significant for the brand," Mr. Williamson said. Coca-Cola declined to comment on the number of coupons being distributed or the overall cost of the program, but industry experts say the price tag will easily be in the millions.

"It's going to be mighty expensive," said David Diamond, a marketing consultant and former Catalina Marketing executive. "But as a way to leverage for increased distribution of Vault, it strikes me as very, very smart."

Another executive in the promotions business called the deal "unusual" and "unique," noting that it would be too expensive for most other package-goods companies. "Coupons are in vogue, and any time a consumer can buy a product and get another product free, especially with something that is so rapidly consumed, it is a significant value."

Thanks to the recession, coupon-redemption rates are on the rise, jumping 10% in the fourth quarter after years of declines. Experts estimate redemption of the Vault coupons could reach as high as 40%.

Mtn Dew and Diet Mtn Dew are the only brands that managed to hold their own in the beleaguered carbonated-soft-drink category last year. Both Mtn Dew and Diet Mtn Dew gained 0.2% share in the category. Diet Dew also managed to increase volume 3.7%, the only brand in the top 10 to do so, according to Beverage Digest's take-home data, which excludes Walmart.

As for the company that invented the Pepsi Challenge, it's unfazed by Coke's move. "Many companies have challenged Mtn Dew over time, whether it was Surge or Mello Yellow and now Vault," said Frank Cooper, Pepsi's VP-portfolio

brands. "What we're seeing now is a last-ditch effort to propel Vault forward in the face of Mtn Dew growth. It's an interesting tactic, but I think that the Mtn Dew consumer understands that the Mtn Dew product experience is unique."

Vault's play might be well-timed. It comes amid a name and design change for Mtn Dew that is proving unpopular with some consumers, who have expressed confusion, saying the new packaging makes the brand look like a knockoff. Those are, to some extent, the same criticisms that last month felled the Tropicana redesign. Peter Arnell, principal of Arnell Group, handled the redesign on both brands, along with redesigns across the PepsiCo portfolio.

"There's always a concern that when you make changes, particularly fundamental changes, that you can alienate the base," Mr. Cooper said.

"But because we maintain a pretty constant communication channel with this consumer, we feel comfortable about making whatever adjustments are necessary."

Still, Mr. Cooper downplayed the design change, calling it "incidental," though complementary, to the brand's overall efforts. Those efforts include heavy involvement in the gaming space, with an upcoming "World of Warcraft" partnership, and a strong digital presence.

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McDonald's  
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# ICANN

From Page 1

But if both Pepsi and Coca-Cola wanted .soda, there would be an auction, and the domain rights would go to the highest bidder. And that could get pricey quickly for brand owners. One outside consultant estimated that the total cost to business could reach \$1.5 billion.

"One of the biggest concerns to me is how on earth can ICANN legitimately adjudicate who gets what domains?" said Ken Hittel, VP of New York Life's corporate internet department. "Who has the right to own .lifeinsurance, for example? New York Life is the No. 1 seller of life insurance five out of the last seven years, so we could argue that we should get it. But what would Prudential and other competitors think about that?"

New York Life spent about \$200 to \$300 on domain names last year. But it calculated that to get just a minimal five top-level domains, it would have to spend well over \$1 million.

The nonprofit Coalition Against Domain Name Abuse is a leading critic of the new domain plan and estimated recently that marketers will spend a total of about \$1.5 billion to register their brands in new top-level domains.

Why are those domains even needed? Paul Levins, VP-corporate affairs for ICANN, said, "Competition has always been very

## Advice to marketers about domain names

The coming surplus of new domains has been flying under the radars of many companies. So what should you do if you're just getting up to speed?

### FIRST, FIND OUT HOW NEW DOMAINS COULD

**AFFECT YOUR COMPANY.** Has your brand experienced a lot of cybersquatting or phishing problems? That's a red flag for more potential problems. The legal or internet department should be able to help. But realize that if your brand has any online presence, new naming will affect it.

### SHOULD YOU BUY NEW NAMES OR NOT?

That depends. Some marketers are taking a wait-and-see approach, but many think that's a mistake. Bone up on the issues, write comments to ICANN, or talk to industry colleagues about possibly banding together for common names. Just get involved. Sitting around and waiting to see how things shake out could cost you a desired domain to a competitor or give cybersquatters a time advantage.

**WHO COULD WIN?** New brands that don't yet have an online presence could use the domains to distinguish themselves. For instance, a coming-to-market energy-drink company could acquire .powerdrink and begin its first advertising and marketing campaign saying, "If it's not at .powerdrink, it's not a power drink."

**WHO COULD LOSE?** It's still too early to tell, but it's safe to say that companies such as pharmaceuticals and others with large portfolios of brands, such as Procter & Gamble and PepsiCo, will end up paying a lot of money if they buy lots of generic domains in self-defense. The good news is that direct trademarks, such as .cocacola or .pampers, will be for sale only to those brand owners. The bad news is .cola and .diapers could be up for grabs.

core to our central mission. ... Increasingly we're getting a pretty strong demand to open up the generic top-level domain space." He also said while there is not a fear of running out of .com names, the space is crowded, and "as a result it can be hard to find names that are intuitive."

That doesn't sit well with New York Life's Mr. Hittel, who paraphrased a friend: "Saying that we will run out of .com domain names is a little like saying we're running out of numbers that end with 5."

The money that ICANN earns from domain registrations—20¢ per name—goes to running the nonprofit organization, and that will continue

under the new system. The \$185,000, in fact, is all cost recovery, Mr. Levins said. If it turns out that the process is more efficient than expected and there is excess money, it will be put into a fund or foundation for work relevant to ICANN's mission.

While marketers' main complaint is cost, there are other issues, including the difficulty of policing a greatly expanded world of domain names, the ineffectiveness of already-issued domains, and advertising and cybersquatting abuses. Sarah Deutsch, Verizon's VP-associate general counsel, said even if a company decides not to buy any of the new domains, it will still have to pay to watch out for uses

of its brands on them.

"Today companies like Verizon pay Google to put our keyword out there, so people type Verizon, they find us. Cybersquatters register sites like Berizon.com, and when users mistype, they go to a parked page with ads. If they click on Verizon, we pay Google for that click, who then pays the cybersquatter," Ms. Deutsch said. "If you introduce hundreds of brand-new domains, people will figure out how to exploit those, too. Then there are just more and more ways consumers can be diverted from where they want to go."

ICANN solicited comments after its initial proposal and received more

than 300 from 24 people around the world representing countries, domain-name players, businesses and brand owners. Some of the brand owners that responded included AT&T, Chevron, Visa, Time Warner, Lego, Microsoft, and Bank of America, as well as the Association of National Advertisers. ICANN published a second guideline and is again taking accepting comments through April 13 for a second draft. (Details can be found at [tinyurl.com/bxql9v](http://tinyurl.com/bxql9v).)

Also at issue is the effectiveness of top-level names beyond .com, .net and a few others. Microsoft pointed out in its comment letter in December that .com, .net and .org account for 91% of all top-level-domain registrations; .com alone accounts for 74%.

New York Life, for instance, owns NewYorkLife.biz for small-business owners, but it gets "no traffic" on its own, Mr. Hittel said. "We'd have to put tons of money into advertising and marketing to get people to use new domains ... and they'd all end up pointing them to NewYorkLife.com [because] we're not going to create whole new websites."

CADNA President Josh Bourne, who is managing partner of consultancy FairWinds Partners, said, "Trademark owners and brand owners have registered millions ... of dollars in domain names that they don't use; .travel [introduced in 2005] is a great example of what they're trying to do and how it hasn't worked. There was already a community around it, but it still went belly up."

# FT

From Page 3

articles a month for free. After that, the browsers need to register, and for more than 10 articles a month, a paid subscription is necessary.

The standard subscription has recently been increased to £149 (\$210) from £99 (\$140), as the emphasis moves toward subscriptions to drive revenue in a weak advertising market.

The newspaper is based in the U.K., but 70% of its audience is overseas. Its web traffic is 40% from the U.K., 30% from the U.S., 20% from Europe and 10% from Asia.

Of course, the Financial Times has been helped in its staunch adherence to charging for content by the fact that it is essentially a niche proposition. It's aimed at global business decision makers and since there are never going to be more than a couple of million of them, there was never going to be any question of chasing volume.

"I've heard of some scary stuff going on [at rivals], with CPMs as low as 10¢," Mr. Grimshaw said. "At those rates, you need a lot of page views to make any money at all. There's a lot of what I call plain-vanilla inventory out there with only the [cost per thousand page impressions] to distinguish one site from another, which has pushed CPM through the floor. A lot of publishers and portals have pursued volume over other things."

## U.S. papers seek more circ revenue

The Financial Times isn't alone in increasing pricing, but it does charge more than its principal American competitors. The New York Times raised its metro weekday price to \$1.50 from \$1.25 last summer, and The Wall Street Journal upped its cover price to \$2 from \$1.50 around the same time. Both are increasing home-delivery charges, too.

The Journal also has online revenue to brag about. Although News Corp. chief Rupert Murdoch initially suggested he'd like to take down the online pay wall, he changed his mind once in possession of the paper and adopted a hybrid of free and paid content. Last fall the Journal did away with a long-running \$99 introductory offer for the print and online editions; that combination now costs \$181.

The Financial Times is also expanding its circulation revenue more quickly than The New York Times or the Journal. The Times Media Group recently reported increasing circulation revenue 3.4% in 2008, despite losing 3.6% of Times weekday circulation in the most recent reporting period. The Journal said its fourth-quarter revenue jumped 9% from the same quarter a year earlier; its circulation held steady in the most-recent period.

The New York Times, of course, had tried cordoning its columnists and other "premium" online content behind a wall called Times Select, which was free to print subscribers and cost everyone else \$49.95 a year or \$7.95 a month. It got about 227,000 people to pay for online-only memberships, generating some \$10 million in new revenue. But in September 2007 the company ended the experiment, deciding the revenue wasn't enough to offset the traffic and visibility the site was losing.

In another sign of circulation revenue's growing importance, the Journal recently argued loudly against an article in The New York Times that suggested the Journal was heavily discounting its prices to gain circulation.

—NAT IVES

FT.com, meanwhile, has focused on targeting technology and is still getting premium advertising from the financial-services sector, as well as luxury brands such as Rolex.

Vanessa Clifford, head of press at Mindshare U.K., said, "The

Financial Times represents high-quality journalism. It is a very strong brand that has built up over many years, and they can command a premium for it. When budgets contract, advertisers stick with the trusted titles."

# Upfront

From Page 3

long as the economic slump continues, buyers are likely to think they can get good prices whenever they choose to enter the market in the next six to 12 months.

"It's the kind of scenario where there's no cost to hold your money, and you can come into the market and buy what you want on a fairly weekly basis. I think there's going to be less emphasis to feel you need to make a long-term commitment."

This year is already filled with ominous signs. The Super Bowl and the Oscars are two of broadcast TV's tent-pole properties, and selling them is typically less a matter of pushing hard than of letting interested parties come to you. This year, it was obvious NBC and ABC had to scramble to get clients to buy all their available inventory (when's the last time Coca-Cola ran a whopping seven ads in the Oscars?).

According to media buyers, marketers have been pulling back anywhere from 12% to 14% of options for second-quarter broadcast buys; a typical cancellation rate is 3% to 5%. In their estimation, cancellations for the third quarter—for which the window opens in April—will be worse. Already, Veronis Suhler Stevenson is calling for spending on broadcast TV to decline 9% in 2009, compared

with a dip of 0.5% in 2008.

"The heightened unstable economy really is beginning now to impact media markets," said Kris Magel, exec VP-director of national broadcast at Initiative.

Meanwhile, the call for a change in the way TV ad time is purchased has turned more or less into a steady drumbeat. In 2006, Johnson & Johnson caused some alarm when it said it would rather spend money on TV when its business objectives were more certain. J&J has stayed out of the upfront process ever since. A J&J spokesman did not return a phone call seeking comment.

Others hint that more advertisers could seek out different ways of doing business with TV networks. One network ad-sales executive said advertisers might seek to do a "calendar-year upfront," in which they sit out the traditional May session but plan to spend money in tandem with their corporate fiscal year.

"We will all find that there are strategies we put into place today that may be with us for a long time. The kind of pressure that we are under to deliver value, be innovative, and think about anything new that can drive efficiency and effectiveness—that willingness, that spirit drives more change and innovation than in a more stable marketplace," Mr. Magel said. "The potential for us to come out of this with some new business strategies ... is very likely."



# Credit cards

From Page 3

Chris Jogis.

So what's a battered financial-services sector built on the concept of buy-now-pay later to do? Promote fiscal responsibility and paying as you go.

In fact, although it might not at first seem so, Visa and MasterCard are relatively well-positioned to ride out the recession. That's because those companies make money on the transaction every time a consumer uses a card, but they don't hold the debt, which is the responsibility of banks such as Citi, Chase and Capital One, who issue the cards.

That's why Visa launched a new global tagline "More people go with Visa" and ad campaign from TBWA Worldwide, last week, with the goal of persuading consumers to use electronic-card payments instead of cash or checks. "It's not about getting people to spend more, but just that as you're out there living your life and when a transactional moment happens, we propose that it's a better transaction with Visa," said Kevin Burke, head of global consumer marketing.

MasterCard has also been focusing on debit cards for the past few years and recently added MasterCard Savings for debit-card holders, with incentives of 5% to 20% average discounts and/or free shipping from a variety of merchant partners. Mr. Jogis said the company's "Priceless" campaign from creative agency McCann Erickson, New York, has toned down its messaging to focus on value, and in creative executions talk about "helping consumers outsmart the times."

So far both Visa and MasterCard have continued to post healthy quarterly results, with Visa most recently marking a 28% in quarterly net income and MasterCard

**"Consumption is always, at some level, aspirational, and during the bull market, credit-card companies were very good at appealing to that sense of wanting to belong."**

noting a revenue increase of 29%. However, both companies made identical cautionary statements that growth will likely slow this year, possibly only in the high single digits, and promised cost cuts to keep the bottom line healthy.

American Express, which is both a payments network and a credit card, is shoring up its health by focusing more on its charge cards—the green, gold and platinum cards—that consumers pay off each month. It is also beefing up rewards to customers by promoting its card for paying for necessities. "It's a way to let people cash in rewards for more everyday things now that there is a pullback on discretionary spending," said a spokeswoman for AmEx, whose account is held by Ogilvy & Mather, New York.

The marketer will have to work quickly—AmEx has seen revenue drop 11% and profits plunge 49% in the fourth quarter as it deals with growing loan delinquencies and write-offs.

Discover Financial Services, which also has a payment network and credit card, recently launched an online "spend analyzer" promoted by a TV and online and print ad campaign, that includes a pay-down planner and purchase-planner tools. And although the analyzer product was in the works before

the fall financial debacle, Larisa Drake, VP-brand communications, said those messages are now more relevant and important than ever. It also launched a debit card for teens called the Current Card.

Discover reported fourth-quarter income growth of 10% year over year, but was aided by proceeds from an antitrust settlement win. The company noted card sales declined 2% for the quarter vs. last year, and forecasted a worsening charge-off rate that could climb more than 6% in 2009.

Both the debit card and rewards strategy play to consumer trends. According to a recent study from Hitachi Consulting and BAI Research, debit cards now account for 37% of in-store payments (up from 21% in 1999), while cash has dropped to 29% (from 39%) and checks are down to 8% (from 18%). Credit card use has remained steady at 22%.

On the rewards side, more than 51% of respondents to the study said rewards have a "strong impact" on card usage, with three-quarters of those surveyed reported carrying at least one card with rewards attached.

The pay-as-you-go shift isn't short term, either—many believe it is a change in consumer behavior that credit-card companies and banks will have to acknowledge for the long run. Debit cards and prepaid cards will become even more popular as ideas such as paying down debt and living without excess take hold.

"Consumption is always, at some level, aspirational, and during the bull market, credit-card companies were very good at appealing to that sense of wanting to belong to something exclusive, luxurious or seemingly unique," said Kevin DePew, executive editor of financial website Minyanville. "But for the next decade we will be a experiencing a structural shift in what, exactly, people are aspiring toward."

# Magazines

From Page 4

geted ads in national magazines carry a higher cost to reach a thousand readers, they run up lower overall costs and include less waste.

"In previous down markets, we have traditionally ended up," said Rob Moore, VP-sales and marketing at Media Networks, a division of Time Inc. that sells regional pages in 40 different magazines, both Time Inc. titles and competitors. A rival, the Media Max Network, offers targeted ad pages in Condé Nast magazines. Media Max could not comment by press time.

"We take national titles and localize," Mr. Moore said. "We give the appearance of a national buy in national books and we're able to bring it down to a spot-market basis."

Revenue at MNI, which also sells digital and other ads, held fair-

ly steady last year, he said. "I've never seen a down market like this, nor has anyone, but I'm fairly confident that we will stay flat."

Flat in 2009, it almost goes without saying, would be a victory for most. Despite all the interest, local-media spending is actually threatening to keep falling even after the recession lifts. Local ad revenue will decline to \$144.4 billion in 2013 from \$155.3 billion last year, posting a 1.4% compound annual decline, according to a February forecast by BIA Advisory Services, a specialist in research on directories, small-business advertising and local media spending.

Local ad spending in traditional media, from newspapers to cable TV, will sink to \$112.4 billion in 2013 from \$141.3 billion last year, the forecast said, citing a continued retreat by the classified ads newspapers have depended on. Interactive has a better shot at growth, perhaps reaching \$32.1

billion in 2013 from \$14 billion in 2008.

John Chandler, senior VP-chief marketing officer at the Mass Mutual Financial Group, has been increasing his company's reliance on local advertising since last year. The new emphasis, which points consumers to representatives in their own markets, includes cable TV, regional buys in The Wall Street Journal and targeted ads in national magazines.

Although Mass Mutual isn't cutting its media spending, Mr. Chandler said, the financial meltdown has encouraged local print buys in a different way. "The biggest difference is the amount of transparency and detail that we're trying to build into our messaging," he said. "We can put more specific information into a print ad than anywhere else. We can provide that little laundry list of disclosures. That all supports the societal cry for transparency among financial-services companies."



## ADAGES

BY KEN WHEATON

## There's a price to be paid for bad judgment in synthetic oils

It's every man's nightmare: There you are, standing in your driveway, making slightly disparaging comments about name-brand synthetic motor oil when you hear footsteps and an odd wobbling-whipping sound. Before you know it, a crazed Scotsman is upon you, screaming, "Think with your dipstick, Jimmy!" and assaulting you with his, well, his dipstick.



**THINK WITH YOUR DIPSTICK:** Or beware.

Second-worst nightmare?

Imagining you're the only person in the world who's seen this 30-second spot on your TV and worrying that you just might be hallucinating since you've given up drinking for Lent and your brain is suffering some hellacious withdrawal.

But, alas. The ad is 100% real, as confirmed by a YouTube search. Castrol, fresh off its "Grease Monkeys" Super Bowl spot, is now supporting Castrol Edge with a violent, dipstick-wielding Scotsman. Sure, chimps may be bad PR these days, but a violent, double-entendre-wielding Scot?

Whatever the case, this may mark the first time in my ad-viewing career that I don't mind humans replacing chimps. Besides, the grease monkeys weren't actually, you know, monkeys. And they weren't funny either. (Then again, a bunch of oil-changing capuchins would have been funny, I bet.)

Of course, a spot like "Think With Your Dipstick" wouldn't be complete without behind-the-scenes footage showing little more than the actor running around and, once again, whacking people with his dipstick. You can find that here: <http://tinyurl.com/df6w9n>

## We'll teach you to mind your manners

Last week, marketing strategist and AdAge.com DigitalNext blogger **B.L. Ochman** wrote a post about Web 2.0 etiquette

(<http://tinyurl.com/cnab3y>). It wasn't a long list, and included things that should be obvious to even the most dimwitted among us: Don't use auto-direct messages on Twitter; get names right in pitches; and, for the love of all that is holy, check Snopes before you forward that ridiculous e-mail claiming that **Newt Gingrich** and **Bill Gates** will give you \$20 if you sign up for Prodigy and help kill "Sesame Street." If there was one thing wrong with the list, it was that it wasn't long enough.

Not 15 minutes later, an Ad Age reporter received an e-mail from a PR group that violated e-communications etiquette and, in general, was a textbook example of how not to pitch something. It read thusly:

*Dear Communicator,*

*Are you on Twitter by any chance?*

*I am writing to ask if you'd follow me. I know: It sounds a bit cultish. But hey, I gotta walk the talk, don't I?*

*I promise not to pester you with boring tweets. This link will take you to my page. Just hit "follow" under my picture.*

*I hope all is well with you,*

*[redacted]*

*P.S. Are you coming to our [redacted] conference in Chicago this May? Is anyone else from your company?*

*P.P.S. As always, I'm looking for story ideas for [redacted]. Let me know if you guys have made any breakthroughs in your comms department, OK? Just hit "reply" to this message to get by the usual gatekeepers.*

I withheld the names not so much out of kindness, but rather so that we don't accidentally send followers their way. But let that be an example of what not to do. This sort of "communication" is right up there with pitches I get that start off, "What up Kevin Wheatley? We thought Adweek would be interested in doing a story about the plight of Mongolian yak herders."

And while we're on the subject of professionalism and Web 2.0, AdAge.com reader **Angela Pitre** added this bit of wisdom: "Please don't tag me in every one of your 25 things or book lists or whatever. They are becoming the new 'forward this e-mail to 10 people' problem. This stuff has to be taught to our kids, not just adults. So parents, please pass this knowledge on to them if you aren't already!"

Amen to that, sister.

If you folks don't get it together, I may be forced to bust out the dipstick.

Send your Web 2.0 pet peeves to [kwheaton@adage.com](mailto:kwheaton@adage.com)





## GARFIELD'S ADREVIEW

BY BOB GARFIELD

# Goodby does impossible, cures Comcast affective disorder

Client walks into Goodby Silverstein & Partners, plops down a suitcase full of money. Says, "You have your choice of three briefs." Partners say, "OK, shoot."

"No. 1," the client says. "Find a noninvasive cure for cancer."

Goodby says, "We're an ad agency. That's completely beyond our capabilities."

Client says, "No. 2: Conquer the speed of light."

Silverstein says, "Impossible. What's the third brief?"

Client says, "Make Comcast seem adorable."

Goodby says, "Can you tell us the cancer one again?"

Sort of an old joke, but the payoff is that they got the Comcast business and have done a pretty good job fulfilling the brief. Comcast! The most infuriating company ever. Spotty service. High-handed pricing and programming decisions. Sneaky throttling of internet bandwidth. And a customer-service infrastructure as devised by Hannibal Lecter.

This is the company whose installers fall asleep on the customers' sofa while waiting on hold ... with Comcast. This is the company that so infuriated sweet, elderly Mona Shaw that she took a claw hammer to their office equipment. This is a company so oafish and negligent that America's kindest and most patient man founded a customer-service-of-last-resort website called Comcastmustdie.com.

So imagine our surprise to view the latest Comcast spot, break into a wide smile and coo, "That is so *darling*!" (OK, not exactly that. But definitely not "Die. Die. Die!")

The commercial, called "Singalong," consists of an intentionally amateur-looking performer singing an intentionally amateurish-sounding jingle matted against a colorful but intentionally grade-school-musical-quality backdrop. Here are the lyrics—sung repeating C,D,E,C—thrumming eight beats at a time:

*New sensations sending shivers.  
Flying further, dreaming bigger.  
Single cable, one decision,  
Internet on television.*

*High-speed internet elation,  
Crazy-fast acceleration  
Awe-inspiring, screaming,  
Yelling, ROTFLOLing*

And so on, ending in C-O-M-C-A-S-T, which should be a very downer way to end any singalong, but somehow, in this case, simply isn't. How day do dat?

Not, strictly speaking, via originality. The fact is, everything in this commercial is borrowed. The primitive compositing harkens back to a James Thurber-esque '60s TV show called "My World and Welcome to It." The over-the-top, animated-chipmunks sweetness is by now familiar trope of post-modernism, announcing "We know this saccharine. It's a *joke*." The general buoyancy and pastel optimism owes a great debt to "Grrr," the Cannes-winning masterpiece for Honda. And the exact, thrumming miniscale was done a decade ago by an advertiser neither AdReview nor the 12 people we called could think of, but take our word for it, it's right on the tip of our right hemisphere.

Anyway, who cares? Familiar or not, it all adds up to success. Remember, this isn't a nice, eco-friendly hybrid they're jingling goofily about. It isn't ice cream or circuses or Day-Glo condoms. It's the freakin' cable company, which—after all the singing is done—you can't help feeling better about.

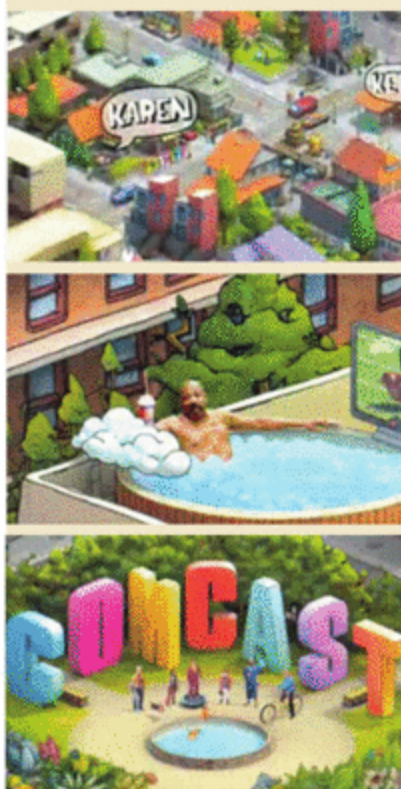
Also makes you wonder if we really need to *cure* cancer. Maybe it just needs a jingle.

### More on AdAge.com

■ Need a daily dose of cynicism? Read Bob's blog at [ADAGE.COM](http://ADAGE.COM)

## REVIEW: COMCAST

★★★★☆



**AGENCY:** Goodby, Silverstein & Partners  
**LOCATION:** San Francisco

## Local

From Page 4

a form that has been growing but struggling for some time," said New York Times Deputy Managing Editor Jonathan Landman. "How do you bring good community journalism to towns and communities that could use it?"

Patch, a start-up backed by Google's president of U.S. sales, Tim Armstrong, has launched a local site in the same New Jersey communities as the Times and plans at least a dozen more launches before the end of 2009. Like the Times, Patch is assigning one journalist to each community and will link to other news sources and take contributions from bloggers.

There's nothing new about the idea, which dates back to the mid-'90s and has had at least one recent well-funded failure, Backfence, and a few isolated examples of small, sustainable businesses, such as Gothamist, Baristanet and Brownstoner.

But with papers such as the Rocky Mountain News going under, the owner of both Philadelphia papers going bankrupt, and the San Francisco Chronicle and other major dailies teetering, what once looked like a good idea is starting to look like the only idea for reinventing the model for local news.

CEO Jon Brod said Patch is targeting communities around the country in the 20,000 to 50,000 population range. "We intend to be a very profitable business by keeping our costs incredibly low," he said.

Yet even the most successful, self-sustaining local websites and blogs find it hard to build advertising-based businesses. Brownstoner founder Jonathan Butler laid off his only employee in December when real-estate advertising fell by half.

Baristanet, run by former New York Times New Jersey columnist Debra Galant, is one of the best-known local blogs in the New York area but supports only one full-time employee, Ms. Galant, bringing in "six figures" in ad revenue last year.

None of these efforts sees itself as a replacement for a large daily or even a small community paper. One start-up thinking bigger is San Diego News Network, populated with former Union-Tribune journalists and backed by entrepreneurs Neil Senturia and Barbara Bly, who expect nothing less than to take on the local daily when their news site launches March 18. They raised "more than a million" for the news site, which will have a much smaller cost structure than the Union-Tribune thanks to wire news services such as the AP and only 10 employed professional journalists. It will also link to bloggers and hire some freelance contributors.

No doubt we'll see more big ideas soon. Steven Brill, the one-time journalism entrepreneur and founder of Court TV, American Lawyer and Brill's Content, resigned as CEO of his non-journalism start-up, Verified Identity Pass, last week to, as he said, "turn toward the ideas I've been tinkering with related to the business challenges facing quality journalism."

## Cannes

From Page 3

egates, including registration, airfare, hotels and meals.

Susan Lilley, marketing manager-Cannes Lions at U.S. festival representative USA Today, estimates that the U.S. contingent of about 750 people last year could

drop about one-third in 2009 as agencies and marketers continue to send senior people, but middle management stays home.

"A lot of people are waiting to see what second quarter budgets are going to be like," she said.

The Cannes festival is focusing on packing the week starting June 21 with 52 big-name seminars at the Palais des Festivals that will justify a

trip to the French Riviera. "It's about high-quality thought leadership," said festival CEO Phil Thomas.

The CMOs of Procter & Gamble, McDonald's Corp. and Kraft Foods will form a panel moderated by WPP Group Chief Executive Martin Sorrell. Together, the three account for \$13 billion in marketing dollars, Mr. Thomas said.

CONTRIBUTING: JEREMY MULLMAN

## Ford

From Page 1

of auto consultant TreeFarm Partners. Ford "is doing a terrific job."

More impressive is that Ford has moved up in America's estimation even though it has not touted in marketing the fact that it hasn't accepted a government handout. Ford said it never really considered doing so, figuring its limited funding is better spent on brand building.

But another reason may be it simply doesn't need to. CNW President Art Spinella said 93% of Americans already know Ford is not now dependent on government funds, while 95% of consumers polled by his company know GM and Chrysler are on the dole.

Any ads by Ford along those lines "would absolutely be the wrong thing to do because it would look like they're dancing on GM's and Chrysler's graves," Mr. McNaughton said.

"For Ford right now, the right way to handle this is to stick to their knitting," said one top industry creative with knowledge of auto accounts. "They should say the positive things about the quality of Ford products, as they've made huge strides, and their products are much, much better than ever before." He added: "The PR that they are getting around the whole bailout is doing that job for them."

Of course, there's also the real

chance that Ford may have to stretch out its hand after all if its reorganization plans don't work out.

Ford also felt the brunt of the industry's worst sales in 40 years. Ford, Lincoln and Mercury's U.S. sales plunged 48% to 96,044 units vs. February 2008. And though Ford's retail share had climbed for four months, in February its retail share fell one point to 11.5%, which it attributed to an industrywide drop in full-size pickup sales, a category it dominates.

But if consumers were going to buy a truck, they were likely to think Ford. CNW data show that 32.6% of Americans who intended to buy a GM truck in January or February instead chose a Ford Motor product. Ford had the highest conquest rates from GM among the six biggest car companies and was tops for winning over consumers who initially intended to buy a Chrysler truck.

Even so, the Ford brand still has a way to go when it comes to cars. Toyota and Nissan managed to grab more consumers who intended to buy Chryslers, according to CNW.

With its newfound strength, Ford has also regained its ad swagger. The company is displaying a strong tone of confidence in its launch ads for the second-generation Ford Fusion mid-size gas-powered sedan and first Fusion Hybrid. Ford's Matt Van Dyke, director-marketing communications, said the multimedia blitz, which includes four months of TV advertising that broke last week, tar-

gets the so-called "upper purchase funnel" of people who aren't in the market for a vehicle.

That strategy is the opposite of the one GM, Chrysler and other automakers in the crumbling new-vehicle market have been using, which is to heavily aim at people lower in the funnel, or closer to purchase.

Ford's approach will allow it to build brand equity and demonstrate that when Americans are ready to buy, there will be a Ford in their future. Mr. McNaughton said he likes the straightforwardness of Fusion's launch TV spots from WPP Group's JWT Team Detroit, which highlight fuel efficiency and the vehicle's Sync technology. "People don't want dancing girls; they want facts and information."

The automaker is also taking a different road in trying to wean itself off incentives. "We are zigging while some are zagging in the incentive world, and this is the way Ford Motor Co. is going to build for the future," Mr. Czubay said.

Incentive spending in the industry overall was up \$400 per vehicle from January to February but down \$800 at Ford, said George Pipas, sales-analysis manager for the U.S. at Ford.

"Retail messages with \$5,000 off aren't enough" to woo buyers these days, Mr. McNaughton said. "Ford is taking the higher ground. That's really smart."

CONTRIBUTING: RUPAL PAREKH



## More online

CREATIVITY

■ Creativity-Online.com has all the features of AdCrit.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](mailto:tiezzi@creativity-online.com)

## Send us your picks

Submit your choices for outstanding TV, print and interactive ads to Teresa Iezzi, Editor, Creativity, 711 Third Ave., New York, NY 10017 or e-mail [tiezzi@creativity-online.com](mailto:tiezzi@creativity-online.com).

## CREATIVITY TOP FIVE

This week's episode of Creativity's Top Five features EA Games and Psyop offering viewers a trip to hell by way of the new game "Dante's Inferno"; the Australian Outdoor Awards exhibits its first prize with a billboard made up of 10,000 \$1 scratch tickets; Nike lets us know the PGA parity party is over now that Tiger's back; the Tate Liverpool offers up a online experience that allows users to provide insight and opinion on specific pieces of artwork from its collection; and Claro introduces us to the world's first rodent mobile-phone technology.

## NIKE 'THE GOOD LIFE'

WIEDEN & KENNEDY, PORTLAND, ORE.

Creative director: Hal Curtis. Copywriter: Eric Samsel. Art director: Chris Thurman. Agency executive producer: Ben Grylewicz. Agency associate producer: Melanie Fedunok. Production company: Smuggler. Director: David Frankham. Executive producers: Brian Carmody, Patrick Milling-Smith. Line producer: Youree Henley. Director of photography: Max Malkin. Editorial company: Joint Editorial. Editor: Peter Wiedensmith. Postproducer: Terra Coyles. Post executive producer: Patty Brebner. Visual effects: Mission Control. Flame artist: Mike Quinn. Visual-effects producer: Terry Kirk. Sound designer: Charlie Keating. Musical artist: Leslie Gore. Song: "Sunshine, Lollipops and Rainbows." Mix: Lime Studios. Mixer: Loren Silber. Mix producer: Jessica Locke.



## AUSTRALIAN OUTDOOR AWARDS 'FIRST PRIZE'

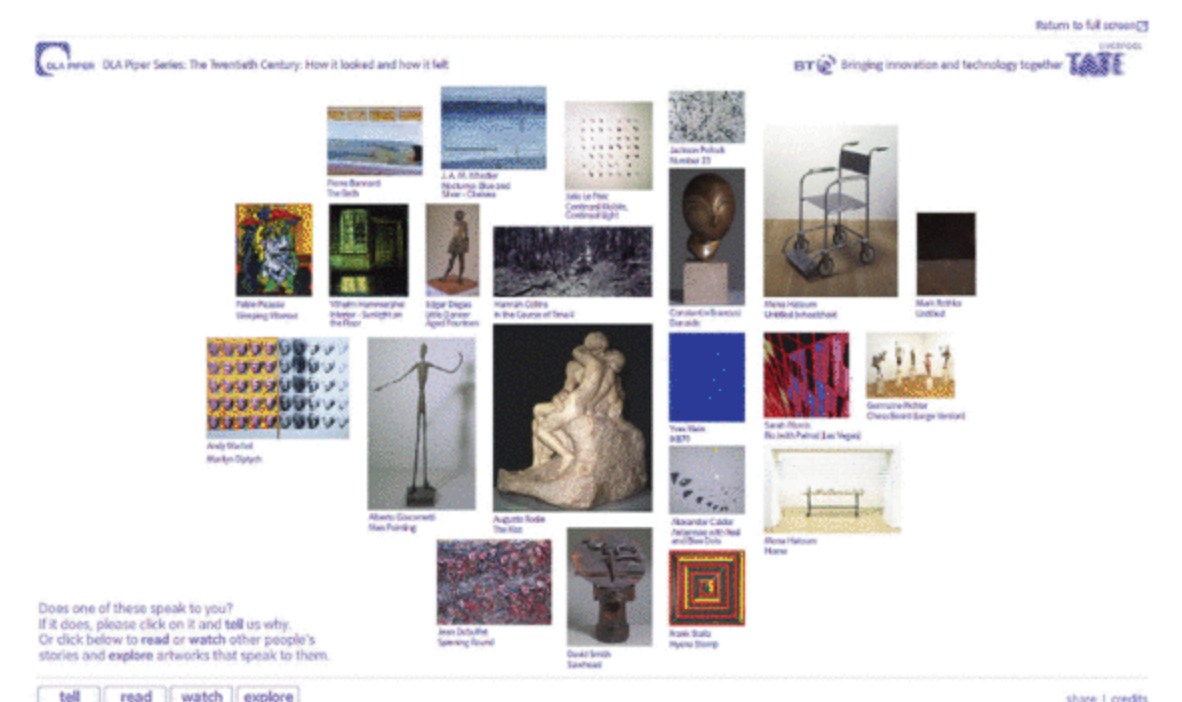
THE GLUE SOCIETY

Creatives: James Dive, Matt Devine.

## EA GAMES 'DANTE'S INFERNO'

G-NET

Creative director-copywriter/executive agency producer: David Moodie. Executive agency producers: David Getson, John Rosenberg. Composer: Garry Schyman. Sound designers: Paul Gorman, David Swenson. Additional titles: Devan Simunovich. Production supervisor: Shelby Hill. Media editor: Alik Griffin. Production company: Psyop. Director: Psyop. Creative director Production company: Eben Mears. Executive producer: Lucia Grillo. Producer: Carol Collins. Design director: Jon Saunders. Storyboard Artist: Ben Chan. 3D Look and Development: Marco Iozzi. Matte painter: Pete Sickbert-Bennett. Technical director: Tony Barbieri, Damon Ciarelli. FX technical director: Miguel A. Salek. Character & Rigging Technical Director: Lee Wolland.



## TATE 'THE ONE THAT SPOKE TO ME'

FALLON, LONDON

Executive creative director: Richard Flintham. Copywriter-art director: Ali Alvarez. Production company: BT Group Marketing & Brand. Interactive director: Martin Percy. Producer: Arjun Singh. Designers: Mark Elwood, Maxwell Harrison.



## CLARO 'GUINEA PIG'

EL CIELO

General creative directors: Ramiro Agulla, Carlos Baccetti. Creative director-Copywriter: Sebastián "Morton" Magariños. Art director: Juampi Curioni. Copywriter: Sebastián Alejandro Blanc. Agency producers: Gonzalo Lemos, Esteban García Ciraldo. Production company: Revolución. Director: Luciano Urbani. Executive producer: Patricio Alvarez Casado. Producer: Marcelo Diovodio. Director of photography: Cristian Cottet. Postproduction: Bitt Animation. Music: Papa Music. Sound: No Problem.



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**TIM KRING**

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NBC's Emmy nominated show, "Heroes"



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**SIMON CLIFT**

Chief Marketing Officer  
Unilever



"Before they figure out where to put their money, your marketer clients will hire and fire agency after agency, seeking someone, anyone, who can tell them where they might go next."

**JOHN STRATTON**

Executive Vice President and  
Chief Marketing Officer  
Verizon Communications

**ALSO SCHEDULED TO SPEAK:**



**Henry Blodget**  
CEO  
Silicon Alley Insider



**Sheryl Sandberg**  
Chief Operating Officer  
Facebook



**Fred Wilson**  
Partner  
Union Square Ventures



**Torrence Boone**  
CEO  
Enfatico



**Michele Azar**  
VP Emerging Channels  
Best Buy



**Lucas Watson**  
Global Team Leader,  
Digital Business Strategy  
Procter & Gamble



**Joe Rospars**  
Founding Partner, Blue State  
Digital and Former New Media  
Dir., Obama for America



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**Jen Walsh**  
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Digital Media  
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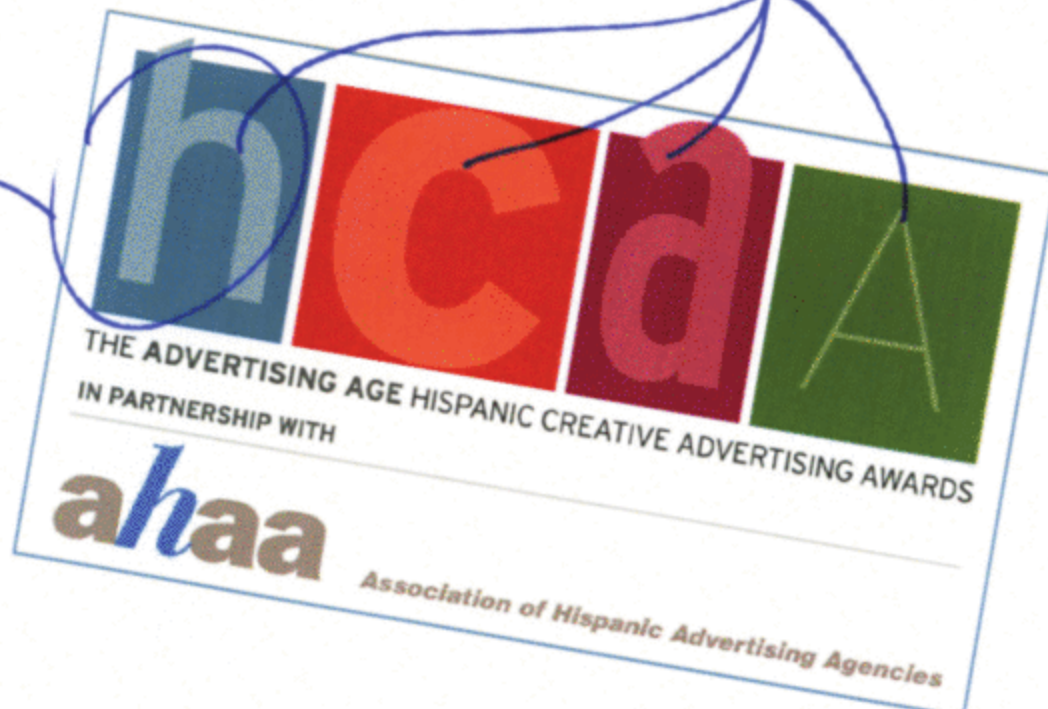
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### KINGS OF THE WILD FRONTIER

From agencies like AKQA to media owners like ESPN and marketers like Unilever: Our A-List looks at the best in digital **P. 49**

(FROM L.):

Ajaz Ahmed, AKQA; Vivian Schiller, NYTimes.com; Tom Bedecarre, AKQA; Penry Price, Google; Eric Johnson, ESPN; Dave Baronoff, Bad Robot; Babs Rangaiah, Unilever; Mark Beeching, Digitas



#### THE WEB ISN'T AN AD MEDIUM

Matthew Creamer asks whether we're all missing the point when it comes to the web **P. 3**

#### BUY HOLDING COMPANY STOCK NOW

Bradley Johnson's data shows that the agency conglomerates are ahead of the curve **P. 8**

#### GET THE MOST FROM YOUR ONLINE ADS

Still running that web silo? Maybe it's time to integrate the geeks into the mainstream **P. 13**

#### KNOW YOUR SMO FROM YOUR AJAX?

We answer your questions on video, mobile, social media, search and much more **P. 36-48**

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