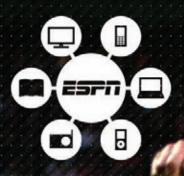
volume 2 La te s p r ing

tacking media options in the age of technology

FEATURE STORY:COMMENTAIN:Looking for
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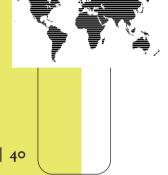
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This issue's cover story talks about how technology is transforming our notions of media — in terms of its consumption, delivery and measurement.

Bob Liodice, President of the ANA (Association of National Advertisers) in New York, recently opened his organization's Brand Innovation conference with the following remarks that put the impact of technology into the clearest perspective I've yet heard:

"Today the stakes for marketers are higher than ever — because building brands has become trickier than ever as a result of technology's impact."

According to Bob, "More than anything else, technology has had a huge impact on marketing. Some say that marketing has changed more in the last 5 years than in the previous 30."

He outlines four key areas:

I. Technology has put the consumer in control. Today, consumers can get marketers' messages when they want them, how they want them — and, most importantly — if they want them at all. The growing impact of TIVO and DVR's, satellite radio, do not call lists, and the ad-blocking power of the Internet shows that the rules of this game have indeed changed. In many instances today, the consumer actually wants to be left alone. "Give me the tools and get out of my way," is the new consumer cry.

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The Internationalist View: Marketing's New Era of Technology Transformation

2. Technology has changed the media landscape. It has spawned a vast array of new media alternatives and distribution channels or "connection channels," available through the Internet, podcasts, blogs, social networking, Ipods and mobile. Even traditional media have been affected as video-on-demand, IPTV, addressable television, high definition, outdoor digital technology and overall interactivity have profoundly influenced the landscape.

3. Technology has changed how marketers manage brands and build brand equity. Entrenched brand loyalties that were once considered "givens" by product managers, are now being challenged by consumers' extraordinary access to information through technology.

4. Technology has completely transformed the marketing measurement platform. That which was once considered to be beyond the scope of quantification has bowed to the reality that everything can, in fact, be measured. These phenomena — all influenced by technology — are forcing marketers to re-think the whole process of marketing ... and to literally reinvent it for a new era.

For Bob Liodice, those marketers who have transformed their brand franchises by transforming their business systems, their branding, their media strategy, their product quality, their analytics and their people have also transformed their financial results.

Interesting what the net effect of embracing technology can be.

We'll hear more of Bob's views about how marketers have to adapt to technology in our next issue.

You can reach him at rliodice@ana.net

Deborah Malone, publisher

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4	Le Monde (France)	12.5%
5	Neue Zürcher Zeitung (Switzerland)	12.1%
6	The New York Times (U.S.A.)	8.1%
7	International Herald Tribune (France)	5.2%
8	The Asahi Shimbun (Japan)	2.6%
9	El Pais (Spain)	1.9%
10	Corriere della Sera (Italy)	1.3%

Medienhilfe (1,000 respondents: executives, po and advertising professionals in 50 countries) ians, university lecturers, journ

Better cost performance (CPT) Data source: Circulation: "ABC Report of Jan-Jun. 2002," *Full page, morning edition, B&W published rate as of June 2003 (US\$1.00=JP¥120)



For more details, visit: adv.asahi.com/english/



Where Japan looks for media information all day.



Starbucks Advertises in U.S. Newspapers

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Starbucks has built its brand without traditional advertising, relying instead on its many storefronts and customer experience as the

hallmarks of its marketing. But a slowdown in store traffic which has corresponded with a slowing of the U.S. economy is changing the Starbucks view on advertising.

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On April 8th, the chain introduced its milder "Pike Place Roast" coffee with 30-minute giveaways in stores. Starbucks announced the free offer through a series of full-page newspaper ads throughout the U.S. that showed an outline of one of their paper cups and the date: 04 08 08. The coffee retailer is now building on these ads in some markets with newspaper inserts that promote a new loyalty program.

There is a feeling among the business community that Starbucks may have grown too fast in the U.S. with their 7,100 stores and that the chain needs to re-think its strategy. According to TNS Media Intelligence, in 2007 Starbucks spent \$37.9 million on ads in the United States; however, this April launch of "Pike Place Roast" and the ensuing loyalty program looks like their most extensive advertising effort yet.

It will be interesting to gauge the results of the current newspaper expenditure and to see if other markets outside the U.S. will follow a similar advertising strategy. HTTP://WWW.STARBUCKS.COM/FLASH/PIKEPLACEROAST/INDEX.HTML

W Hotels Offers Greener Option

April 22nd marked Earth Day this year, with more acknowledgments and green-conscious tie-ins than ever before. W Hotel Worldwide offered a number of earth-friendly promotions, including a program with Puma bicycles. Guests would be provided, free-of-charge, Puma bicycles and helmets as

> an alternative to cars. Other programs include a "Spring Fling Package available through May 26, which donates 100 trees to the Trees of the Future organization. And in an effort to further reduce carbon footprints, W guests can opt for the "Green Wheels" limousine service which only operates luxury hybrid or ethanol-powered vehicles at the same price as other cars.

U.S. Wealth Study Points to Shift from "Want" to "Need"

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According to The Second Annual Survey of Affluence & Wealth in America, produced by American Express Publishing Corporation and Harrison Group, affluent families now employ smart online shopping habits while exhibiting a concern for the economy. The survey discusses a shift from America's "I want" economy to an "I need" economy, which demonstrates a new concern to compare price, quality and value.

The 2008 survey sampled some 1,800 consumers in personal interviews who represent 10% of the U.S. population, or roughly 12 million households. This group has an average of \$352,000 in discretionary annual income and accounts for 50 percent of U.S. consumption and 70 percent of all assets. In addition to surveying the three core 2007 segments — the Affluent, Super-Affluent and Wealthy, the 2008 survey includes a representation of an additional seven million Upper Middle Class households, who account for about six percent of all U.S. households.

Key Highlights of the Survey:

The overwhelming majority (70%) of respondents use the Internet to identify, price and compare and sometimes buy significant fashion and home purchases online. The remaining 30% prefer to shop alone, in-store with a knowledgeable salesperson.

Savvy purchasing can increase the value of household income by more than 35%, freeing up in excess of \$100,000 annually in additional after-tax cash flow. In households where the wife does not work, the money she can save from intelligent shopping is often greater than what she might make working, after taxes.

The day-to-day running of upscale households is often managed by the female head of household. Women, working or not, run the purchasing arm of the American economy. Eightyone percent of respondents (males and females alike) said the primary responsibility for buying supplies, including groceries, household necessities, apparel and high-tech needs, is handled by the wife, compared to 26% by the husband.

The children are deeply involved because parents value their opinions and the shared experience of decision-making. Parents are teaching their kids about the value of money and intelligent purchasing. And parents learn that their kids are often more familiar with brands, particularly luxury brands, because they have been exposed to them throughout their lifetime.

Nearly 60% of the respondents representing the wealthiest of this group said they are "concerned about my children's work ethic because they have grown up with money."

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Absolut Border Crossing

Territorial boundaries have been subjects of conflict and since the beginning of human history, and recently they also factored in some local advertising with unintended cross-border connotations.

Swedish Vodka-distiller, Absolut, with TBWA, has been running a global campaign called "In an Absolut World" since May 2007. One execution depicts a modern couple with a pregnant husband and svelte wife; another shows a politician with a Pinocchio nose that visibly grows longer with each lie. The goal of the campaign is to challenge the status quo by offering a different view of the world.

Mexico City's Teran/TBWA took that brief quite literally and in April created poster and print ads for their local market that they believed would engender some Mexican pride. They did not anticipate that even in today's global,

Phones in Flight

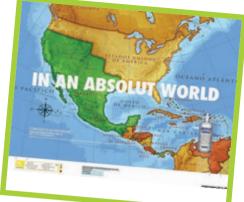
In mid-April, regulators in Brussels approved a plan to allow European airlines to authorize mobile phone usage in planes by summer. Some tests are underway now. In the Middle East, Emirates, the largest carrier, already permits phone use on their route from Dubai to Casablanca, and plans to extend the mobile program to their entire fleet. The U.S., on the other hand, continues to ban cell phones on flights, largely because a majority of passengers prefer to keep planes as a last haven from constant phone access.

Air France is among the first to test the satellite technology that allows passengers to use their mobiles at cruising altitudes without interfering with aircraft controls or navigation. Ireland's Ryanair will start the mobile program with 20 aircraft before making it systemwide, but they are looking to control the service so that it can become an additional revenue stream. As a discount carrier, Ryanair tends to attract younger passengers who are used to constant mobile access and operates flights that are busy with selling activities, so they do not see the typical complaints about mobile usage as affecting them. Lufthansa, however, will not offer mobile service due to passenger preference for quieter flights.

Given some of the mixed feelings about phone usage on planes, it will be interesting to see if the availability of the service becomes a marketing ploy during the busy summer travel season — in the way that the first flat-bed seats created a flurry of competitive advertising. The customer benefits of phone access, though, may not be able to overcome the belt-tightening issues now associated with combating higher fuel costs. digital world the message would cross U.S. borders to anger many Americans.

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The Mexican "In an Absolut World" execution featured a 19th



century map of North America

which reflected the U.S.-Mexico border at a time when Mexico historically had a larger portion of real estate. Prior to the Mexican-American War (1846-1848), Mexico's territory included the present U.S. states of California, New Mexico, Utah, Colorado, Arizona and Texas. And it is no secret that most of those states are facing issues today with Mexician illegal immigration. According to an official response on the Absolut website, "the ad was created 'with a Mexican sensibility' and was not meant for the U.S. market."

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Although it was never shown outside of Mexico, U.S. bloggers and media outlets from CNN to the *Los Angeles Times* picked up on the ad, which fueled further anti-immigration tensions and angry boycotts of Absolut products. Absolut not only apologized and pulled the ad, but the AbsolutAds website suggested that people could buy limited copies of the one-time execution on eBay. (Internationalist checked eBay and found that the winning bid for the Absolut World Mexico poster was \$81, sold by someone in Monterrey, Mexico. No posters are left.)

The *LA Times* offered an online survey about the ad, which drew nearly 67,000 responses. The majority (almost twothirds) agreed with the second statement about the ad being "an affront to Americans." The questions from the survey follow:

What do you think of the Absolut vodka Mexico ad? \bigcirc The ad is great. I'll buy Absolut vodka.

- The ad is an affront to Americans. I'm going to boycott the product.
- \bigcirc It's funny.
- \bigcirc It's stupid.
- \bigcirc Who cares?

Perhaps the Absolut Message here is that no matter how local the execution, no one should forget that we now live in a global world.

Making Media Creativity Count

It has often been said that Donald Gunn has "the best job in advertising." Many will remember that after 30 years at Leo Burnett, he started the Gunn Report in 1999 as the most comprehensive ranking of creative awards. His goal was to demonstrate agency excellence and link great creativity with advertising effectiveness. The Report, which appears every November, now includes the online and interactive categories, and constantly expands the number of countries and award shows that contribute to the secret mix of pointscoring to produce a winning formula.

In 2004, a companion idea, The Gunn Report for Media was introduced to evaluate global media creativity by ranking the most-awarded campaigns, agencies and advertisers in media competitions across the world. This annual April Report ranks agencies on a point system, in a manner similar to the Creative Report, based on the number of awards won at significant competitions around the globe. The Report also underscores how innovative and creative media ideas contribute to effective brand-building.

In an extraordinary run since the inception of the Media Report, OMD has maintained the #1 spot as most creative media agency. This year, it has also significantly outscored the #2 agency by a wide margin; OMD totaled 234 points, while Mindshare, the second-ranked media agency, scored 110 points. (Interestingly, Omnicom agencies also consistently lead the Gunn Report ranking in terms of creativity... which has caused more than one blogger to wonder if Omnicom owns the Gunn Report. It does not, although it is sponsored by Procter & Gamble. Donald Gunn's results, though, are rarely challenged)

In an industry that thrives on accolades, the results from the current Gunn Report for Media are painting a changed picture of the world. The country ranking tells a fascinating story, particularly in that the #5 market in media creativity is India, followed by #6 Argentina and #8 China.

CHTTP://WWW.GUNNREPORT4MEDIA.COM/08/

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The Wall Street Journal

The first copies of *The Wall Street Journal* rolled off the presses in London during the early hours of Wednesday 16 April 2008.

The U.S. edition of the Journal is now on sale at around 250 newsagents in central London, including the City, the West End, Canary Wharf and Heathrow and London City airports, for a cover price of $\underline{f}_{2.50}$.

Available Monday to Friday, the U.S. edition is printed alongside the European edition at the Newsfax International Ltd. print site in East London and is distributed to retailers and subscribers before 7am each day.



On 21 April, the BBC World

channel was renamed BBC World News. The change follows research that demonstrated how the new brand name would be more effective in conveying the content of the channel to audiences. While the new name reflects the channel's commitment to providing quality, international news, BBC World News will continue to show program such as Click and HARDtalk, as well as popular weekend documentaries. The name change is accompanied by a refreshed channel logo and new on-air graphics.

Logo Co-Creation? Scion Offer Coats of Arms

The Toyota Scion, the trendy and affordable hatchback that has been a hit with Generation Y, now has another element in its guerrilla marketing arsenal: do-it-yourself Coats of Arms. Scion owners can go to



www.scionspeak.com to design the latest form of self expression: usergenerated art that showcases a driver's personality and interests to be sported on

his car in the form of a custom-made crest. Creating the personalized coat of arms is free; having it made into a window decal or painted on the car by a Scion body shop comes with a price tag.

Scion enthusiasts can create their coat of arms by choosing from hundreds of downloadable images — ranging from sports symbols to hand gestures to animals to flowers and even wings and crowns for the more nobly-inspired. All of the possible crest images have been designed by a singular graffiti artist, which offers some similarity in look to the individualized coats of arms. Creations can be posted on the site — even if they do not wind up being airbrushed onto a Scion xB.

Toyota has been successful in marketing the Scion with guerrilla strategies which have included viral websites that promote artists and events, ads in movie theaters that direct customers to game sites like want2bsquare.com (which plays off the Scion's box-y look), and sponsorship of the online broadcast network VBS.tv's Thumbs Up!, a streaming, original show about hitchhiking across the U.S. As a result, Scion has also been successful in attracting eager, younger purchasers. According to Wikipedia, the media age of a Toyota buyer was 54 years old in 2007. The Scion buyer's median age is 39 years old, which is the youngest in the industry.



TIME's Commitment to Being Green Inspires a Historic Green Border

TIME's thrid annual environmental issue is "a historic first: for this one issue, we've exchanged our trademaked Red Border for a green one. By doing so, we are sending a clear — and colorful — message to our readers about the importance of this subject, not just to Americans but to everyone around the world as well." — Richard Stengel, *TIME* managing editor, letter to readers.

The issue was full of features that underscored the importance of the climate crisis, including the viewpoint of Ban Ki-moon, the Secretary-General of the United Nations and U.S. presidential Candidates' positions on the environment.

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Frames from "Signatures," the Grand Prix Winner, of the new IAA Corporate Responsibility Awards.

Amnesty International Wins Responsibility Grand Prix

The International Advertising Association (IAA) and Social and Social Construction (IAA) and Soc

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Communications. The IAA Responsibility Awards were created to stimulate the advertising industry's commitment to responsible communications and demonstrate the powerful contribution this community has already made toward worldwide issues of Environmental and Social Responsibility.

Selected from over 500 entries, the top prize was awarded to Amnesty International for a film execution called "Signature," created by TBWA\Paris. According to Bob Scarpelli, President of the Jury, "Sometimes we may think that signing a petition doesn't make a difference, but it may help save someone's life. A powerfully insightful film, brilliantly brought to life."

Hervé De Clerck, IAA VP-Corporate Social Responsibility and Founder of ACT Responsible, may have summed up the significance of this new award in his speech at the presentation ceremony:

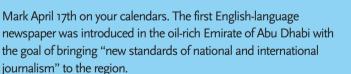
"A student asked me the other day if I thought Advertising could save the world! I answered: 'Maybe it can save the world, but it can also ruin the world.'

"We have a great responsibility in this world because we have the power of the word, the power of the speech. And speech can pollute also. Maybe even more than products. Words can pollute the minds. Everywhere we are accused of stimulating overconsumption that threatens our health, our society and our environment. What are we doing about this?

Car companies invest in safety, Chemical companies in life science, Oil corporations in renewable energies, Food companies in healthy living, Plastics in recycling, Paper companies in reforestation, Why do the Advertising companies invest so little of its talent and money in social and environmental awareness? It is time to face our responsibility and invest in where we risk to pollute most. It is time to assess not only the efficiency of our campaigns but its social and moral impact; short, medium and long term. It is time to develop a 'carbon free' approach to commercial communication.

The IAA welcomes all parties who want to contribute to this great goal of becoming the first industry to offset its mental footprint. And Yes, Together, we can save the world!"

Abu Dhabi Debuts The National, First English-Language Newspaper



Lead by former Daily Telegraph editor, Martin Newland, The National is owned by the Mubadala Development Company, an investment and venture capital arm of the government through its Abu Dhabi Media Com or ADMC division, which is led by the crown prince, Mohammed bin Zayed al-Nahyan, who represents one of the wealthiest ruling families in the region. A broadsheet, The National will be printed six days a week (Sunday to Friday) and will be 80 pages in size. The paper has recruited a team of 200 journalists, and counts among its staff a number who have worked at The New York Times, The Wall Street Journal, The Times and The Daily Telegraph. It also boasts 30 foreign correspondents.



The National's goal of attaining a 30% advertising/70% editorial ratio has already been

achieved. It has a longer-term plan is to break-even in 5 years. With a subscription rate of USD\$110 per year, The National has 30,000 trial subscribers and is printing 80,000 copies per edition.

Also in April, the Financial Times introduced a Middle East edition with editorial offices based in Abu Dhabi. Within the seven-emirate federation, the UAE has four English dailies based in neighboring Dubai; they include: Gulf News, Khaleej Times, Emirates Business 24 and 7Days.

Abu Dhabi is the largest of the royal territories that comprise the United Arab Emirates/UAE. Recently it has been raising its profile as an international center of investment, tourism and architecture and the arts. No doubt, The National can help to reflect that view to the world at large.

Allyson Stewart-Allen

Allyson Stewart-Allen is recognized as the world's leading authority on trans-Atlantic business, international marketing and working across business cultures. As founder of International Marketing Partners, Allyson Stewart-Allen advises a number of Fortune 100 companies and national government agencies. An American based in London and Los Angeles, she is a member of the Advisory Board of the New York-based organization Business for Diplomatic Action (BDA), and a judge of the Stevie International Business Awards Co-author of the first book on U.S. business (Working with Americans, Prentice Hall), Allyson Stewart-Allen is a regular contributor to the international business media including CNN, BBC, USA Today, Newsweek, Business Week, Les Echos, Bloomberg, Financial Times, Sky News, Wall Street Journal, Marketing magazine as well as the major daily newspapers.

Masstige Brands: the Democratization of Luxury

We all know that P.O.S.H. is an acronym often used in this world of luxury marketing, but I bet you never knew that "MASSTIGE" could also be an acronym – any guesses? How about "Marketing And Salesmanship Surely Tempt Intelligent and Gigantic Ego's" or "Marketers Always Seduce Shoppers To Instigate Great Expenditure"?

"Masstige" as a marketing concept in the world of luxury brands is relatively new, aiming to bring consumers into the market who may not otherwise think they could enter it. Creating ranges accessible for the mass market which stay true to the luxury brand's heritage is a tricky business.

But why are we seeing "masstige" as a growth strategy for so many luxury and mainstream retailers alike just now? There are a number of psychographic, sociological and demographic factors all colluding to push luxury brands in this direction:

- Disposable income: amassed wealth of the baby boomers fuelled by smaller families/fewer kids, less time to spend the money, feeling they've earned the right to upgrade, have more intense experiences
- Boredom with, and lack of differentiation amongst, household brand
- Trading-up no longer seen as self-indulgent, at least in Europe
- Most developed nations' mass affluent are at the top of Maslow's "Hierarchy of needs,"seeking new ways to self-actualize
- Looking for authenticity, provenance, expression of place/localness in an anonymous, homogenous global village
- Need ways to express ourselves in meaningful ways: communicate our individual tastes, experiences and brands (often luxury brands) are our vehicles

So who's credited with doing "masstige" well? Many of the brands we know and love, including Abercrombie & Fitch, Banana Republic, Calvin

CONTACT: allyson@intermarketingonline.com

Klein, Coach, Dooney & Bourke, Emporio Armani, Ralph Lauren, Target stores, Tiffany, Tommy Hilfiger, Whole Foods Market and Williams Sonoma. And what does nearly every name on this list, have in common? They're American, the land that knows so well how to democratize anything, including luxury.

The US is comprised of aspirational consumers, posing some real dilemmas for luxury brand executives, asking themselves: how do we widen the current customer base and keeping the current customer base? How do we invest more money oand simultaneously find cost-out opportunities? How do we innovate/ differentiate and standardize? Be both market and product driven? Act global and local?

The trick to managing these dilemmas is to watch the industry landscape and its architecture, see how it dis-integrates, dis-intermediates, recognize that value migrates to different parts of the chain over time, and big players often fail to see this or fail to respond to how their sectors are changing.

Watching trends affecting the masstige movement is critical. Some very good examples from charted by www.trendwatching.com and *Trendhunter* magazine include:

- The expectation economy: An economy inhabited by experienced, well-informed consumers, whose expectations are based on years of self-training in hyperconsumption...
- (Still) Made Here: encompasses new and enduring manufacturers & purveyors of the local. In a world seemingly ruled by globalization, mass production and 'Cheapest of the Cheapest', a growing number of consumers are seeking out the local, and thus the authentic, the storied, the eco-friendly, and/or the obscure...
- Trysumers: Freed from the shackles of convention and scarcity, immune to most advertising, and enjoying full access to information, reviews, and navigation, TRYSUMERS are trying out new appliances, new services, new flavors, new

authors, new destinations, new anything with post mass-market gusto...

- Status stories: consumers will increasingly have to tell each other stories to achieve a status dividend from their purchases. Expect a shift from brands telling a story, to brands helping consumers tell status-yielding stories to other consumers Some excellent examples of new masstige products and services giving consumers conversation starters that let them express their personal status stories include:
- Hubwear sells t-shirts that display a wearer's favorite travel routes in airport codes (think JFK, AMS, MIA, HKG and so on). All shirts tell a story.
- My DNA Fragrance makes individual fragrances by incorporating their clients' DNA. The company sends customers a home swab kit to collect the DNA sample, which they then use to create the perfume. Soon to follow: lotion, bath products, and shampoo & conditioner.
- Eleven Forty Co. cuff links are individually modeled on photographs of a child, a loved one, a pet or a famous role model. They're available in a range of precious metals and are priced from GBP 225. When they're not gracing a shirt cuff, the two halves cleverly snap together to create a miniature bust.
- Japanese Yosimiya is selling bags of rice printed with a newborn's photo, name and date of birth. The bags are shaped to resemble a swaddled baby. But the key feature is that the bags contain the baby's exact weight in rice. Holding the bag will therefore feel like holding the baby.
- Taking a cue from the travel industry, hip stroller manufacturer Bugaboo has mapped out 20 Bugaboo-friendly daytrips for adventurous parents. From their site: "Discovering foreign countries, making new friends, tasting exotic dishes. After becoming a parent, this doesn't need to stop.

So there are a lot of options for luxury brands to innovate and capture value in the migrating chain, but you have to know where value is placed by your customer, and then have the organisational resources and capabilities to extract it. It can be done, it just takes good customer knowledge and planning.



agency CEOs ponder the future

The 41st International Advertising Association (IAA) World Congress in Washington, D.C. in early April, provided a platform for a number of advertising leaders to offer their views of the future of the advertising agency. The perspectives of three CEOs are presented here.



Photo by Doug Goodman, doug

"It is fitting that we are meeting here in Washington. What better place than the capital of American democracy to come together, debate the issues that challenge us, exchange new ideas, and work toward a bright future for our industry? That is the democratic spirit at its best.

At the IAA meeting in Dubai in 2006, I talked about our need to go beyond the traditional definition of the advertising agency. I am sure you will agree that a business model in which the agency's sole function is to create advertising and buy media on behalf of clients is no longer viable.

Indeed, we need a new business model. Concepts such as 'Media Neutral' and 'three sixty-degree communications' have worked effectively, but I believe the new business model for agencies must reach beyond these concepts.

The agencies of the 21st century need to develop relationships with clients where both parties share risks and

Dentsu's Mataki Advocates An Agency of Entrepreneurs

rewards equally in true partnership, transcending the traditional agency/client relationship.

And if we agencies are to become equal business partners with our clients, then we must be proactive. Rather than simply accepting and implementing assignments, we must go out and create value.

To win new business, we at Dentsu have gone beyond simply providing traditional client services. We have sought to create 'New Values,' such as new platforms for communications and new disciplines for business. And we match these platforms and new disciplines with clients and media.

This kind of change simply cannot be mandated from the top down. 'New Values' are possible at Dentsu because we are, at heart, a collection of 17,000 entrepreneurs...

Entrepreneurs who challenge themselves to manage change courageously, take risks, and create unprecedented new values for our clients. Dentsu's entrepreneurial spirit was not born yesterday. Our fourth president, Hideo Yoshida, who was known as "the demon of advertising," laid the foundation for Japan's current advertising and marketing industry during his tenure from 1947 to 1963. 'President Yoshida's 10 Principles,' created provides the source of our entrepreneurship that still resonates with every one of our 17,000 entrepreneurs.

At Dentsu, entrepreneurship contributes to our organic growth. I have to tell you that in Japan, just as in America, entrepreneurs have a reputation for being out-of-the-box thinkers. They are insightful, original and innovative business partners whom their clients trust without reservation.

American society has always valued entrepreneurship and inspired great entrepreneurs. My only hesitation is that sharing our way of thinking may lead to more competition for us! But as any true entrepreneur would agree, competition drives us to greater heights of innovation, and that is always to be welcomed."

Publicis Groupe's Maurice Lévy Answers "What's Next?"

With characteristic French charm and understated humor, Maurice Lévy offered the industry a vision of the future of the ad agency. Making reference to the paradox, "The King is Dead; Long Live the King," Lévy acknowledged that the current agency model may be under pressure and "close to broken," but he believes that the best is yet to come. At the core of his vision is a new model of the advertising agency, an organization he calls "the most important partner of advertisers to create, sustain and develop value for the sales of products and services."

For Lévy, the attributes of the successful agency include:

- Neutrality in putting the client's best interest first
- Knowledge to provide understanding beyond statistics and demographics that reach into the hearts, minds and souls of customers
- Understanding the brand and its relevance to the consumer
- Combining metrics and emotion and idea best return on involvement and investment
- Growing talent that is diverse and "liquid" enough to move quickly, grasp change and understand the moods of consumers enough to provide the right message.
- Visionary clients who are not led by number-crunchers and procurement Lévy acknowledged that the best



solution for agencies is to be paid for performance. He said, "We must invest in this new world to help our clients, and our clients must invest in the future and in us."

Lévy concluded by saying: "I honestly believe we are the agency of humankind, and advertising can make the world a better place — or at least contribute to that goal. Despite some great challenges, the best is truly yet to come."



Euro RSCG's David Jones Affirms "Being Good is Good"

According to David Jones, CEO of Euro RSCG Worldwide, an era of "greed" is now being replaced by an era of "green" and of "good."

Citing the 1980's film Wall Street, starring Michael Douglas, whose theme of "greed is good," influenced a decade, Jones underscores just how dramatically the world has changed. "The biggest trend affecting today's marketing world," said Jones, "is that being good is good." And being good today means embracing both green and socially responsible issues.

A survey by his agency to 2000 consumers the U.S., the U.K., and

France, showed the following trends:74% of those surveyed felt that companies can do more than governments to affect social change

- 84% felt that initiatives for the common good should be a company's norm, rather than something added or special
- 80% believe that they can censure unethical companies by boycotting the purchase of their products
- 43% have actively looked for information about a the reputation or ethics of a company
- 29% admitted that a non-branded blog or forum has altered their behavior with a brand

David Jones has 7 tips for creating strong and relevant advertising in this consumer-sensitive arena:

- **Be relevant.** Play in the intersection of what is a genuinely credible role for the brand and the real issues that consumers care about.
- **Be real**. Make credible claims about product attributes that are available now not in the future.
- Green or Good is not a tactic. It is at the heart of the business.
- Be creative and engaging.
- Be differentiated.
- Give people a clear role to play.
- Act before somebody acts on your behalf.

Unmask Japan



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The Infinite Circle of Commerce

What happens to marketing and advertising when their basis for existence fundamentally changes?

Something truly fundamental on an historic scale has changed when it comes to marketing and advertising: the consumer is becoming knowledgeable. It is worth reminding ourselves what precisely has changed.

For most of human history, people lived in small trading communities bounded largely by how far one could travel (usually walk) back home in a single day - a "circle of commerce." Let's take a step back in time and think about a perishable farm product such as eggs tounderstand what has changed in our time. The egg-selling farmer in the village sold his eggs to those who lived within his circle of commerce. Sure he may have had competition from other nearby egg-sellers, but consumers likely used other factors to decide from whom to buy. If the consumer felt that basically all the different kinds of eggs sold by the very few local egg-sellers were good enough, then a short walk to the egg-seller three farms away might outweigh walking to get eggs from someone three miles away. Also, the consumer might feel a sense of social obligation to buy from their immediate neighbor than from someone with whom the social bonds are looser.

And, consumers were largely competitive-price unaware. So, we have at play here a few important factors to keep in mind when it comes to traditional commerce: (1) the geographic radius of the circle of commerce, bounded by distance and available transportation, (2) the importance of social bonds, and (3) consumer ignorance on price and choice.

Let's skip ahead in time to a town with a bustling market. The variety of products available to the consumer is now hugely greater. Advances in exploration/ transportation have created a much wider trading circle of commerce. The sophistication of the consumer has grown, with a concomitant rise in expectations about what the market might offer next. Advances in transportation might mean to the egg-seller that new varieties of eggs from much further afield are now competing against their own product. Competition is now real, as the egg-seller's stall sits right next to many others.

Again, we skip ahead in time. The market town has grown into a major city. The variety of products available is enormously greater than in past and there is no way the busy consumer can discover all that is new. For eggs - a perishable commodity — the rules of transportation (time and cost) might mean that a global market for eggs makes less sense. But for manufactured goods, the market now becomes truly large, and competition, therefore, starts to exist within the radius of a much larger circle of commerce. It is in this context, that the marketing/advertising industry (integrally bound up with "media") really hits its stride. With masses of befuddled consumers trying to decide between one purchase or another, someone has to be the "middleman" trying to make sense of it all ... bridging the producer to the consumer with information and interpretation. The ignorance of the consumer creates a market "friction" ---compounded by the realities of transportation, among other challenges. This inherent "friction" of imperfection in the markets is the key underlying basis for the modern marketing/advertising profession and, indeed, of economics. The consumer needs help learning about what is available and the producer needs help reaching the consumer. It is not a frictionless economy and it is one that requires lots of traditional marketing and advertising.

Enter our transitional age.... Today's technology (particularly theso-called Web 2.0) means the circle of commerce has almost no outer limit and consumers have a nearly full variety of choice (with all the related expectations) and price-awareness. This is a TRULY



FUNDAMENTAL CHANGE. Marketers must realize that the newest class of "middlemen" will be those who gather information on available choicesand compare them on behalf of consumers.... In such an environment, the psychological or physical packaging of products or services - counting on consumer ignorance or laziness - will not as easily apply. Trusted relationships with consumers established through great products, perceived value, and social bonding/loyalty will increasingly triumph over "b.s.", however creative. The circle of commerce is becoming nearly infinite and players in a marketing and advertising industry built upon the presumed ignorance of the uninformed consumer will fade away unless they embrace the changes made possible by technology. We are at a turning point. Those who do something about it first (including truly experimenting with different strategies and business models) will be the ones who thrive. If you are up for the challenge, the opportunities are, dare I say, historic.

James P. Clark is founding chairman of the World Technology Network (www.wtn.net), a global association of over 1,000 of the peer-nominated, peer-elected most innovative people in science and technology and related fields elected annually through the World Technology Awards. He also runs Cogito Strategy (www.cogitostrategy.com), a consulting firm focused on co-creating innovative solutions for and with businesses, non-profits, and philanthropists.

The current main theme of his work and subject of his most recent presentations is "How the 21st Century will be Different than the 20th and How it Won't (and How We Think About the Future and How We Don't)".

Contact James P. Clark at jpclark@cogitostrategy.com

GLOBETROTTERS



This GLOBETROTTERS column is designed to keep the international community connected. Not only will it spotlight who is where in the world now, it will also describe the adventures we all experience by living a life of constant worldwide travel. If you've ever been hijacked, stuck in a revolution or committed an unforgettable cultural faux pas, everyone in our community will be curious to hear about it. Please do tell us, and don't forget the photos!

TO SUBMIT TO GLOBETROTTERS, EMAIL: deborah.malone@internationalistmagazine.com

BATHROOM ADS WORK!

▶ Ian McClusky, Publisher of *World City* magazine in Miami sent this in about Eliane Nobile who had been the ad sales director of American Airlines' *Nexos* magazine for 10 years. (Eliane now sells in-flight media for a group out of Canada and handles the Latin American region.) Ian felt that Eliane's story "just goes to show that there is no limit to the creativity in advertising and there's a surprise around every bathroom stall."

Elaine and her boyfriend recently purchased 130 acres of land in the mountains of North Carolina, which they are re-selling in lots. When Ian asked her how the found the land, she said they were driving through Brevard County, when they stopped at a truck-stop. Her boyfriend went to the bathroom and when he returned, declared. "I just found a great real estate agent." The agent in question (a couple actually), had written on the bathroom stall wall "For a great real estate agent, call XXX and XXX at 222-2222." Eliane's boyfriend figured that, if the guy was clever enough to leave an ad on the bathroom wall, then he must be good. Sure, enough, they called and, according to Eliane, this real estate is awesome. For one of those lots, CONTACT: eliane.nobile@yahoo.com.

For other great industry stories,

CONTACT: imccluskey@worldcityweb.com.



MAKE MINE A PONK! (Pronounced "Punk")

Tim Love, Vice Chairman of the Omnicom Group, was recently in India for business. Meetings extended to a late-evening dinner, and when drink orders were taken, a new member

of the creative team ordered a Rum and Coke. The Mumbai agency veterans at the table were aghast. Not because many Indian Hindus abstain from alcohol, but because Omnicom's BBDO is Pepsi's agency, and there is a keen loyalty to the brand among staffers, especially in public and in front of the New York brass.

Tim got to thinking that Rum drinks are probably among the most popular in the world given the growing conditions for sugar cane, and he also wanted to make the new executive feel welcome. He asked the group if India had its own rum brand, and learned that locally-produced Old Monk is the country's best-selling rum. (Apparently, it has a hint of vanilla and an alcohol content of 42.8%. And according to wineglobe.com, "With the first drop of Old Monk Rum, the sheer aroma of distilled cane sugar grown in lush green fields of India, stirs up the age old legend. Old Monk Rum is a form of the legendary 'Som-ras' of India's centuries-old scriptures — The Drink of Gods and Lords of India.)

When drink orders were placed at the group's

next meal, Tim loudly ordered, "Make mine a Ponkl" Not only did the waiter look confused, the group stared blankly at Tim. With a wink in his eye, he said, "Of course, that's Pepsi and Old Monkl" Tim tells me that it's catching on... For other quality beverage suggestions, CONTACT:

tim.love@omnicomgroup.com

WASHINGTON NIGHTLIFE

While attending the IAA's Washington D.C. World Congress, Neil Sartori of American Express' Luxury Travel magazine, Departures, along with a number of other delegates from the U.K. and Europe, thought they would



discover some of city's sophisticated nightlife. After only finding some tired politicos and policy wonks crying in their beers around the Capitol, a savvy bartender

suggested a nearby club for live entertainment. Neil and friends arrived only to find that they interrupted a belly dancing class that used the space for lessons on a slow mid-week night. Although Neil didn't elaborate further on the evening, he is pictured here waiting for a shoe shine the next morning. Perhaps one of the students had two left feet! However, he continues to assert that the city may not have any nightlife after the mall in Georgetown closes at 9 PM.

For belly dancing tips or other early-evening attractions in D.C., CONTACT: sartori@journal-international.de

NEW POSITIONS – NEW ITEMS Dixon to Denmark

▶ Mark Dixon, formerly of *The Times*, tells me that he does not miss London. His Danish wife had an opportunity to work for Viasat (TV) in Copenhagen, so Mark and their young daughter happily followed. By wonderful coincidence, Mark found a role as International Advertising Sales Manager at the Danish newspaper, *Berlingske*. Says Mark, "I have a challenging task of expanding our international network, selling across an expanded portfolio of titles — (Berlingske Tidende, B.T., Urban, Berlingske Nyheds Magasin, and ErhvervsBladet.dk), and increasing our international revenue by approximately 30% — whilst appreciating that this is a small country!"

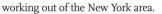
For summer activities at Tivoli, CONTACT: Dixon@berlingske.dk

Edgley Brings a New Effort to the Oldest Magazine Nick Edgley is initiating the first international sales effort of the oldest English-language magazine, *The Spectator*, now celebrating its 18oth year. In fact, under the editorial leadership of Andrew Neil, *The Spectator* just launched its first print brand extension, *Spectator Business*, on May 7th as monthly, glossy magazine. Both publications, along with *Apollo*, the International Arts Magazine, are part of Press Holding Media Group, and Nick is heading up all international ad sales for the group. CONTACT: nedgley@spectator.co.uk

Ptaschne on the Move

Paul Ptaschne, native of Buenos Aires, joins Utah-based Move Networks as VP of Sales, Latin America as this new provider of online television services expands its global footprint in Latin America, Europe and Asia Pacific this year. Paul spent much of his television career based in Miami

and New York in advertising sales and operations positions for Fox Latin America, Bloomberg International, and Cisneros Television Group. He'll be



The video technologies and services developed and managed by Move Networks enable brands to cost-effectively deliver live and ondemand HD-quality programming to millions without the low-quality viewing experiences of earlier technologies.

CONTACT: pptaschne@movenetworks.com

• Airport agency **PSI Advertising**, part of Posterscope Worldwide, has appointed former CNBC executive **Liz Jones** as managing director.

CONTACT: Liz.Jones@psiad.com

IGP a Winner!

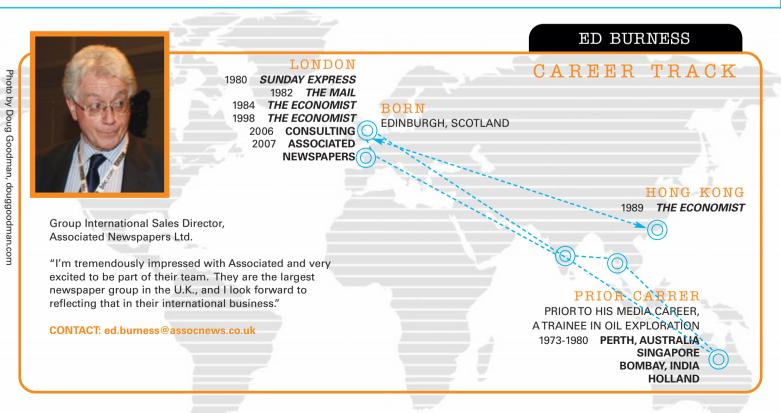
Carl Cullingford at International Graphics Press (IGP) is certainly in the winners circle these days. Not only was his company appointed as representative of celebrated magazine,



The New Yorker, for the United Kingdom, the Netherlands, Ireland and Germany, but he did a wonderful job on April Fool's Day by reporting on the best hoaxes ever from SPIEGEL ONLINE.

One April 1st joke featured a 1998 Burger King announcement of a new left-handed Whopper, which rotated condiments 180 degrees. Another from 1977 demonstrated how London's *Guardian* told readers about the discovery of a group of islands called San Serriffe that were shaped like a semi-colon. For those who missed the joke about printers' terms and font styles, it was also reported that Upper Caisse and Lower Caisse were ruled by General Pica from the capital Bodoni.

In 1957, the BBC offered a "mockumentary" about the annual spaghetti harvest in Switzerland, where women gathered strands of the pasta from trees. Believe it or not, many viewers called the BBC to ask where they might purchase such a tree. The channel's response: "Place a sprig of spaghetti in a tin of tomato sauce and hope for the best." For other April Fool jokes and New Yorker ad rates, CONTACT: carl@igpmedia.com





tacking in the age of

Today, technology is a principal driver in continually reshaping and redefining our business. Not only does it make the world more accessible, but technology allows for the creation of more media options, provides greater targeted opportunities, and enables new metrics that prove advertising results. And, technology is a catalyst in further fragmenting the available mind share of any potential customer, anywhere in the world. > The implications for marketers are profound, particularly as consumers are fast becoming producers, distributors, and even marketers of their own content. Already this new-found self-expression is changing our economics and our values in the 21st century. > Technology is also melding, blurring and reinventing media as we once knew it. Magazine content builds brands online now, newspaper data works well with mobile, and out-of-home is digital. Video is taking new forms on smaller screens, TVs are looking more like the Internet, and instant messages and channel chat are the norm while one simultaneously participates in other media. One can opt-in to specific messages or opt-out. Search and social networks will undoubtedly become even more important to marketers. (And, soon, you, too, can have a home page on MTV.) > This cover story will not only look at how technology is changing our media and our targeting, but it will offer varying perspectives on how advertisers and agencies are taking advantage of these newly-created opportunities and looking ahead to the next 36 months. Great change causes people to respond in fascinating ways. Some share successes, many admit challenges, a few look for results, while others guess about a future that may arrive before next guarter.

technology

David Verklin, who just stepped down as CEO of Aegis Media Americas, and author of *Watch This, Listen Up, Click Here,* offered his answer to the question "where is the ad business going?" recently in a keynote address at the IAA-New York's Global Marketing Summit. His message assured the audience that the future of the advertising business is bright, because "we are on the cusp of advertising to the interested." For David Verklin, advertising is becoming more precise, a concept that he feels should excite all of us. His message to the industry is: "Data is the new creative."

David Verklin believes that advertising today might best be called the business of creative persuasion and that technology has been its biggest catalyst. (Technology has also, in his estimation, trained consumers to have short attention spans.) In an era where the word "engagement" has become the new advertising mantra, he is clear in establishing that "creative persuasion" means much more than engagement.

It is no secret that most sophisticated advertising today is trying hard to move away from old approaches of interruption and intrusion. Decades of such tactics have caused too many consumers to be skeptical of ad messages or even seek to avoid advertising altogether. And most of us have heard some version of a story that illustrates how half of an advertising budget doesn't work, but no one knows which half. Marketers have placed ads in "Engagement is not a metric; it is a quest."

Where is the ad business going?

magazines or bought time on TV in the hopes that attentive consumers would learn more about their products — whether they wanted to or not.

Verklin recognizes that when an ad message precisely reaches an audience of the interested, it is less likely to be viewed as a disruption. Rather than advertise to everyone, today's marketers have the ability to seek out smaller groups with shared interests across a broader range of media than ever before. Their success at finding these select audiences and new media permutations has made media buyers and strategists a very important component of the advertising mix.

"From 2009 and beyond," says Verklin, "action will replace watching." The old interest in "eyeball awareness and recall" will be replaced by with a concern for "new behavior or actions taken." Marketers will send messages to "the interested," or exclusively to those individuals who have the likelihood of doing something. Verklin continues, "We need to better understand consumer behavior, attitudes and interests. It is not simply a matter of metrics or a new algorithm."

Verklin has his eye on a number of developments now occurring in media that will reshape our industry in the next 36 months. He suggests that we watch the following:
EchoStar Communications is at the forefront of technological innovation as install digital settop boxes in nearly 14 millions homes as part of the company's pay-TV DISH Network, comprised of 125 U.S. satellite programming networks. The boxes will help determine how a person watches television, so that marketers can be as flexible a possible with messages even to viewers with short attention spans. The boxes represent the first automated system for buying, delivering and measuring TV ads, so that EchoStar can offer more targeted and more relevant ads to viewers.

- In an unprecedented move, Google entered in to a partnership with EchoStar in order to have access to a portion of DISH Network's advertising inventory across all channels and dayparts. The move enables Google to extend its current advertising platform to a U.S. television audience with the ability to deliver ads that are both more germane to viwers and more measurable.
- Project Canoe is another U.S. example to watch. All six major cable systems operators, including the likes of Cablevision, Comcast, Cox and Time-Warner, are combining to standardize interactive technology and provide set-top boxes with the potential for targeted TV ads to viewers. It is projected that these operators will be able to deliver addressable internet ads by this October. It also could mean that the operators may glean a greater share of U.S. television ad revenue if they can deliver scalable technology and uniformly showcase the capability of interactive advertising.
- Joost, from the creators of Skype, offers global

<u>COVER STORY</u>

potential by combining free TV with instant messaging and channel chat, while also providing advertisers a chance to tailor ads based upon survey information from participants. Joost also tracks behavior, which can be used to influence customers. These tailoring aspects, according to Verklin, take Joost beyond video on the internet to offering a new global solution for advertisers.

He also has some guidelines on how to better advertise to the interested:

Data cannot be undervalued, especially when it is intelligently interpreted. Google, for example, saves every search. There is tremendous value in understanding what people want. Verklin has no doubt that with significant data that our televisions will soon be able to recommend the kind of programs we prefer. How does such information translate to marketers? Certainly consumers who demonstrate an interest are worth more to an advertiser. A client will gladly pay \$1000 per target, for example, for someone interested in his product, rather than paying \$100 per target for a pool of individuals who may or may not have a tangible interest.

"Target-ability," according to Verklin is at the core of 21st century advertising models. And behavior targeting is key to "advertising to the interested." For example, Net Flix, the movie rental company, attributes much of its success to software that tracks rental behavior as it continually recommends new movies of proven interest to repeat customers. He stresses that an advertiser looking for targeted solutions needs to be part of an opt-in environment. (The Facebook-Beacon project from Autumn 2007 failed, says Verklin, largely because it was an opt-out network.)

Emotion or passion is an element that as important as timing and target-ability when working to "advertise to the interested." Verklin assures us that "the fully-engaged spend more." Products like the Apple iPhone that are associated with great emotionalappeal demonstrate that a price-tag is irrelevant when consumers are enthusiastic about the offering.

Geography and location, Verklin believes, will play a larger role in the integrated marketing and media mix in the next 36 months. We are moving further away from time-dependent media as the 8pm TV slot becomes less relevant in a world were TiVo, the internet and mobile demonstrate that appointment viewing is no longer necessary. Subway, the sandwich chain, for example, can send a coupon via mobile phone when a customer is in the vicinity of a store. In 18-24 months, Wal-Mart will accept payment by cash, credit or phone; the French retailer Carrefour offers phone payments now in its stores around the world.

Finally, Verklin admits that content continues to be king, if one aspires to truly engage with a customer. And only through great, emotionally-connected content can one truly present "advertising to the interested."



Targeting: A Key Media Driver as We Move Ahead

targe

Today's media is already offering precise targeting opportunities through more effective integration and channel modeling. However as these issues become more important, they are also becoming more complicated for both the business-to-business and businessto-consumer sectors. Advertising executives from HP, Motorola and ZenithMedia offer their points of view.creative."

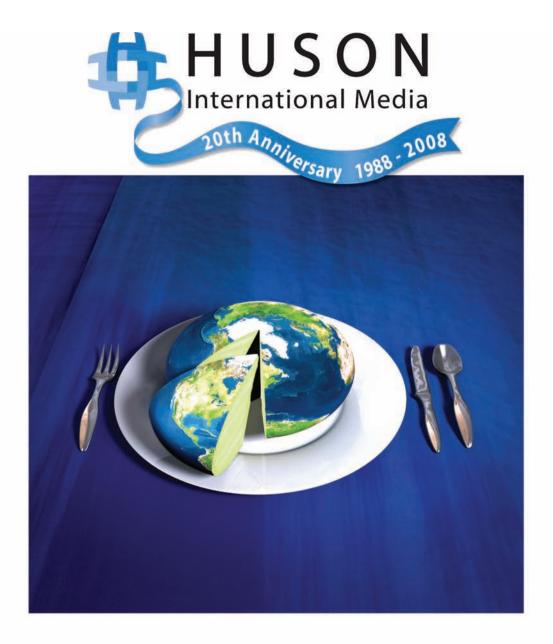
Erin McAllister, Director of Digital Strategy & Marketing at Unisys believes that the key to successful targeting is "in doing your

 homework." Speaking recently at a panel at the IAA
 World Congress, she discussed Unisys' ongoing ad campaign, called 'Security
 Unleashed," which was first launched in 2006. The goal of this global, integrated marketing effort is to help large companies and governments around the world recognize that secure business operations can become an important advantage in effectively running their ventures, rather than a problem or liability.

For McAllister, it is "a triangle of relationships that spell success today." The Unisys global program is executed out of New York with StrawberryFrog creating the advertising components of the marketing campaign, PHD providing media planning strategy and execution, and imc2 delivering digital marketing support. She advocates starting with the "big idea" before bringing in the various ad agencies and establishing clear objectives.

"Today's business-to-business campaigns must be highly personalized in a cross-channel should be both "a quality and quantity of messages that feel as if they are specifically targeted to an individual across each touch-point cadence." To achieve this, Unisys organizes its campaign strategy around what she calls "who, what, feel, do." Each execution should answer the following specific questions: "Who are we targeting as a specific individual?" "What are we saying to that individual?" "What should he feel about the message?" "What do we want this individual to do?"

Effective targeting for Unisys also means a focus on both external and internal audiences. As a worldwide information technology solutions



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company with a focus on secure business operations, Unisys offers consulting, systems integration, infrastructure services, in addition to enterprise server technology. Their consultants and industry experts are critical to helping clients both understand their business challenges and achieve their goals. McAllister attributes much of the success of "Security Unleashed" to "amplifying business internally by motivating the sales team to move the campaign forward."

Contact: erin.mcallister@unisys.com

targeting

The changing face of media

HP's Worldwide Media Director, **Scott Berg**, has a sixth sense for spotting trends, and he is not shy about stating his predictions or sharing new discoveries in his blog, The Changing Face of Media. Although the pace of change in the media arena seems to be at constant acceleration, Berg notes three key developments that are important right now: 1. finite targeting, 2. authenticity of the message itself, and 3. a focus on the audience, instead of on the space.

"After a lot of innovation, original business models and ground-breaking ideas, marketers are now digesting the various new media options. They are looking at cost benefits and break points in their investments, and not just whether or not something has a high level of creativity or ad serving capacity." He sees marketers moving away from a time of unbridled experimentation with new media choices. Now they try to best understand which options will become established and reliable.

"We live in a scattered media environment," he continues, "which is actually being driven by the end consumer, and this will only continue. Now, instead of using the biggest portal to reach an audience, a marketer can use 2000 websites by relying on software that allows for more finite targeting."

In addition to the benefits of targeting to connect with specific audience interests, Scott Berg believes that marketers are becoming better listeners as they seek greater authenticity in their messages. "Not only are we listening to tech experts and end customers, but we are reacting to their needs. It is a new 2-way interaction that insures we use the right media in the appropriate manner. We must build trust on every level."

In an industry that now talks regularly about "integration," Berg believes that "intersection" may better characterize what is happening in the most "authentic" campaigns today. For him, the ideal scenario is when all media types, marketing achievements and technology drivers intersect at a center point where the essential brand message is the same. For example, in a media mix, a gaming message is certainly different from a banner ad. However, that gaming message needs to not only be appropriate to the brand, but to the user experience, which should engage while also communicating appropriately for the gaming environment.

A banner ad can obviously be more specific or drive someone to a website for

more details, but it should have the same common intersection point as its gaming counterpart.

Finally, Berg admits that not long ago, marketers found themselves focusing primarily on "spaces" — meaning huge sites or major portals. Now the shift to focusing on "audiences" has been made possible through innovations in technology. Marketers can get a very specific message to a specific audience through new "content channels," which will continue to shape our interaction with media.

Ever the futurist, he also raises an interesting point about new brand equities among various audience sectors. Taking U.S. statistics on the minutes spent on top-ranked websites, and contrasting it with those sites used most by male college students, it is amazing to see the lack of similarities. No doubt the business of media will only continue to change, and Scott Berg will help us all make better sense of it.

Contact: scott.berg@hp.com



"who, what, feel, do."

Magazine content attract youth via mobile

Steve Bloom, Senior Vice President & Director of Magazines at ZenithMedia in New York has come up with two solutions for his client, Verizon

Wireless, by using the content from magazines in a digital environment to drive sales for new revenue-based products.

Verizon Wireless, based in Basking Ridge, New Jersey is a joint venture between Verizon Communications and U.K.'s Vodafone. With 65.7 million customers and nearly \$44 billion in annual revenue, it operates the most profitable wireless company in the U.S.

Bloom's assignment was to encourage the elusive young audience of 12 to 24 year olds to use more of Verizon's services. His contention was that sports and fashion are "passion points" for this demographic, and he is a big believer in how magazine content can work well in other platforms.

For his female target, it took a popular feature from *Us Weekly*, a celebrity magazine, called "Who Wore It Best?" The feature shows two stars, caught candidly, wearing the same outfit. Bloom was able to get Verizon users to vote online or through their phone for which celebrity looked best in the outfit. Results appeared in the next issue of the magazine. The campaign is new, and already they are seeing that traffic is indeed spiking in connection with this feature.

Bloom created another program for his male target, using Maxim magazine feature called "Home Town Hotties." It enables Verizon users to take these clips from print to online to their phone in order to purchase as videos or wallpaper. Maxim was also able to create a mobile Table of Contents to allow users to search for other features. This program saw an immediate increase in revenue. In fact, this new program quickly rose to being the #3 channel on the version platform.

23,651^{*} European consumers from 16 countries told us what brands they trust most.

Their answers are enlightening.



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THE BRANDS YOU TRUST

* Reader's Digest European Trusted Brands survey 2008

Options and Complexity Multiply

According to **Hanne Tuomisto-Inch**, technology is profoundly changing the media landscape: the internet has provided another alternative to the one-to-many model of broadcasting of old and revolutionized the way we research everyday or business purchases, entertain ourselves

or keep in touch with our friends and family. But it's not only the internet that is being changed by technology. Digital billboards in the out-of-home environment are enabling a response element via Bluetooth technology, while at the same time PVR devices are causing a stir in TV by allowing people to fast-forward the advertising. Mobile is being heralded as the next big "thing", the third screen that is due to be more powerful and prominent than the PC/internet. And the potential is there: there are 3x more mobile phones in the world than there are PCs. Advertisers are experimenting with GPS enabled SMS advertising whereby people going passed their shop on the street are being sent promotional messages.

What does this all mean for marketers and advertisers alike? Technology promises to provide increased options to target the people that you are actually interested in marketing to, whether it's based on behavioural, self-expressed, location-based etc data. There is however a danger of abusing the newly-found abilities and the backlash experienced by Facebook for the use of their behavioural Boomerang technology is a warning sign for all. Permission-based marketing practices should not be forgotten and even though the initial response rates and results from more intrusive (even though targeted) marketing practices may be exciting, it's not a viable long-term model for advertising. Consumers have the ability to spread the news of their discontent faster than ever before through the use of blogs and forums. Don't get me wrong, I am not saying that the new technologies are bad or that they should not be tested, just that common sense and traditional marketing practices should be applied to how and when they are used.

An even bigger challenge for marketers will be to change their advertising to match the new, targeted, permission-based marketing landscape. People don't have to watch your TV ads anymore, and online publishers will also most likely abandon the model of pre-roll, interrupt-driven advertising models in the future. If you can now reach micro-segments of your target audience, you can't give all of them the same message as you did in the one to many broadcasting environment.

The complexity for marketers is multiplied as the creative thinking of old becomes obsolete. Advertising needs to become useful or entertaining to the audience, more like content itself. Engagement will be the key measurement tool for success and especially the quality of the conversations that marketers create around their campaigns and brands as a result. CPQE, cost per qualified engagement, is how we all need to start thinking about marketing now. **Contact: hanne.tuomisto-inch@b1.com** The 30-second TV spot still rocks. Like rock-music legends the Rolling Stones, it's been around since the comparatively dinosaur era of mid-last century.

And like Mick Jagger and his aging cohorts, whose recordings have been available from vinyl to digital downloads, the 30-second commercial has moved with the technological times. It has survived fast-changing epochs of free-to-air TV, cable and satellite networks. But as Bob Dylan, a Stones contemporary, sang, "The Times They are a-Changin'" and the Internet technology is transforming the way TV is consumed and exploited commercially.

In its March 2008 global forecasts report, ZenithOptimedia predicts that while traditional TV advertising will grow 27% to \$205 billion by 2010, Internet advertising will jump 132% to \$67 billion during the same period.

the future of th

"Once again, we have substantially increased our forecasts for Internet advertising," says ZenithOptimedia . "Online video and local search are generating substantial new revenues; in the longer term, we expect behavioral targeting on social-networking sites to provide fruitful new opportunities to advertisers."

Media owners, marketers and agencies are seeking a share of the opportunities coming from the new generation of TV services like U.S.-originated Hulu and Veoh, Netherlands-originated Joost, Italyoriginated Babelgum, plus even more recent newcomers such as Zattoo, Miro, and U.K.-based BT Vision.

Traditional media giants like News Corp. and NBC Universal are backing Hulu; CBS is a Joost investor; and former Disney boss Michael Eisner is part of Veoh.

BT Vision's programs can be accessed via Microsoft's Xbox 360 video-games console. Even U.K. state broadcaster BBC has joined forces with commercial rivals ITV and Channel 4 to unveil the Kangaroo project, an ad-funded TV venture using the BBC's iPlayer technology, later this year. Before launching last fall, Joost could boast 30-plus blue-chip advertisers, including HP and Procter & Gamble.

Using a combination of the browsers, file-sharing technology, digital-player software like Adobe's Flash Player, broadband connection and a secure environment to prevent piracy, most of these Internet-delivered services can bring high-quality TV entertainment or usergenerated content to your PC or laptop.

Linked to a set-top box, the Internet can also carry the same programming, ads and the Internet's interactive capabilities to today's 42-inch flat-screen plasma/LCD TV sets.

For Jean-Paul Colaco, Hulu's senior vice president of advertising, the future is about consumer involvement. "TV has been a very passive experience; you sit back and use your remote control. In the case of the Internet, it's about user engagement, and we want to capitalize on that."

Hulu recently launched its Ad Selector format. This enables consumers to select which ads they want to see. And its Movie Selector allows advertisers to sell or sponsor a two-minute trailer so that the viewer can watch a whole movie commercial-free.





With bite-sized episodes of up to four minutes each, the TV programs 'KateModern,' and 'Sofia's Diary' have created new openings for brand owners.

<u>BY JU</u>LIANA KORANTENG

The front of a Slingbox from EchoStar

Examples of Google Gadget



"Advertisers want to lead consumers into the digital space and to make it more effective and relevant for their customers. Broadcast TV still has the widest reach. But technology and the pace of innovation will continue to accelerate in the online space and drive the future," Colaco adds.

Another Internet-driven innovation is from Sling Media, a subsidiary of satellite-TV operation EchoStar Holding Corp. It's Slingbox, SlingPlayer, SlingCatcher, and Clip+Sling technologies literally enable viewers to watch and navigate their domestic TV viewing, including commercials, on TV or online in any other location in the house or another country.

"The potential for addressability and relevance is greater because the advertiser knows the consumer chose to be in that environment," says Stuart Collingwood, Sling Media's vice president of EMEA (Europe, Middle East and Africa). "It also means we're creating more inventories for the advertiser."

Google, the search-engine giant, is another technology provider contributing to the changing TV landscape.

In May, CNN International (CNNI) adapted the video-enabled Google Gadget to permit users to watch the network on their personalized iGoogle home page. Moreover, the Google Gadget allows access to CNNI on YouTube, the Google-owned videosharing network.

Google's AdWords, a service that allows advertisers to place online classified ads next to the most relevant text, has now been extended to put TV spots next to the most appropriate programming. Currently available in the U.S., following trials with satellitedelivered Dish Network, it is expected to be in the U.K. via the News Corp.'s BSkyB.

Social-media services like Facebook, News Corp.-owned MySpace, and Bebo (recently acquired for \$850 million by Time Warner's AOL), could also revolutionize the TV experience. For example, its 'Open Media' technology enables broadcasters to transfer content and ads on to Bebo and hence reach its 42 million subscribers.

That kind of scope, plus social media's community-like environment, has enabled Bebo to break ground by commissioning professionally produced ad-supported TV drama. With bite-sized episodes of up to four minutes each, the TV programs 'KateModern,' and 'Sofia's Diary' have created new openings for brand owners.

In a tie-up with U.K. chocolate maker Cadbury, KateModern's script featured a scene centered on the Cadbury Crème Egg. The Unileversupported Sofia's Diary can now be seen on Fiver, the U.K. digital-TV broadcaster, the first time an online-



produced drama has transferred to TV.

Now Bebo has an agreement with Endemol, the TV production giant responsible for the 'Big Brother' series, to co-produce The Gap Year, a global reality-TV series.

"Social media network is a new cultural phenomenon," says Sarah Gavin, Bebo's global communications director. "These shows are constantly creating opportunities for the audience to be part of the experience... be it allowing the audience to vote on who from the supporting cast should become a new lead character, or helping to solve clues online."

For advertisers, she continues, +++brands get the ability to distribute their content where audiences are congregating online."

Tim Smith, EMEA research manager at Universal McCann, believes social media's impact on TV should not be underestimated: "As more and more people spend time online, social media will have a wider effect on the time spent on TV."

In Universal McCann's recent Social Media Tracker research, covering 17,000 respondents in 29 countries worldwide, 83% said they watch video clips online, up from 62% in June 2007; and 57% belong to social-media networks.

"In markets, where (traditional) media is less developed or more controlled, such as Asian markets like China, social media has been adopted



FUEINA

Widgets allow TV content to follow the viewer.



A Levi campaign that engages the

with great enthusiasm," he explains.

the piece of technology that allows consumers to gather all their favorite online content on their personalized Web site or social-networking page, means TV content will follow the viewer, instead of the other way round.

As technology fragments mass-TV audiences, industry experts believe advertisers will need to work harder to reach TV fanatics.

For example, IPTV is enabling Asian markets to gain greater access to based Granada International (GI) recently sold a slate of High-Definition including 'Bugsy Malone,' to IPTV

services like Taiwan's Chunghwa Telecom. But GI says it is relying on subscription, rather than advertising, for payment.

Korea, and despite most of these services already having about 500,000 (paying) customers, revenues are from subscriptions only," says James Ross, GI's Hong Kong-based regional

TBWA\Hong Kong has produced viral TV commercials distributed via online platforms like YouTube and other Asian Web sites, for clients like Levis, and Standard Chartered Bank.

Thubron, executive vice president, TBWA\Asia Pacific, agrees that "IPTV



where media is less developed or more controlled. social media has been adopted with areat enthusiasm.

is still in its infancy. But mobile TV is growing quickly and is beginning to be more widely used." Korea and Japan have some of the world's most

Indeed, U.K.-based telecoms analysis firm Juniper Research predicts TV broadcasting will bring in more than \$2.5 billion in ad cash by 2013.

opportunities for advertisers. Schematic, the U.S.-based interactive media agency, is testing brandmessaging on TV platforms that merely waving the hands.

With all these new developments, OgilvyOne and The Ogilvy Group, fragmentation a problem; consumers consider it as a choice. But as it becomes more fragmented, what you lose in mass reach, you trade off by watching TV is not in decline; advertising will fund content as long as it is of interest to the targeted

sourece: http://www.netlingo.com/top50biz.cfm

em? ptb (Excuse me? Please text back)

There was a time when "all thumbs" meant clumsy. Today, it is an essential part of the Blackberry world. We may be experiencing a "text generation gap" as younger workers are not only faster on the microkeypad, but have developed their own text language. The website www.netlingo.com is a good source of text abbreviations. Here is a list of 50 new business

shorthand terms for text messages.1AFAICAs Far As I'm Concerned2ASAPAs Soon As Possible3BHAGBig Hairy Audacious Goal4BOHICABend Over Here It Comes Ag

2	ASAP	AS Soon AS Possible
3	BHAG	Big Hairy Audacious Goal
4	BOHICA	Bend Over Here It Comes Again
5	CLM	Career Limiting Move
6	CYA	Cover Your Ass
7	DD	Due Dilligence
8	DQYDJ	Don't Quit Your Day Job
9	DRIB	Don't Read If Busy
	EOD	End Of Day
11	EOM	End Of Message
	EOT	End Of Thread
	ESO	Equipment Smarter than Operator
	FRED	F***ing Ridiculous Electronic Device
	FUBAR	F***ed Up Beyond All Recognition For Your Information
	FYI	
	GMTA	Great Minds Think Alike
	HIOOC	Help, I'm Out Of Coffee
	IAITS	It's All In The Subject
	IANAL	I Am Not A Lawyer
21	KISS	Keep It Simple Stupid
22	LOPSOD	Long On Promises, Short On Delivery
23	MOTD	Message Of The Day
24	MTFBWY	May The Force Be With You
25	MYOB	Mind Your Own Business
26	NRN	No Reply Necessary
27	NSFW	Not Safe For Work
28	NWR	Not Work Related
29	OTP	On The Phone
30	P&C	Private & Confidential
31	PDOMA	Pulled Directly Out of My Ass
32	PEBCAK	Problem Exists Between Chair And Keyboard
33	PITA	Pain In The Ass
34	00	Quick Question
35	RFD	Request For Discussion
36	RFP	Request For Proposal
37	SBUG	Small Bald Unaudacious Goal
38	SME	Subject Matter Expert
39	SNAFU	Situation Normal All F***ed Up
40	SSDD	Same Sh**, Different Day
41	STD	Seal The Deal
42	SWAG	Scientific Wild Ass Guess -or- SoftWare And
		Giveaways
43	ТВА	To Be Announced
44	TBD	To Be Determined
45	TWIMC	To Whom It May Concern
46	TIA	Thanks In Advance
47	WIIFM	What's In It For Me
	WOMBAT	Waste Of Money, Brains And Time
	WTG	Way To Go
50	YW	You're Welcome
00		

Technology that Targets Consumers

With its pioneering search technology, Google has overturned the definition of what targeted advertising means. The search-engine giant's **Kal Amin** tells the



Internationalist why its platform has contributed to improved targetability for international marketers.

"Google is a facilitator because it serves as a launch pad to the Web. It is a media platform because it allows marketers to connect with users at all stages of the sales cycle. And it is a means to revenue because it serves as an efficient platform that drives relevant leads to the marketer.

Many global companies are charged with deploying innovative strategies to find, reach, and acquire the largest number of potential customers — regardless of where they live. Many of our advertisers view the opportunities available outside of the United States — and want to reach these consumers in a relevant and targeted fashion. The scale and reach of search engines like Google allow marketers to take advantage of opportunities in both mature and developing regions.

There is also an "ease of use" component that comes into play with our platform. For example, our AdWords interface is consistent across the world (with customizations based on language and currency) and the program provides the same auction-based ad model in each market. This allows both centralized and decentralized marketing organizations to use our platform for local, regional and global marketing campaigns.

In the past, many marketers strayed from using the digital platform due to a general lack of understanding of the online space. Since then, I believe that the industry has done a good job of informing and educating marketers about the benefits and ease of use of search technology — no other marketing platform offers advertising with this degree of relevancy." **Contact: kal@google.com**

Technology Enables Custom Solutions

There is no doubt that technology is going to be a blessing in an increasingly digitized media domain. **Brian Quinn** of the *Wall Street Journal*, however, cautions against complacency; new technology can create calm, and chaos, unless we learn to coordinate its varied applications.



"From the time we launched the *Wall Street Journal* Web site almost 12 years ago, clearly the Internet allowed us to not only reach more people than we do with the paper, but allowed us to break news in a real time basis.

"Today technology is allowing us to produce high-quality video content, connect directly with readers with our community applications, and extend our reach to mobile and long tail syndication platforms.

"Among the marketers taking advantage of our custom solutions and multimedia offerings are Cisco, IBM, Microsoft Corp., UPS, Allstate, and the Royal Bank of Scotland.

"Technology now allows marketers to refine their messaging with almost instant feedback from consumers. And the media choices available to them provide delivery of those messages that are much more efficient and accountable. Some of the emerging technologies hold breathtaking potential for marketers, e.g. addressable advertising, VOD (videoon-demand) and mobile opt-in applications.

"The unfortunate fact is that every emerging media application, however, immediately adds to the complexity and confusion of our current multi-platform world.

"Agencies and marketers are already clamoring for dashboard-like applications that allow them to track all of their media investments, along with seamless analytics that allow them to properly evaluate the ROI across all of these channels.

"Companies like AvenueA/Razorfish (now part of Microsoft), Google, and Yahoo all claim to be building such an advertising platform. Obviously, the biggest obstacle will be gathering data from all of these disparate media platforms to form any kind of coherent solution."

Contact: brian.quinn@wsj.com

"every emerging media application[...] immediately adds to the complexity and confusion of our current multi-platform world"

efficient platform that drives relevant leads to the marketer."

technology

Technology that Touches a Greater Number of People

Technology looks set to disrupt the space that has traditionally separated print from broadcast. Alan **Dunachie** at Economist.com points out that it is possible to survive the potential turmoil that could follow.

"Technology allows us to touch a much greater number of people through the Web. It is easy for someone to search for something online and come across the *Economist*. In the old days, they needed to find a newsstand.

"Technology also offers different means of getting the *Economist*. You can access the *Economist* in its entirety in audio and podcasts, which take the *Economist* to people who may not be able to consume the product in print because of their busy lives.

"Economist people love ideas; it stimulates the mind. The wonderful thing about the Web is that it allows people like that to come together. A new opportunity provided by the Internet is The Debate series, where our readers take part in an Oxford (University) type of debate, with an (official) moderator pushing the arguments in different directions. This has brought social-networking for a community of like-minded people who share and love of the way the Economist thinks.

"Our dotcom revenues grow between 20% and 50% a year. We're also increasing the readers because, as a marketing tool, the Web site encourages more people to pick up the print edition.

"But I predict you'll see a consolidation among TV and newspapers because of technology. Newspapers are competing against TV news programs on the Web and the pressure to add video to their sites is growing. Meanwhile, it is easier for TV stations to enter the print business because they are writing their content before reading it. There will be cost savings by bringing them together." **Contact: AlanDunachie@economist.com**

The Magazine Has Morphed into a Muti-media Operation

"you'll see a consolidation among TV and newspapers because of technology..."



Between March and May, the print-originated *Forbes* launched its own online social network AnswerNetwork on Forbes.com; its Lingospot technology to enable readers to access more relevant content on all Forbes.com multimedia channels and affiliated Web sites; plus an adfunded Business and Finance Blog Network. Forbes.com's **Jim Spanfeller** explains how technology has morphed the printed magazine into a slick multi-media operation.

"Technology allows us to reach more people

more quickly than ever before. The (fortnightly) magazine, 93 years old, reaches 5 million individuals. But because of the Web's international penetration, we reach close to 29 million (business executives) monthly.

"We hope to be reaching between 50 million and 60 million in the near future and technology will play a significant role in helping us reach that goal.

"We publish more than 4,000 stories a day on the site, which is much more immediate than the magazine. It informs you of what's going on during the last half hour and of what might happen in the next half hour.

"The Web has huge opportunities to take what used to be a crudely targeted advertising vehicle and turn it into a microtargeted one. We can target by job title, by company size.

"And we have a great deal of video advertising and experimented with several types. We publish 20 video segments a day, and all these segments are available with one click to play on iTunes or on your MP3 player so that you can take it with you.

"We are, therefore, able to offer interesting guarantees. If advertisers do not see a statistically significant increase in one of the four measured brand metrics in 60 days, Forbes.com will return their money.

"The metrics break down into four components: Brand awareness, Message association, Brand favorability and Purchase intent. Prior to Forbes.com, we couldn't do that.

"Examples of our advertisers that have worked with us to get more targeted advertising are Accenture, Toshiba (which has advertised across the magazine, mobile WAP site and online), and IBM."

Contact: jspanfeller@forbes.net



Technology Provides Media Measurement Tools

Research vendors and their clients continue to grapple with correlating raw data to survey and panel methodologies, and to weave audience measurements across platforms into a holistic campaign. Even second-by-second data gathered digitally from a census of hundreds of thousands or even millions of television viewers can't necessarily help discern how persuasive ads are, especially in brand-building campaigns launched over months or even years, explained Jack Myers.

- But clearly, the media and advertising research industry: has catapulted itself into the digital age,
- is proactively exploring myriad new research models for both traditional and new media,
- is empowering marketers to test a seemingly limitless array of media opportunities,
- is enabling content owners to track intellectual property across an expanding universe of distribution options, and is generating honest hope that John Wanamaker's infamous criticism of advertising ("Only half my advertising works, but I don't know which half!") will finally and forever be put to rest.

Today, marketers, media sellers, agencies and content developers find themselves with a wealth of new tools, technologies, systems and techniques that provide reams of useful data generated by digital signals from set-top boxes, DVRs and the Internet.

Media and marketing analytics that estimate the contribution of different media options to actual marketplace results have laid the foundation for an emerging group of research companies that use technology to actually connect media consumption patterns to consumer purchase behavior at the individual level.

Ironically, since digital technologies are a primary driving force behind these companies, most of the innovative work is in the television industry while online research remains primarily focused on measurement of impressions and "clicks." As marketers integrate more campaigns across multiple distribution platforms, they will not only require more sophisticated content tracking techniques, but will demand common measurement tools.

Innovative research initiatives are being developed across the

media landscape.

In the out-of-home (OOH) medium, the Traffic Audit Bureau will unveil its multi-million dollar "Eyes-On" research in late 2008, promising to deliver sophisticated traffic and demographic data to outdoor and digital out-of-home advertisers.



the Magazine Publishers of America, is investing heavily in engagement research to prove the value of that medium and validate the relevance of magazine brand equity in a cluttered media landscape. Magazines are also investing extensively in Web site development and are extending their brands to online, video and mobile content.

As they adopt the emerging measurement tools for their digital properties, it will be more natural to extend these same tools, when possible, to their print assets. The online industry has incorporated sophisticated behavioral and contextual tracking methodologies into its ad serving processes, enabling media companies and marketers to address banner display ads to audiences pre-qualified based on their past online usage.

Although still primarily a tool for more targeted audience aggregation, the behavioral and contextual techniques being used by the online industry will inevitably be incorporated into video advertising and will eventually be a standard criterion for other digital ad placements.

While ad buyers and marketers complain they are not yet close enough to the "Holy Grail" of marketing communications — direct sales data correlated to ad messaging through a single source methodology Æ the industry is clearly actively engaged in advancing toward that goal. "There's a massive drive to have data that's actionable and have confidence in the data," notes Andy Nobbs, president of Teletrax.

Myers Publishing's full 25-page report, GREAT EXPECTATIONS: Research Industry Looks Toward New Era in Media Measurement is available at no cost at www.myersreport.com. The report was underwritten by Teletrax.

For more information: www.myersreport.com

technolog



By 2010, China is predicted to be the world's 4th largest ad market; a decade ago its ranking was insignificant. The Beijing Olympics alone will boost ad expenditure this year by \$3 billion, and the Games will also grow television share across the world.

China is on the mind of every marketing executive today. Not only does one need to understand the sometimes enigmatic outlook of the Chinese consumer or business person, but numerous geo-political and macro-economic issues can factor in the most basic of marketing strategies.

China advertising experts and Olympic marketers investing locally and globally share their views on the build-up to the Beijing Games. The latest CSM research shows that sponsors of the Beijing Games are gaining great brand strength within China. This may be the first major sporting event to underscore the need for a local marketing strategy that differs significantly from a more general international one.

One Huge Investment. Driving ROI from the Olympics Sponsorship

BEIJING – 2008. April 2008 – Now in its seventh wave, CSM and R3's Olympic Sponsor Benchmarking survey has now run for nearly 24 months and collected over 10,000 interviews worth of data. With this latest wave, the trends shed much light about consumer attitudes and behavior regarding all things Olympic. Trends in attention paid to sport events, stars and actual sports themselves and their interrelationship have helped focused marketing efforts in the appropriate areas.

Intense Competition for Beijing 2008

Matt Brosenne, CSM's Business Development Director notes, "The competitive environment of Olympic Sponsorship with over 60 companies vying for share of Olympic voice has been anything but easy, but overall we are seeing strong signs that the promotional activities utilized by sponsors are having an effect. This becomes apparent by looking back over results for all our previous waves."

Olympic popularity at all time high within China 90% + of bulletin board messages positive

Despite some of the issues domestically and globally in recent months, China's optimism for the Olympics is at an all time high. In the latest wave, confidence levels continue to rise, and at the same time, negative issues are around half the level of two years ago. There is a consistent belief across all ten cities that this will be a great sporting showcase for China. CSM and R3 also analyzed more than ten of the largest bulletin boards including Sohu, Sina, NetEase and Baidu in the last three weeks – covering millions of messages of support for China , the torch and the athletes

"The torch protests have only increased China's passion and commitment to the Olympics — while it will hurt sponsors outside of China, internally they may well be rewarded for staying the course" said Greg Paull, Principal of R3

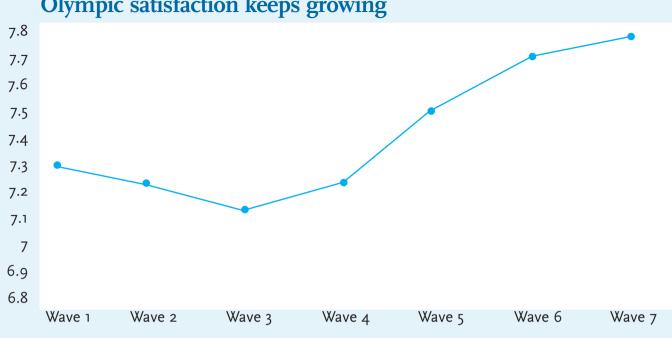
NBA, Basketball heads for popularity, passion

Attention paid to the NBA continues to lead the way in our latest round of results. The NBA has held this leadership position for every wave of the survey and in the past wave posted its highest attention score with almost 40% of respondents paying attention to this sport. The Chinese Basketball Association came in second place (surpassing the EPL) and showed once again while the CBA season is underway, this sport property draws significant interest. The start of the Chinese Super League (China's Soccer League) in March is likely to draw significant interest as it has done in past waves.

To understand the interest in these properties a quick cross reference with the Olympic Sports people pay attention to helps to explain these high interest levels. While Ping Pong continues to lead the way with over 50% of respondents paying attention to this Olympic sport, basketball has made considerable progress and is now mentioned by over 40% of respondents for the first time. The NBA season will end at the doorstep of the Olympics and will continue to drive attention as the regular season comes to a close and the playoffs begin. The unfortunate injury to Yao Ming means we will have to wait one more year to see what would happen in terms of NBA attention if Yao Ming and his team go deep into the playoffs. Track and field also is in the top four followed by soccer. Soccer's strong performance is an indicator of interest to



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Olympic satisfaction keeps growing

come over the following months for the CSL.

Yao Ming, Liu Xiang China's most popular Olympians

When it comes to sports stars the tremendous tandem of Yao Ming and Liu Xiang stand head and shoulders above the other athletes in China. However, in this wave Yao Ming largely extended his lead over Liu Xiang - due mainly to a drop off in Liu Xiang interest with the track and field season already past. Over 60% of respondents are paying attention to Yao Ming with about 48% of respondents following Liu Xiang. An up and coming star in the NBA, Yi Jian Lian, has catapulted into the 3rd position ahead of the diver Guo Jing Jing and is widening the gap between them as the NBA season rolls on. Yi Jian Lian broke into the top down only a year ago and has risen steadily since. Domestic soccer stars don't break into the top ten but Beckham still draw a reasonable

amount of attention on the back of strong attention to soccer in China.

The rise and fall in attention toward sports properties, sports and stars is now clearly documented for the run up to the Olympics with basketball and football properties poised to draw attention along with their surrounding stars up to the beginning of the Olympics.

Sports engagement critical in brand impact

Mr Paull pointed out, "The results show that people have clear preferences. These preferences are a factor driving one of the most sought after objectives in the marketing world, engagement The more attention people pay to sports, sports properties and sports stars the more likely they are to be engaged in the content. In our assessment, this speaks to the quality of the contact points that are being delivered".

China's Olympic Teams and Stars dominate interest

To illustrate this point on a level more closely related to Olympic Sponsor promotion CSM and R₃ have done further trend analysis. They found another very important trend can be observed across the waves regarding what areas of Olympic information people pay attention to, what Olympic promotional methods they like and what promotions they are able to recall. The two key information attention drivers are the Chinese Olympic delegation and sports stars or teams. These categories have led attention scores throughout each and every wave. People like Olympic Sponsor promotions that carry messages related to the Chinese Olympic delegation, sports teams and sports stars. Likewise, promotions with stars and ads featuring China Olympic delegation themes are highest recalled. The Olympic symbols and Beijing Olympic emblem are also recalled well when displayed on product packaging

and help to strengthen a brands association to the Olympics. This is a strong point for brands with strong retail presence.

Learning on media choice and selection

People also welcome Olympic news and Olympic TV programs as promotional tools for Olympic sponsors. These vehicles present opportunities for delivering messages in a creative way to consumers. Integration of promotions into news and programs for delivery of messages presents a key opportunity for Olympic Sponsors over the next five months.

Matt Brosenne also highlights the following; "With attention and likes identified across a variety of sports, sports properties, stars, Olympic information, and promotions, planning is in place to activate on each area more effectively in a way that will engage consumers and drive recall of the promotional activity. Overall this helps sponsors drive higher consumer engagement and return on investment for their marketing budgets."

Learning on successful sports exploitation

Successfully operating strategies to take advantage of these opportunities is challenging. Greg Paull also points out that, "Patience, persistence, planning and continuous experimenting and adjustment are what drive and create powerful marketing acumen which in turn propel companies like Coca-Cola, China Mobile, Yili, Lenovo and adidas forward. Their early commitment and continued dedication to the Olympic marketing platform has allowed them to firm up a beachhead through radically different marketing communications strategies." These strategies are well placed to take advantage of this year's unique engagement opportunities and strengthen their brands for the long march in China.

Greg Paull began his career as a marketer and has spent 20 years living and working in Sydney, Singapore, Hong Kong, Malaysia,



London, New York and now China. In his agency life, he worked at Bates, Ogilvy and in several roles at the Interpublic Group in Asia Pacific

Six years ago, he co-founded R3, the only independent Asian consultancy focused on improving marketing efficiency and effectiveness.

R3 helps marketers and their agencies improve their performance. This year, they recently completed research with 500 companies in China on their agency relationships, along with an analysis of the marketing ROI of Olympics sponsors

Their clients in the region include Coca Cola, McDonalds, Singapore Airlines, Adidas, Visa and Johnson & Johnson

FOR MORE INFORMATION: visit www.rthree.com or write to emma@rthree.com

WAVE 7 CSM-R3 TOP TEN LOCAL COMPANIES

Yili
 Lenovo
 China Mobile
 Mengniu
 Li Ning
 Bank of China
 Haier
 Awarwana
 China Netcom
 Tsingdao

WAVE 7 CSM-R3 TOP FIVE SPONSORS

1. Coca-Cola 2. Yili 3. Lenovo

4. China Mobile 5. Adidas





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Professor John Quelch, Senior Associate Dean of Harvard Business School, is an expert on global branding and the coauthor of *Greater Good: How Good Marketing Makes For Better Democracy*.

Like many China-watchers, he has kept a keen eye on the Beijing Olympics and how the build-up to the Games is affecting the perception of China on the world stage, as well as how the sponsors are being viewed by the Chinese. According to Professor Quelch, "This is perhaps the first international sporting event where we see global sponsors delivering one set of messages in the host country and a very different set of messages in the rest of the world."

He shares here some trends he is seeing among sponsoring companies:

First-time sponsors have a lot more to lose than long-term investors. Lenovo, as a first-time global sponsor whose future depends heavily on success this year, has much more at stake than veteran Olympics sponsors such as Coca-Cola, Visa, and McDonald's. These companies are long-term investors in the Olympics; if Beijing fails to realize earlier commercial expectations, London in 2012 can make up for it. Around the world, the veteran sponsors may be careful not to over-identify with Beijing. They will emphasize sponsorships of national athletes and national teams rather than focus on the Olympic rings. But, in China, the Western multinationals will pursue a much more aggressive strategy. They will build goodwill for their brands by creating China-specific advertising and promotion

"This is perhaps the first international sporting event where we see global sponsors delivering one set of messages in the host country and a very different set of messages in the rest of the world."

programs that tap Chinese pride in hosting the Games.

"Two-faced" approaches.

Those companies that are not global sponsors of the Games will also take a two-faced approach, supporting the Games in China while being disinclined to associate with them in North American and European markets. Given the prominence of China as a supplier and customer, it is unlikely that we will witness grandstanding boycotts of the Games by any company. Most consumers around the world do not let their political views affect their purchase decisions. However, we are likely to see Web sites promoting boycotts of Chinese brands such as Haier, TCL, and Lenovo.

Late campaign purchasing as a safety hedge.

The International Olympic Committee continues to argue that the Games and the aspirations and achievements of individual athletes should be independent of politics. The reality is that the Chinese government has always intended to use the Games to its political advantage and that further escalations of violence in Tibet could diminish public support

r

and lead to national team and individual athlete boycotts, as occurred in Moscow following the Soviet Union's invasion of Afghanistan. As a result, marketers are not over-committing funds to Olympics-related brand advertising and promotions, and the normal Olympics year advertising boost may be less than expected. Instead of long-term preset media advertising buys, many companies are planning short-term promotional bursts that they can activate as late as July and August if all appears to be in place for a successful, trouble-free Games.

Professor John Quelch of Harvard Business School, an expert on global branding, is coauthor of *Greater Good: How Good Marketing Makes For Better Democracy.* **CONTACT:** jquelch@hbs.edu



Because We Care, We Act

Julie Chan's role at Johnson & Johnson is fascinating. As Global Connections Director, her responsibility is to create connections with consumers -- in all of the 175 countries where J&J does business and serves its communities. In the build-up to the o8-o8-o8 Beijing Olympics, she has traveled regularly to China, and has been transformed by the experience. Julie Chan is a Chinese-American, born in New York, who speaks Cantonese (but not Mandarin). To come into contact with her native culture first-hand at such an exciting time, while initiating a number of significant consumer programs, has been the accomplishment of a lifetime.

Johnson & Johnson's effort is called "Yin Ai Er Sheng," which translates to "Because We Care, We Act." The phrase is designed to simply communicate the values that have guided J&J in their 100-year history and their 20 years in China. It has also become an integral part of the company's programs in China. The Olympics Games are one of the opportunities the company is using to develop their vision for a Community of Caring.

Julie Chan characterizes J&J's marketing endeavors as "transporting and growing our heritage of trust and caring to all regions of China and engaging the people of China." The company's mission it is "to make a meaningful difference for the future of China." And a significant part of that undertaking is a particular focus on the children of China, and "to support the healthcare community as only J&J can."

"In China," says Chan, "children are

revered due to the one child policy. They are tremendously precious, and each child represents the future of their family. The health of a child is extremely important. There is no better way to make a meaningful connection to the people of China."

Without question, caring for others is a value shared by all peoples of the world; it is at the heart of both J&J's mission and the Olympic Movement. To underscore their efforts to foster better health and inspire acts of caring, Johnson & Johnson is an Official Partner of the Beijing 2008 Olympic and Paralympic Games, a worldwide partner of the International Olympic Committee and an Official Health Care Products Partner of Olympic Committees in more than 200 countries.

As part of the spirit of "Yin Ai Er Sheng," The Johnson & Johnson Family Health Initiative was created last year and is supported by J&J's operating companies in China. It provides health information to both consumers and caregivers through programs that address such issues as leukemia, pregnancy care, breast cancer screening, diabetes education, AIDS education for women, and training for healthcare providers in China's western provinces. Other Olympic efforts include initiatives for oral care and eye care, as well as the BAND-AID® Brand

Olympic Education Campaign which offers 400 million students in China's schools a chance



to learn about health and wound care.

According to Chan, "J&J is consistently ranked among the most trusted companies in America and throughout many parts of the world, and our goal is to be the most trusted healthcare company in China. As a result, J&J will be doing business in China, long after the closing ceremonies. We began our 'Yin Air Er Sheng' journey in 2007, and we have struck a chord with the people of China and made a meaningful connection that can only strengthen our Equity and Heritage."





in this Olympic Year

Erica Kerner, Director of the Beijing 2008 Olympic Program for Adidas China has over 15 years of marketing experience in Greater China. She is not only responsible for the company's sponsorship of the Beijing Games, but plays a key role in executing a brand strategy to make Adidas the leading sportswear company in China this year by opening over 4,000 retail stores. She recently talked to Christine Lu of The China Business Show about these plans, and this is an edited excerpt of that interview.



CHRISTINE LU: Before we talk about the Beijing Olympics specifically could you give us a brief overview of Adidas China?

ERICA KERNER: Adidas has been in China since the early 90's, which makes us one of the first sporting goods brands internationally to enter this market. Today, we have roughly 800 staff people in China for the Adidas Group, which includes the Taylor Made and Reebok brands. Adidas is in about Chinese 300 cities right now, and we hope to cover all 660 cities in the near future. Now we have 3,000 Adidas-dedicated retail stores, and our goal is to grow to 4,000. We're opening two stores a day including weekends.

CHRISTINE LU: As the Director of the Beijing 2008 Olympic program for Adidas China, can you tell us more about exactly what you do and what you're responsible for?

ERICA KERNER: My team and I are responsible for the Adidas sponsorship, and our partnership with the Beijing Olympic Games, which means everything from the negotiations with the Beijing Olympic Committee to all of our relationships with both the Beijing Olympic Committee (BOCOG), and the IOC. I look after all marketing programs around the Olympic Games: sales programs, licensing programs — we're also an official licensee — athlete relations, and anything else related to the Olympic Games.

CHRISTINE LU: Being an official sponsor of the Beijing Olympics is undoubtedly an expensive commitment. What are some of the company's key objectives in China in regards to this sponsorship?

ERICA KERNER: Adidas has three different objectives. One is a financial target. The second is a consumer objective to insure that all of our brand tracking numbers increase-- in terms of both consumer loyalty and purchase intention. And the third target is based around our stakeholders; we want to be the partner of choice with our retailers, with our sports federations and athletes, and with any of our business partners or government officials.

CHRISTINE LU: Can you paint us a picture of how China is anticipating the Olympic Games?

ERICA KERNER: This really is a nation-changing event; I sometimes refer to it as a China "coming out" party. This is a chance for China to show the world that they've arrived. This is going to be the largest, most commercial games the world has ever seen. And the buzz is fantastic. If you're in Beijing you'll see the Olympics being advertised everywhere. There are about 50 partners of the Olympic Games and they're all using the Olympic Games in their advertising.

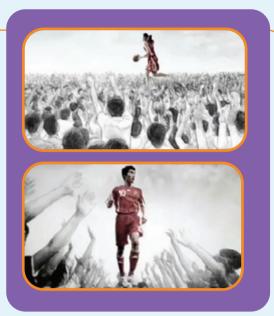
CHRISTINE LU: What are some of the Olympics initiatives specific to Adidas?

ERICA KERNER: Our category is a little different from other sponsor categories, because we are a sports brand. We would be involved in the Olympic Games even if we weren't a sponsor. In fact, my position was created before we were awarded the partnership. Everything we do can use the joint Olympics-Adidas logo, and it makes great sense.

We've got some fantastic advertising that is going to be ground-breaking and hopefully award-winning. We'll be looking at a full 360 degree integrated campaign that works with our athletes and all media. New media in China is a fastgrowth industry, because the Chinese adapt to new media a lot quicker than people in Europe or in the United States.

CHRISTINE LU: Can you give us an example of what constitutes new media?

ERICA KERNER: New media would be anything from mobile technologies so mobile phones, to all the internet technologies, digital television, push technologies. There are TV's in taxis, in elevators, and in the subways now.



CHRISTINE LU: How does Adidas differentiate from Nike in the minds of the Chinese consumer? How does Adidas want the Chinese consumer to view its brand, as compared to Nike?

ERICA KERNER: We see ourselves as the Olympic brand. We have been involved in the Olympic Games since 1928 when athletes first wore spikes developed by our founder, Adi Dassler. So we have 80 years of history in the Olympic Games and have supported more athletes and teams than any other brand. That's something we really want the Chinese consumer to understand: Adidas has history and heritage. So being the Olympic sponsor gives us a chance to educate consumers.

China is a fierce market, and there are many international and domestic competitors in our space. The key for Adidas is to be the most inspirational and innovative brand at the Olympic Games. You may recall that Adidas was also an official partner of The World Cup, and after the games in Germany, we came out as the most remembered partner. So that's our goal in these games as well. After the games, we want Adidas to be remembered as the most memorable partner.

CONTACT: Erica.Kerner@adidas.com

Getting a Grip on China? Make sure you're seeing the Oasis, Not the Mirage

By 2001, when I had been living and working in China for over 15 years, Shanghai had begun to reveal its true nature as a once and future world capital. The city boasted an impressive highway system, a few high-rise districts, a couple of Starbucks, a handful of big-name luxury goods shops, and a growing number of international restaurants. I'd been there for almost ten years, but had also done time in the 2nd tier city of Xi'an (my first

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home in China) and in Hong Kong, the Cantonesespeaking capital of "Greater China". Since 1985 I'd had a degree in Chinese history, a husband from Xi'an, and a growing conviction that China was so vast, complex and surprising as to be almost impossible to understand, let alone summarize.

At about this time, my clients from overseas began to amaze me with the predictability of their reactions to China. Here is what they said, typically within the first few hours after arrival in Shanghai or Beijing: "This place is so Westernized, it looks just like home. This project is going to be much easier that I thought." As at 2008, the last time I met a first-timer at a Chinese airport, it took less than 30 minutes before I heard the declaration that China looked like it wasn't going to be so different after all.

Describing China as familiar territory is not only a great way to close rather than open a conversation with anyone who does businesses, day in and day out, on the ground in China, and therefore knows better, it's a mirage mindset that leads to wasted money, time, and opportunities. Some diagnostics for the mirage mentality:

Mirage #1. "Westernized" customers: A few key Chinese values, directly opposite to Western values: group not individual culture; focused on overall context, not individual events or items; deeply cynical rather than trusting; largely atheist vs. theistic; mastery-based "depth" education, not problem-solving "lateral" thinking.

Rising disposable income and an economy with a growing middle class do not equate to a massive shift in values. The concept of a Chinese cultural identity has evolved over thousands of years, becoming so resonant and powerful that people from numerous kingdoms and ethnicities have come over time to identify themselves as Chinese. Even outside China the Chinese ethnic identity doesn't fade easily. despite emigrating to melting pots like San Francisco, Manila, and Johannesburg several centuries ago, how is it that the ethnic Chinese in these places still maintain distinct patterns, sending their children to Chinese school, speaking Chinese at home, paying cash, investing in real estate etc. etc.

To those who see Starbucks and think "western", consider that a willingness to enjoy coffee is not an abandonment of Chinese values. It's a demonstration of something to which China has equal claim as the West: sophistication and openmindedness. Suzhou and Hangzhou in the 10th century Song, Chang'An in the 8th Century Tang, Quanzhou in the 13th century Ming all had cultures that were at least as international and open as any place in the western world, while Shanghai in the 1920's was rightly seen as a melting pot and an international\ capital. Medicine: "Sophisticated" and "Modern" are

not synonyms for Western. The fact that the

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Chinese are try new things, use a lot of personal electronics, appreciate the independence that a car brings, does not mean that a) they want to see themselves and the larger world as we do, or that they want to be "western" more than they want to be "Chinese." Don't underestimate Chinese identity or nationalism, or buy into the idea that presenting anything as Western will create a positive response.



difficulty of creating demand in a market where standards are still being formed, or of taking significant share in a fragmented space.

A realistic plan takes into consideration that distribution, not consumer demand, is king, and that distribution in China is shaped by two forces: 1) An anything-goes entrepreneur class that breeds fragmentation, chaos, low margins, instability, and an invariably local power base; and 2) government involvement and regulation, which breeds opacity, unpredictability, and an invariably local power base. National brand and presence — in the cases where it exists — has been achieved through grass roots efforts with numerous local and regional distributors, painstakingly negotiated over years as well as a big media spend. The airwaves and the Internet can help build awareness and demand, and ad campaigns can be created by a small team based in one or two major cities, but distribution networks can be built or maintained only by a sizeable team of trained people, in each of your key markets, with a powerful incentive to sell your product.

Further, China is probably the most competitive place in the world. In addition to the same competitors we face in the home market, we're likely to find in China about twice as many Japanese brands, a lot of French and Italian and Finnish companies, Israelis and South Africans, Taiwanese, and somewhere between three dozen and three thousand domestic Chinese businesses in our space. Medicine: Realize that it's possible to spend money advertising where product and services are not in distribution. Learn the competitive and distribution environments as well as the demographics of any city you're thinking of targeting. If there's a geography that seems attractive, make sure your China team has the capability, and a plan, for finding and training local talent in that city. Finally, consumerfacing campaigns alone rarely drive sales in China. Work together with PR, with marketing, sales, and government relations to

China looking for answers

International Insights: An ANA Lecture Series in partnership with international ist

June 24, 2008 at the Harvard Club, New York For more information go to: http://www.ana.net/careers/trainingclass/LFA-APR08 see how advertising spend can help support goals in government, distribution, and trade and retail outreach. In many ways, advertising in China is at least as important for its effect on partner and trade relations, than it is for its reach to consumers.

Mirage #3: We've Got The Best Partners In fairness to anyone in China who works with international

clients, it's hard work to bridge the gap between expectations shaped by "World Headquarters", and the practical realities of implementing on the ground. People willing and able to handle the challenge are understandably relatively expensive. Yet, in a spirit of disclosure to any international company in the market for a partner, until an organization has a decade of history in China, it's on the learning curve and paying steep tuition.

Bottom line, relative newcomers are very poorly equipped to calibrate potential China partners. Though it's possible to ascertain that they know more than we do, it's impossible to judge the extent and value of what they do know. For example, people who speak no English may be virtually invisible to us. By scanning the individuals rather than the group context, we tend to overlook the peer leaders, and to fall at the mercy of those who promote themselves. As Westerners we reward people with a bias for action, while our Chinese colleagues, whose respect we need, see that bias as a mark of immaturity or foolishness.

Medicine: Acknowledge that partner choices will be colored by significant blind spots and biases, and that, with the benefit of a team on the ground in China, you'll be at a higher level of knowledge every 12-18 months. Don't commit mentally - or legally - to anyone who you haven't known long, or hasn't delivered consistently over time. Roll with the

rhythm of ongoing change and be flexible enough to accommodate constant learning.

In budgeting for China support, acknowledge that fees paid to an international firm are remuneration for local expertise, but also for the convenience of a familiar language, and the security provided by a known brand. To access real, Chinarelevant insight as well as manage costs, work towards a management team who can handle purely Chinese vendors and localize relationships. An international firm may be able to play a continuing role in strategy, communications, analysis and vendor management; even so, push them to identify and work with local providers as much as they are willing to.

Mirage #4: We Manage China Out of

our Offshore Office It's possible to run budget and

planning from offshore. It's almost unheard of for that to generate any real traction. Always-changing China presents enough executional complexity for people on the ground every day; not only in competitive landscape and tactics, but in people management. How can a remote office possibly be effective?

Medicine: Realize that any projects that drive China from anywhere besides China — and let us be clear, Hong Kong is its own realm — fall under the category of "dabbling", and do not constitute a commitment to winning in China. No way around it — you'll need people in China to implement in China.

In Closing:

At the highest level of effectiveness in China, it's critical to adopt a mindset based in reality, not some mirage of how brandbuilding in China is going to be a familiar or easy exercise. Yet, while that mindset takes hold, grab onto a few simple descriptors of China's advertising market in 2008. Here they are:

- » Outdoor and out-of-home media are very well developed and relatively high ROI;
- » Gaming and mobile-based media are widespread;
- » Celebrity endorsements are very common, but quite pricy and tricky - so get a wide range of opinions and keep on top of perceptions;
- » Internet users map closely to China's most attractive demographics, so make full use of online marketing including Search Engine Marketing (SEM) and Internet Word of Mouth (IWOM) to develop a presence on blogs as well as online media:
- » The Chinese cultural identity is intensely bound to the language, but at the same time, China's educational system turns out engineers, not writers. Ultimately, a local creative genius has equal or greater potential to connect with local audiences than an international genius. Don't give up on the search for copy writers and creatives.

Janet Carmosky is CEO of China Business Network, the leading aggregator of Chinacompetent professionals who provide services for companies doing business in China. A career China business specialist, fluent in both Mandarin and Cantonese, she has resided in Xi'an, Hong Kong, Shanghai from 1985 to 2003, and has managed import-export, sourcing, and buying agency programs. Her positions in China have included Director of Burson-Marsteller. Director of Operations for chinadotcom, General Manager of Richina Fashion Retail, and Senior Manager of Coopers & Lybrand Strategy Consulting. Her past and current clients for China strategy and implementation include: Office Depot, Wella AG, Bacardi, Marriott, Continental Airlines, Wal*Mart, Corning, Waste Management, Sony, Citroen, Alcatel, Unilever, and Givenchy. She has been published in the Harvard Business Review (Chinese edition) as well in various Economist publications. **CONTACT:** janet@chinaprospects.com















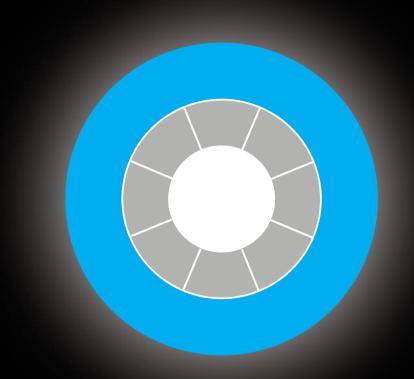
The IAA (International Advertising Association) New York Chapter held its Fourth Annual Global Marketing Summit in the city at the Roosevelt Hotel on April 3rd, sponsored by CNN International, Condé Nast Portfolio, Google and The Wall Street Journal. Delegates came to learn more about today's changing marketing environment with subjects like "The Power of User Influence" and "What's at Stake for Marketers at the Beijing Olympics." Individual viewpoints were also provided by Aegis' David Verklin, Citigroup's Lisa Caputo and the NBA's David Stern. (All photo identifications from left:)

- 1 Valentin Polyakov, Petry International and Mike Vaughton, Eurosport.
- 2 Kathy Yang and Clair Wang both Tiffany & Co.; Julie Chan, Johnson & Johnson
- 3 Robert Hurlbert, IBM and Tom Doctoroff, J. Walter Thompson China
- 4 Michael Monheim, Axel Springer Group and Nina Fletcher, Time
- 5 Etienne Katz and Chris Collins both The Wall Street Journal and David Carey, Condé Nast Portfolio
- 6 Joanne Lipman, Condé Nast Portfolio and Lisa Caputo, Citigroup
- 7 Tim Mickelborough, The Economist; Erik Fidel, CNN International; Will Potter, The Economist
- 8 Ane Elorrigada, Mediaedge:cia
- 9 Gretchen Parks, Citigroup and Lindsay Knaak, Gap, Inc.









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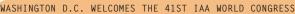
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July 15 - September 10, 2008 September 2008 October 23-26, 2008 November 2008 January 2 - 15, 2009







This year marked the 70th Anniversary of the International Advertising Association, and Washington D.C. welcomed attendees from 65 countries during the city's famed Cherry Blossom Festival. Delegates experienced stunning landmarks by night and delved into issues surrounding the Congress theme of "What's Coming Next" by day.

All photo identifications from left:

- Michael Lee, IAA Executive Director; Congressman Chris Shays; Hirotada Seki, Hakuhodo; Indra Abidin, Incoming IAA World President.
- 2 Maurice Lévy, Publicis and Emma Siggins, Eurosport.
- Bernard Kedzierski; David Oliver; Michael Karnig and Frédéric Lahalle all members of Connect Alliance.
- 4 Deborah Malone and Peggy Bloomer both the Internationalist; Pradeep Guha, Zee Entertainment; Ramesh Narayan, Canco Advertising.
- 5 Sean Sympson, Dell DaVinci
 - 6 Steve Giannetti, National Geographic Magazine.
- 7 Christian Deuringer, Allianz.
- 3 Dan O'Brien, Brand Clariti.
- 9 Julie Thompson, Julie Thompson Inc.; Alan Rutherford, Digitas; Mari Kim Novak, Microsoft Digital Advertising Solutions.
- 10 George Perlov, The Ad Council and Elisabeth Reinhard, Reinhard International.
- 11 Marcio Moreira, McCann Worldgroup.
- 12 Larry Moskowitz, Global Advertising Strategies and Conover Brown, WorldMedia, Inc.
- 13 Declan Moore, National Geographic Magazine and Takafumi Hotta, Dentsu Holdings USA
- Bernhard Glock, Procter & Gamble and Carla Michelotti, Leo Burnett.
 Jonathan Howlett, BBC Worldwide.
- 16 Boris Eremin, IAA Russia; Givi Topchishvili, Global Advertising Strategies and Anita Stewart, Sesame Workshop.
 - Toby Moore, The Telegraph and Alistair Ballantyne, Metro International.
- 18 Jeff Foley, Travel Marketing Solutions.
- 9 Dominic Lyle, EACA/European Advertising Communications Association.
- 20 Joe Priolo and Christian Gartmann both Publicitas.
- 1 Mike Searue, Kinetic Worldwide,
- 22 Glenn Hansen, BPA Worldwide.
- 23 Dick Soule, YouTube and Diane Slade, Charles Sturt University.
- A Ramsey Frazier and Max Raven both CNN International.
- 5 Sally Young, CNN International and Brett Stewart, McCann Hong Kong.

26 Naotaka Kawada, Asahi Shimbun, Kaz Kuniya, Yomiuri Shimbun and Satoshi Mochizuki, Asahi Shimbun.

- 27 Marc Malovany, Kinetic Worldwide.
- 28 Olivier deMontchenu, Euronews.



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PEOPLE AND PLACES











On April 10, Nikkei Business Publications offered an exploration of contemporary and traditional Japan. Speakers provided an overview of the changing media market now that Japanese online expenditure has exceeded magazine advertising. Guests were then invited to discover the ancient art of sake making with a special tasting at



NIKKEI OFFERS MEDIA INFORMATION AND SAKE

Megu, one of New York's modern Japanese hot spots.

All photo identifications from left:

- Tatsuo Ito, Nikkei Business Pubications. 1
- 2 Rodric Leerling, Nikkei Busines Publications; Charlotte Chiang and Steve Chen — both Anadigics.
- Seichiro Toi, Nikkei Business Publications. 3
- 4 Nao Nakamura, Nikkei Business Publications and Ms. Kajitani, DAC New York.
- 5 Ahmed Yearwood, Y Interact and Shirley Wai, WorldMedia, Inc.
- Ralf Hirt, Glam Media and Andy Meyers, AJ Advisors. 6
- 7 Yerelyn Cortez, Pace Advertising and Karen Klein, Allscope Media.
- Christina Schmid, BE International. 8
- 9 Graeme Hutton, Universal McCann and Matina Savva, OMD.
- 10 Jay Supovitz, Allscope and Yuko Tanaka, Nikkei Business Publications.
- 11 Matt Findel-Hawkins, Nikkei Business Publications and Suk Park, Ziff Davis Enterprise.
- 12 Conover Brown, WorldMedia, Inc.



INVESTOR RELATIONS AWARDS ON WALL STREET

The Annual IR Magazine — U.S. Awards for financial communications specialization to the Investor Relations community were held in late March at Cipriani Wall Street in New York. The Financial Times, along with two-dozen other financially-focused companies, were underwriters of the evening. All photo identifications from left:

- 1 Elissa Tomasetti and David Rothman both Financial Times.
- 2 Michael Dolan and Darcy Keller, both Financial Times.
- 3 Steve Howe, Financial Times and Christine Carolina, Institutional Investor.
- 4 John Moncure, Financial Times.







the new ibiza

For generations Ibiza has captivated the hedonist imagination, a magnet for hippies, clubbers, DJs, European sunseekers, and increasingly, the rich. The Balearic island is situated in the Spanish Mediterranean, and enjoys a well-deserved reputation as the epicenter of global Bohemian life. Yet change is afoot with Spain's newly elected governmental leadership, resulting in a new emerging sensibility that is reinventing the very idea of Ibiza — changing into something a bit more relaxed.

Arrivals

Rampant overdevelopment in the last twenty years across Spain has resulted in a host of infrastructure amenities that have eroded the naturalistic vibe of Ibiza, but made it very easy to visit and consume. Arrivals at the well designed, modern airport are a breeze, and its just a short ride into Ibiza town, which features a walled village perched on a high part of the island. Endless traffic jams and the pressure of high season tourism mean that taxis can be a pain, so its best to rent a car and use it as an escape mechanism to the beautiful, less visited parts of the island to the north and southwest. Try BK Rentals, which offer the best rates and easy bookings through **doyouspain.com** — a website that makes car rentals an unusual cinch. If you need a private driver, try Antonio on +34670067888.

Where to Stay

Avoid the western town of San Antonio, (site of the world famous Cafe del Mar and Mambo Cafe), at all costs, as it features completely the wrong type of crowd. In Ibiza town on the east side, the new **Hotel Nord** and **Ibiza Gran** offer easy access to many restaurants and clubs. They are a good option if you are just there to sample the nightlife. **Es Vive**, a European favorite, is more nightclub than hotel and a fun option for those who don't plan to sleep at night.

For a better experience, try getting out to a private villa in the surrounding hills, or head to the smaller boutique estates in the north. **Ibiza Moving Arts**, near Sant Llorenc, offers a tranquil setting and lush gardens in a 400 year old Ibizencan country house, with a yoga studio and regular classes at very reasonable rates. Xavier (a well connected Uruguayan who also runs the cafe at S'Estanyol beach) is opening a new property in the far north called **Hotel Astante**. It is near **Ses Casetes** and features beautiful rock hewn rooms, chill out areas, and hiking trails to private beaches on the estate's 14 hectares of land — heaven.

Beach!

Ibiza is largely known for its two best beaches, Sa Trinxa and Salinas. Both are packed all summer long, and a host of beach clubs and cafes offer full service menus, lounge chairs and activities for the intrepid onlooker. Sa Trinxa offers better people watching. On the west coast Cap la Bassa and Cala Salada at Punta Galera are great beaches, and the white sand at Cala Salada and Cala Conta are locally known as some of the best on the island. In the north, Benirras offers a stunning view and acceptable sand in a cove surrounded by green lands protected from development — with the occassional drumming concert. Farther north, near Portinax, are a series of small beaches with clear turquoise waters. One of these includes Hub Culture Secret Beach, an isolated location with access as part of a suite of scheduled activities in Hub Culture's summer 2008 residency project in Ibiza. It runs from July 15 - September 10 with a number of local partners.

Restaurants and the Social Scene

Hub Culture is teaming up with the **Macao Cafe** group to create a residency programme for summer 2008, which will include VIP access at a temporary beach pavilion for the season for Hub Culture members. **Macao Cafe** will operate the location, with Hub Culture running activities throughout the season that include yoga from Quantum Yoga, beach massage, sports, and special events.

New clubland laws are set to have a big effect on the Ibiza scene for the busy summer season, with new closing regulations that reduce the 24 hour club cycle that has existed over the last several years. The clubs have become very bottleservice and VIP oriented, financially shutting out people who really just want to enjoy the incredible music Ibiza has to offer. Pacha, Space and KM5, three of the Ibiza's biggest and best clubs, will thus reduce their hours of operation to close from 6AM to Noon, and DJ King Pete Tong will be moving his famous Friday set from Pacha to Wonderland at Eden "to encourage bringing back the music" to the center of the Ibiza scene. Rob Marmot, another top DJ who performs with Pete, will be spinning at Blue Marlin Beach Club on Wednesdays (great party!) and Es Vive. Don't miss Sven Väth, the hot new thing on the scene.

At some point all that dancing requires fuel, and Ibiza has no shortages on the food scene. Beach goers like to eat at **Tropicana Cafe** and then bump down to the afore mentioned **Blue Marlin** for the social scene, and **Macao Cafe** offers locations around the island and their upcoming beach pavilion, **Macao Cafe on the Rocks. Casa Colonial, Sole Luna** and **Bambudda Grove** are all good locations for a nice evening meal.

Before you leave, its worth taking a little drive up north to Santa Gertrudis de Fruiteria, a tiny village that has become quite the in spot for sophisticated people watching. Here you can pop in on the lovely Gisela, a German native of Ibiza who has watched the scene evolve for over 30 years. From running the door at famous clubs in the 1980s, she opened her own clothing label and gallery, which eventually turned into Gisela, a collection of beautiful Ibiza style clothes. Favored by everyone from Kate Moss to Jade Jagger to Calvin Klein, every custom piece is both revealing and a true work of art. If you're lucky, maybe she'll sit down with you for a cup of tea in her studio, and share a story or two about the old Ibiza and its bohemian roots. Although those days are gone in the busy, clubby south, you might just believe it still exists in the north, if only by the twinkle in her wise blue eyes.

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BY STAN STALNAKER

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