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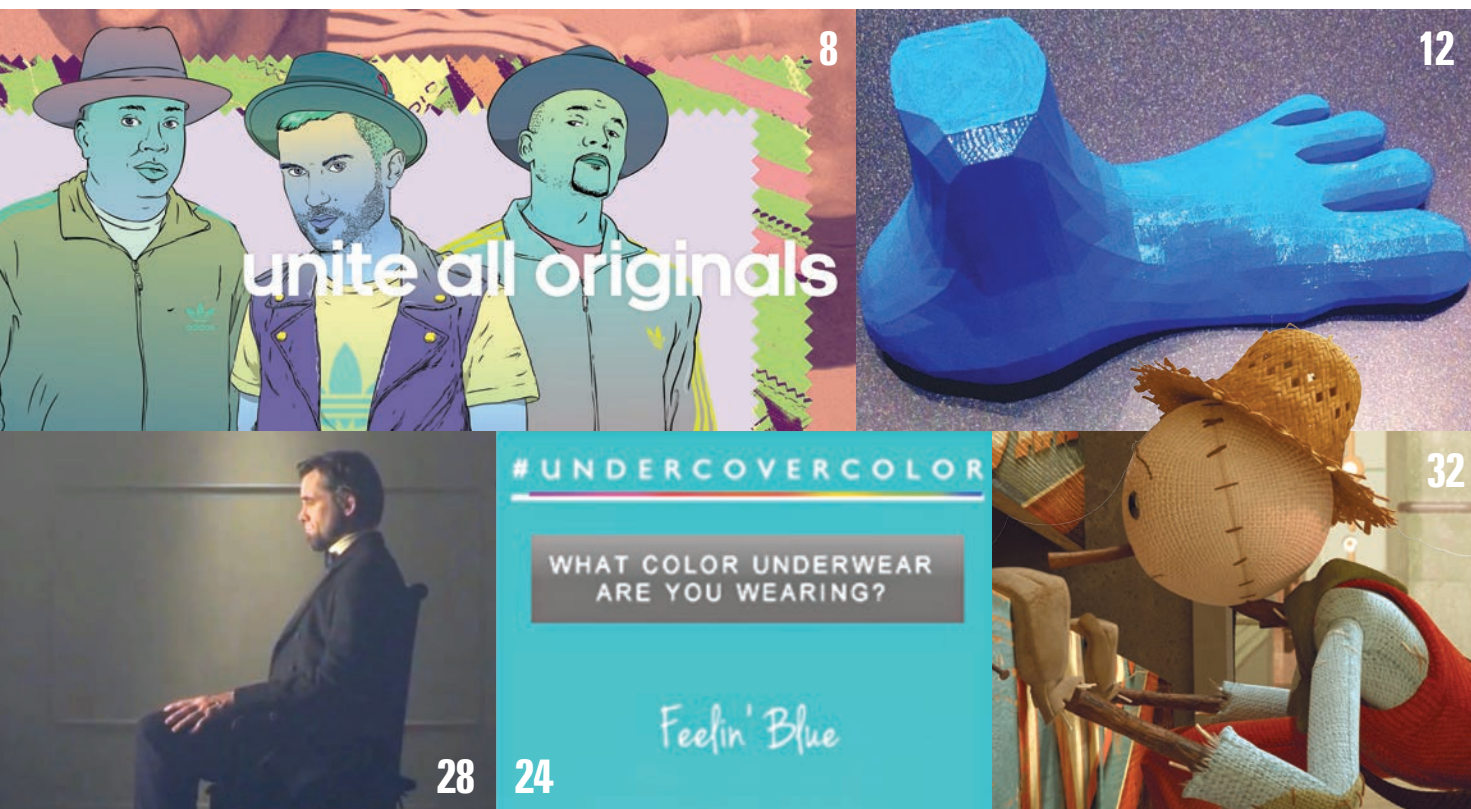
Independent/
Small Agency of the Year
Spark

Supplier of the Year
Acxiom

Full-Service Agency of the Year
MediaHub/Mullen

Executives of the Year
Jim Elms, Initiative
Peter Mears, Initiative

Targeted Solutions / National Scale
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MEDIA SUPPLIER OF THE YEAR
MEDIA CLIENT OF THE YEAR
and more...

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January 14, 2014

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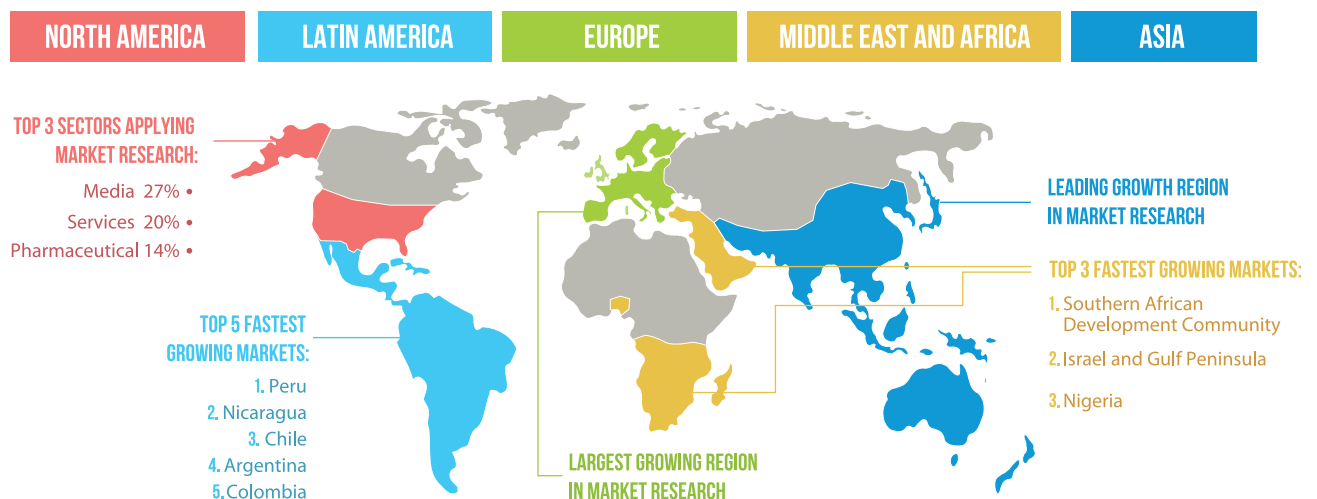
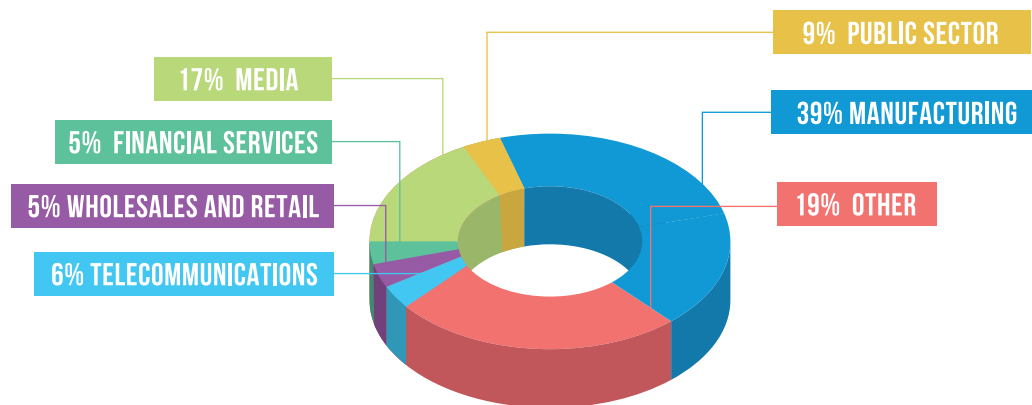
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MARKET RESEARCH AND CONSUMER BEHAVIOR AROUND THE WORLD

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Courage, Discipline and Foresight

This year's winning agencies have a few things in common

One of the interesting things about writing these introductions to *MEDIA* magazine's annual Agency of the Year editions is that they always coincide with the end of a calendar year, and so, like many other people this time of year, I'm not just reviewing what our winners have done these past 12 months, but what's been taking place in the world around us. Needless to say, I believe everything around us is accelerating — in large part — because of the acceleration of media options and ways of experiencing them. The most ironic part for me, is that I get to cover an industry that is both simultaneously contributing to, and reacting to those changes. The agencies, entities and people we recognize in this issue are some of the best examples of both of those things, and for me, nothing has galvanized that thought more than Matt Seiler's proclamation to automate half of Interpublic's media-buying within the next two years.

I have no idea whether he'll achieve that, or even how you'd actually measure it, but the important part is the idea of it. And as the Interpublic Mediabrands chief notes in a profile that follows, you don't get big changes "without making a dramatic ask." And in a way, you can say all of the subjects of this year's — or for that matter any year's — Agency of the Year Awards, are really people or entities or simply made dramatic asks. They asked dramatic things of their organizations, of


the industry around them, and even of themselves to do something — to make media work better.

That logic fits completely with the criteria we've always used as the basis of these awards: strategic vision, innovation and industry leadership. What more could we ask for?

Needless to say, there are all sorts of ways of getting there. Some organizations do it openly and transparently — even collaboratively with other industry players, sometimes even their own

competitors. Sometimes, as has been the case at Carat, it means doing something extremely proprietary — building or striking deals to gain access to unique insights about the way people use media — that give you a competitive advantage. Sometimes, as was the case for this year's industry supplier of the year, Acxiom, it meant creating an infrastructure — an operating system, if you will — enabling others to build better ways of analyzing their own or others data so that it can be applied in ways that give them competitive advantages.

Sometimes, as executives of the year — Initiative's Jim Elms and Peter Mears — it means giving the people in your organization the freedom to have the courage to do things better, smarter, faster.

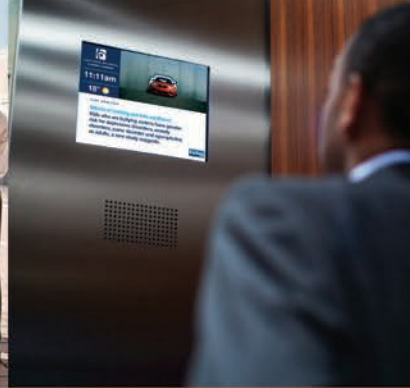
The truth is, few if any of the ideas reflected in this year's winners — even those of the past — are truly new or original. What sets them apart is that they had the courage to ask, the discipline to do, and the foresight to share them with others. 


JOE MANDESE, EDITOR-IN-CHIEF



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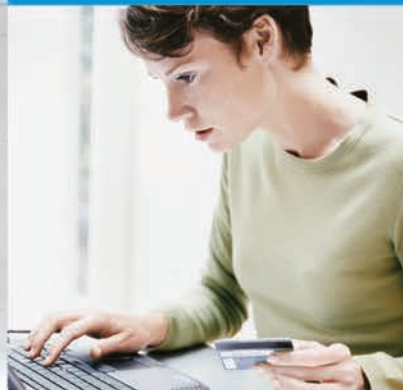
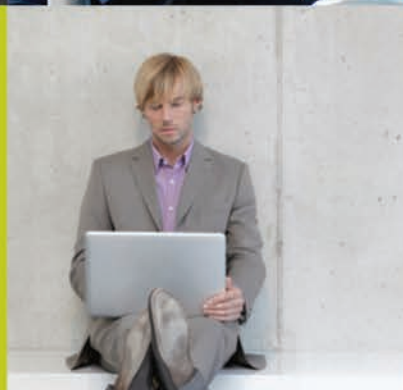


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Returning To Its Roots

AGENCY
OF THE
YEAR
CARAT

The “media research agency” returns to its roots and wins with a consumer-centric approach to analytics, strategy and planning **BY JOE MANDESE**

When London-based Carat opened shop in the U.S. marketplace in the mid-1990s, it transformed Madison Avenue, forcing all of the major agency holding companies to unbundle their media departments into free-standing media services agencies. Carat didn't force Madison Avenue's hand because it was a pure-play, independent media-buying shop. Those had existed in the U.S. and other markets around the world since the 1960s. (In fact, Madison Avenue's oldest agencies — names like J. Walter Thompson and N.W. Ayer & Son — essentially began as media shops, repping newspaper advertising space). What differentiated Carat, and what forced Madison Avenue to capitulate, is that it was the first independent media services agency of its scale, and with the capital resources to invest in new forms of research and data needed to improve the science of planning, buying and measuring the effects of media. Carat, in effect, was a research company in media-buyers' clothing, and the world's biggest agency holding companies are still playing catch up.

Despite, or maybe because of those successful roots, Carat grew rapidly over the next 15 years, attracting major blue chip advertising accounts, morphing into something that looked a lot

like any of the major media services units of Madison Avenue's holding companies. For all its research DNA, Carat began to appear undifferentiated from other major media shops. That



Adidas Unite All Originals campaign; above: Felix Baumgartner readies to perform the Red Bull Stratos Space Jump

was due partly to the fact that every media agency now invests significant sums in research and analytics, and in a world of “Big Data” everyone has access to all the information they want anytime they need it. Or so it would seem. Recognizing that insights not data are the lifeblood of strategic planning, Carat doubled-down, returned to its roots, and invested in and built new tools to give it — and its clients — a proprietary edge over the rest of the marketplace. It’s the reason *MEDIA* named it Agency of the Year in 2012. And it’s the reason we are doing so again this year.

“We had a reputation for being the media research agency that did planning and buying,” recalls Doug Ray, global president and CEO of Carat North America. “I think we lost that focus, and I wanted to bring it back and make us a consumer-centric company that is investing in research and analytic techniques to bring to our clients.”

By 2012 Carat achieved that, having built one of the most robust primary research studies of consumer media behavior and employing new methods of analytics — like “agent-based modeling” — to mine those proprietary consumer insights and apply them faster and better than any agency organization to date, giving Carat its first-ever *MEDIA* Agency of the Year recognition. We are awarding Carat for the second year in a row for building on that base and continuing to lead the industry by its insights and analytics example.

In 2013, Carat continued to build out its primary research panel — the 30,000-plus respondent CCS, or Consumer Connection Study, which Ray boasts is now bigger than Simmons, Mediamark Research & Intelligence (MRI) or any of the other major syndicated consumer media research studies utilized by most of Madison Avenue. Though Carat could likely syndicate

“We had a reputation for being the media research agency that did planning and buying... I think we lost that focus, and I wanted to bring it back.”

DOUG RAY, GLOBAL PRESIDENT AND CEO, CARAT NORTH AMERICA

or spin CCS off by now, Ray says the agency considers the proprietary insights generated by the study to be the core of its secret sauce for clients and its communications planners, and that the investment has been well spent. In fact, Carat increased its commitment to original research in 2013 by introducing a new luxury consumer market segment to understand how consumer exposure to media influences their attitudes toward high-end brands such as Burberry and Cadillac, but Ray says it also has applications for other mainstream marketers, such as British Airways that are also looking to tap the luxury consumer marketplace.

The segment, which Carat dubbed “CCS Diamond,” explicitly tracks the media behavior and attitudes of consumers earning \$100,000 or more. Ray attributes CCS Diamond as the primary driver of insights for all of the agency’s high-end brands.

While Carat doesn’t license the data or insights to outside agencies or brands, those insights do fuel the strategy of sister agencies including search campaigns for iProspect clients. Carat is already working on a white paper for the search shop on how search contributes to luxury brand results.

Ray says Carat continues to invest in expanding the CCS

sample, and is already in the early stages of a new consumer segmentation for so-called Millennials, which he says is vital to almost every brand.

“Sony Playstation, Redbull, Adidas, GM, Macy’s are all really struggling to understand Millennials,” he says adding that the spade work the agency began on building out that segment will be launched in the first quarter of 2014 and will reveal “how the convergence of digital is affecting shopping behaviors and engagement behaviors among Millennials.”

As important as that primary research is, the real power behind it is Carat’s ability to “fuse” it with other databases, including its clients own “first-party” data about consumer purchases and use of their own brands, as well as “third-party” data on online user behavior.

“This is where I personally have started to take a proactive role,” says Ray, who began his career at Carat ten years ago as its head of communications planning. “One of the things I’ve been focused on is how we continue to fuse data, because I truly believe that the agency that will rule the future is the agency that owns its own data.”



The Carat office; left: GoPro HERO3+; right: Gillette's *Man of Steel* promotion, "How Does He Shave?"



One of the most powerful applications of that data, he says, is the way Carat has begun to leverage it via programmatic trading of online media. Because the respondents who opt into the CCS database also agree to share their personally identifiable data with an online pixel tag, Carat knows exactly what, when and where they browse online, and can correlate that behavior with their overall media consumption and attitude data from CCS.

"We are the only agency that has actually taken CCS-level data and brought that into the programmatic trading space," says Ray, noting that while that has obviously implications for targeting the known consumers of a brand, it also enables Carat to extend the reach of online users via so-called "look alike modeling," a technique that matches the behaviors of online users Carat has data on with other consumers likely to have similar characteristics.

The application doesn't just improve audience-targeting, says Ray, but the type of content and ad messages created for and served to those users.

Carat was also one of the first media agencies to begin working with Acxiom (see related story in this Agency of the Year report) on the development of its "audience operating system" and helped unveil the new platform during Advertising Week in September. The platform enables advertisers, agencies or media companies to seamlessly integrate first- and third-party data on consumer purchases with their media usage.

Perhaps the most innovative source of data developed by Carat in 2013 came from a proprietary deal it cut with Apple. The deal, which was an outgrowth of a global media partnership between Apple and Aegis, went beyond the obvious

device and media impressions controlled by Apple to include unique insights on consumer media consumption ... in particular, how they listen to music or watch videos via iTunes.


By fusing Apple's iTunes data with its CCS panel, Carat has developed new consumer targeting segments based on what's driving their underlying culture. The insights are especially important for cutting edge lifestyle brands such as Redbull or Revolution Studios.

"That's not something you're going to see from Simmons or MRI data," says Ray.

To help its planners and clients see those insights, Carat also invested in developing new data visualization tools including Radar, a system Ray describes as both a "navigating" and "reporting" dashboard. Carat's planners can use it to vet the information they need, and clients can use it to report on the results of those data applications.

Ray says the Radar system is a great "blend of man and machine," enabling people to crunch big data in a way everyday users can access and understand.

In the end, Ray concedes Carat still has to execute on the insights and strategies generated via its primary research and analytics, but without that competitive edge he says Carat's work wouldn't be nearly as good as it has been. And if there's any proof, it's the fact that the agency has been on a new business tear for two years running, growing its billings 30% on top of a 40% expansion in 2012.

"With that kind of growth, it would have been easy for 2013 to have been a year of distraction for us, but we really hunkered down," says Ray. "I think we came out of last year knowing more than every exactly who we are and exactly what we need to do." 



EXECUTIVES
OF THE
YEAR
JIM ELMS
AND
PETER MEARS

TEAMING FOR SUCCESS

Jim Elms and Peter Mears are fast, brave, decisive and simple **BY STEVE MCCLELLAN**

When Jim Elms and Peter Mears took on their new roles at Initiative last February the task was two-fold: reinvigorate a global media shop that had stumbled a bit while simultaneously integrating the roughly \$1 billion media operation of sibling agency Draftfcb.

They didn't waste any time injecting change into the organization. After a quick assessment they streamlined the agency's planning process and introduced a new set of operating principles — in effect creating a new agency culture. And they convinced every one of Draftfcb's media clients to make the transition to Initiative, which accounted for approximately \$30 million in additional revenue.

And while managing all the internal change, the agency also found a way to reel in big new clients like Amazon, Reckitt Benckiser and Sony Music.

For their quick, bold and effective efforts Elms, Initiative's global CEO, and Mears, North American CEO, have been named *MEDIA* magazine's Executives of the Year.

Quick and bold in fact are part of the agency's new mantra. Both Elms and Mears realized quickly that Initiative needed a culture change — a different

attitude and method to the way all agency staffers conduct business both internally and externally. What they came up with to express that change was a new set of unifying principles that focused on being "Fast, Brave, Decisive and Simple."

What that boils down to is a streamlined approach to everything the agency does, from planning client media and marketing efforts to new business pitches and even to the way internal meetings are conducted.

PowerPoint presentations, for example have been banned from the agency. The reason? Because there are more engaging ways to communicate ideas. Now, there is much more reliance on video. And meetings at the agency, worldwide, are now shorter — typically 40 minutes. And if you call a meeting, you better be prepared to conduct it and also articulate at the end of it what the resulting "action items" are, said Elms.

The "Brave" part largely has to do with

client interaction, said Mears. "It means having an open and frank dialog with clients," he said. "We're going to challenge you and give it to you straight and tell you what we believe," which is not always easy, he said.

The planning process has been reduced to two essential tools — from dozens that were previously used. Those tools can be used to create a client game plan in two to three days, versus the three to four weeks that were previously the norm.

Reducing the essential tool set was critical to realizing the "fast" and "simple" elements of the agency's new approach, said Elms. "You can't have two-dozen tools and 22 steps," and maneuver effectively in today's marketplace, he said. "It's got to be two important tools and a really well-managed time line."

The shop's key arsenal now boils down to a consumer insights tool called Real Lives which is matched with media-mix software called Matrix. Between the two, the agency can quickly map out a plan for most clients. And if refinements are necessary the agency has a number of optimizers and other tools that used to be part of the main process to employ.



Top left clockwise:
Jim Elms; Real
Lives consumer
insight tool; Peter
Mears; Initiative
Talks conference





FBDS placemat; above and left, Peter Mears introduces the four-toed foot award

The “Fast Brave Decisive Simple” approach initially sprang from a presentation for Unilever in which the agency pitched a “Barefoot Running” concept. Essentially that meant a “getting back to the roots and demystifying what we had created” approach, said Elms. The pitch went over big with Unilever, which awarded the agency significantly more of its business including communications planning duties for their Homecare unit.

After that the task was to define how a “Barefoot Running” agency would conduct itself on an ongoing basis. Agency teams were brought together and given stacks of cards with adjectives and the teams had to select those words they felt best described such an agency. Fast, brave, decisive and simple were the predominant choices.

With that, “we knew we had something that was real and that people would respond to,” Elms said. FBDS has spilled over to the pitch process as well. At chem-

istry meetings the shop uses placemats — tailored to the prospect

— to introduce itself, key staff, operating principles and planning approaches. Those are items that used to be just one more slide on a PowerPoint deck, now expressed in a more creative manner.

According to Mears, the FBDS approach will never be completely finished. “It’s about 85 percent complete,” he says. “That gives us the flexibility to evolve, rather than being a perfectly baked thing.”

And, speaking of imperfections, the company’s so-called “Future Board,” comprised of Initiative up-and-comers who help shape the direction of the agency, devised an award — a 3D-printed blue four-toed bare foot that’s bestowed monthly to an individual that best imbues the spirit of FBDS. Staffers are nominated

by their peers, via social media, in 140 characters or less.

If you’re going to change a culture, it helps if you enlist input from the troops, which is what Elms and Mears have done throughout the year. Also, have some fun with it. The four-toed foot award is one example.

The flip side to staff input is giving up some control. There is no uniform look to FBDS. Staffers are free to design individual logos and digital email signatures expressing in their own way the new culture. The one caveat is the letters FBDS have to be part of it. “As long as it inspires them in their work,” said Elms.

Adds Mears: “We have consistent principals with a local expression. It’s a bit like clients operate.” **M**

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AUTOMOTION PILOTS



From programmatic to publishing, this agency practically selected itself **BY JOE MANDESE**

In October 2012, Matt Seiler assembled the top managers of Interpublic's disparate Mediabrands organization for a high-level meeting to discuss a strategic pivot he wanted the holding company to make in 2013 that he believed would change, not just how Interpublic's agencies buy media, but the way much of the world does. Already leaders in the rapidly growing programmatic media-buying business, Seiler told his team he wanted them to accelerate the process and set a goal of making 50% of all the media bought by Interpublic agencies automated within two years.

"They went, 'Oh, shit. We can't do that in two years.' So I said, 'Okay, let's do it in three years, but we can't go any farther than three years out.'"

In retrospect, Seiler isn't saying what his actual bottom line was heading into that meeting, but he is happy with the

outcome. As Mediabrands wraps up the first of that three-year cycle, he says it has achieved the organization's first year goal of 8% of all its U.S. media being bought automatically. By the end of year two, he says, it will be 23%. And by the end of year three, it will reach 50%.

Why such a dramatic line in the sand? "We wanted to make a big change in the way media is bought, and you don't do that without making a dramatic ask," he says, boasting, "Our 50% automation stake in the ground has done more to drive automation in the industry in the last few months than literally in the last few years. And I love that, because I'm very happy to lead by example, not by committee."

Seiler says Mediabrands was uniquely positioned to take that leadership role, because it had already invested in the resources necessary to, well, put its money where its mouth is. Mediabrands had already developed some of the

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IN LIMA, THE WORLD'S SECOND LARGEST DESERT CAPITAL, THERE IS VERY LITTLE RAIN, BUT THE ATMOSPHERIC HUMIDITY IS ABOUT 98%.

THE IDEA OF TURNING THIS MOISTURE INTO DRINKING WATER CHANGED THE LIVES OF HUNDREDS OF FAMILIES AND ATTRACTED THE ATTENTION OF YOUNG STUDENTS, WHO SAW THAT ENGINEERING CAN HELP THEM MAKE A DIFFERENCE IN THE WORLD.

HOW IT WORKS:



most sophisticated digital media data and trading systems in the industry and had also quietly been extending them into other media, including television, striking early deals with seminal TV audience-buying platforms like AudienceXpress and Adap.tv.

It also reorganized its own infrasc-

ing trading desk Cadreon and audience management platform MAP — into a centralized operation sitting within its Magna Global unit, effectively combining the best machine automation with the best human intelligence.

To accelerate the automation process beyond pure-play digital

Left: Matt Seiler; above: BPN's "Water Billboard," an outdoor ad that generates clean drinking water

structure, consolidating all of its programmatic media operations — includ-



media like online, mobile and social, Mediabrands also formed the Magna Consortium, a mix of leading media companies such as A&E Networks, Cablevision, Clear Channel, ESPN and Tribune, which also represents non-digital inventory like TV, radio, print and out-of-home. Seiler's point wasn't just 50% of digital media, it was 50% of all media.

"We had benchmarks in order to get there, and we're on target," he says, adding that 2014 will be a "big, big, steep climb."

"It is a little bit daunting, but we have put the things in place that we need to get it done with the consortium and the platform. And this is the year that we will go from programmatic to automatic, the way it should be."



Above: UM's "Live on Live" television ad for Xbox Live/*Gears of War: Band of Brotherhood*; right: the IPG Mediabrands team visits PS 43, a school devastated by Hurricane Sandy, bringing electronics, books, school supplies, toys and games

Next year will also see the spread of automation throughout the rest of the world as well, as Mediabrands kicks off its acceleration play in the so-called "G14" markets — the 14 biggest ad markets outside the U.S. — with a goal of reaching 50% automation in the rest of the world within a total of five years.

The automation initiative alone was enough to secure Mediabrands as *MEDIA*'s agency holding company of the year for 2013, achieving all three of our main criteria — strategic vision, innovation and industry leadership — but even as the holding company was pushing the industry into greater media-buying efficiency, it also continued to invest — and lead — in the areas of greater media effectiveness, developing one of the most sophisticated data management platforms inside Magna, leveraging proprietary data from clients and third-party data providers like Nielsen and Nielsen Catalina Solutions, and becoming one of the first agencies to sign on to Big Data manager Acxiom's Audience Operating System (see *MEDIA*'s Supplier of the Year profile in this same issue).

Mediabrands' IPG Lab, meanwhile, continued to conduct research and development on the bleeding edge of media innovation, and not just the kind of bright, shiny theoretical things

it was known for in the past, but some very practical applications of next-generation technologies and consumer trends. The lab partnered with Magna's research and data analysts to conduct one of the most exhaustive analyses of so-called "second screen" (mobile and social apps experienced on tablets, smartphones, etc.) behavior on television viewing, concluding that for all the industry noise and real consumer behavioral changes taking place, 70% of all media time is still invested on the "first screen" — television.


Another thing Mediabrands' pivoted on in 2013 was a major push toward content marketing, including an acceleration of the kind of "native" advertising formats that are currently the rage on Madison Avenue. It reorganized its disparate branded entertainment and content marketing initiatives and consolidated them under a centralized Mediabrands Publishing unit that has begun working directly with big and innovative publishers and content distribution technologies to develop new ways of extending clients messages to consumers via so-called "owned" and "earned" models, with some sizeable "paid" media-buying leverage behind them.

Meanwhile, Mediabrands' best-known media-buying and strategy



brands, media agencies Initiative and UM, had very good years. UM racked up a spate of new business, while Initiative brought in a new management team that helped make it the media agency comeback story of 2013 (see *MEDIA* Executives of the Year profile elsewhere in this issue). And Mediabrands' fledgling third media network, BPN, struck creative gold, developing award-winning campaigns that pushed the boundaries — and definition — of media. One example is the "Water Billboard," an outdoor ad the agency created to promote the University of Technology and Engineering in Lima, Peru that actually generated clean drinking water from the humidity in the air around it.

While Mediabrands' 50% automation campaign was the deciding factor for being named Holding Company of the Year, all its initiatives and those of its operating units, fit the criteria.

"We all know the way media is bought and sold is primitive," Seiler sums up. "We just decided that we could either sit on the sidelines and say, 'Boy, it should change.' Or, we could change it." 

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AGENCY OF
THE YEAR

Who's On First, What's On Third?



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To find out, big data's big daddy wants you to join its party **BY JOE MANDESE**

If you had to pick the most vexing and talked about subject on Madison Avenue in 2013, it most likely would be one that falls under the banner of “Big Data.” In fact, if you’re an industry pro, just reading those two words together probably gave you a sense of discomfort and a desire to stop reading this article right now. Don’t, because what you are about to read will put you at ease, or at the very least will give you hope that someone is working on a solution that will get you there very soon.

But first, let’s acknowledge what the problem really is: Big Data is a little too big. And more importantly, it’s frequently too unstructured to make much, (if any) sense ... much less generate genuine insights that could lead a marketer, an agency or a media company to do something meaningful.

Think about it. Big data is multivariate. It comes from a multitude of sources — both on- and off-line — in media, marketing and retail and in every shape and form of product, brand or service that a consumer interacts with. In fact, there is so much data being leaked through the modern “customer journey,” that Big Data insiders now use the term “data exhaust” to describe the fumes

of information that are clouding the world of consumer marketing. Sound exhausting? It is.

Let's just pick one relatively narrow slice of data: information published online. In 2003, the then burgeoning Internet was generating 1 petabyte of data a year. Ten years later, it is generating 1 petabyte of data every two days.

And the biggest problem with all that data is that much of it is either worthless, or downright wrong. Take cookies, as an example. For all the talk within the ad tech business, you'd think Web browser cookies were a godsend for identifying and targeting consumers, right? Why else would advocacy groups and regulators be up in arms about consumer privacy online? The truth is, cookies may be one of the weakest data signals advertisers and agencies could possibly use to target consumers online, at least in their unstructured and unfiltered form.

"The problem is the need to develop a single view of customers across all the channels and devices and applications they are using," says Phil Mui, who has been building just that sort of filtering technology for Big Data's biggest daddy, Acxiom.

The challenge, he says, is reconciling the disparate and non-unified way cookies capture consumer data, and how that data gets attributed to describe who they actually are and what their behaviors have been (much less their intent).

To illustrate this point, Mui would like you to think about "Rebecca." She uses different devices at different times to interact with brands and purchase products in different ways, dropping cookie crumbs all along the way — clicking through to an email discount offer, browsing a product on a retail or manufacturer's site online, picking up the phone to order from the Home Shopping Network.

Along her journey, Mui says, "24 cookies may have been dropped across six different devices," but, "that particular purchase would be associated with her offline behavior."

It's a bigger challenge than simple sales attribution, says Mui, explaining that the marketing world is getting a distorted view of Rebecca, in a far bigger sense. Actually, he says, it is getting a distorted view of Rebeccas, pluralized. Over the course of all those digital interactions, "four different personas" were ascribed to Rebecca because she logged into different browsers at different times on different devices that had a different way of identifying



Above and left: Acxiom introduces their AOS product during Advertising Week 2013

her. In other words, the sum of Rebecca's digital parts were much greater than her whole — four times greater.

"The problem for marketers today is that marketing is a channel-centric discipline," Mui says, "but there is no company that has the means to connect all the data generated by those channels to provide a single view of the customer." Until now... because that's effectively what Mui has built since joining Acxiom as Chief Product & Engineering Officer in the Spring of 2012 after serving as Google's long-time group product officer and the chief engineer behind Google Analytics.

The product, which Acxiom chief Scott Howe dubs an "audience operating system," or AOS, was officially unveiled last September during Advertising Week in New York, and it is the culmination of a career-long quest for Howe, who began a journey to "take the friction out" of the marketing process by unifying all the data about consumers in one, easy-to-manage platform. He began that quest as a young digital Turk at seminal digital shop Razorfish and rose through the ranks at aQuantive, ultimately succeeding Brian McAndrews and serving as the top ad man inside Microsoft's publishing organization, before leaving to run Acxiom.

Howe developed the integrated vision while at Microsoft, likening it to the way Microsoft unified its suite of Office software applications and tools into a single, seamless, easy-to-use platform. He also borrowed the concept of an operating system, because what he and Mui have built at Acxiom isn't your father's data processing company. Yes, Acxiom's Little Rock, Arkansas, headquarters has plenty of servers and data processors, but it's all an end to a means, says Howe, which is to take the friction out of



consumer marketing by taking the noise out of all their data signals. And the only way to do that, he says, is to unify all the data about individual consumers in a centralized way.

To understand how Acxiom did that, you first have to know a little bit about where it came from. Acxiom was big data before it became a proper noun... collecting, housing and databasing every data attribute you could gather publicly about consumers from public records, then organizing and attributing it to the so-called “first-party” data collected by marketers who had relationships with those consumers ... usually when they purchased something or signed up for a mailing list or some kind of offer. For most of its history, most of that data was from offline, real-world consumer behaviors; but, over time as digital data began to accumulate, Acxiom, like other consumer data aggregators, began to integrate and tried to attribute it. The problem is that while its first-party data was rock solid, the ability to link it to the volumes of third-party data being generated were — as Mui’s Rebecca example illustrates — not-so-good.

The solution was to develop a new bullet-proof tagging technology that enabled Acxiom to reliably link the first- and third-party data, without compromising consumers’ personal identities. That technology, which Acxiom calls Abilitag, is at the core of the new audience OS which links personally identifiable data on 700 million consumers captured by big marketers with all the anonymized third-party data collected online.

Mui estimates the 700 million identifiable consumers in Acxiom’s database represent about half of all the first-party data generated by the Fortune 100 companies. But Acxiom’s OS goes one step further, building its own third-party cookie pool, which Mui says has access to the last 30-days of behavior on more than 1 billion consumers.

It is the ability to link all that data, and to enhance it, that is the core of the OS. How does Acxiom enhance all that data? By linking it to all the other consumer attributes it has gathered and gleaned from the multitude of public records available on consumers, including where they live, whether they own their home, what their mortgages are, whether they have kids in college, etc.

“For every consumer we have more than 5,000 attributes of customer data,” Mui boasts, noting that by linking the public info with actual purchase data, and attributing it to online browsing behavior, Acxiom can actually predict future consumer behaviors.

“We know what your propensity is to buy a handbag. We know what your propensity is to go on vacation or use a loyalty card,” he says.

If that sounds a little too creepy, Mui and Howe say its just a fact of modern consumer life, and all Acxiom is trying to do is make it more scientific so that the data works the way it should, friction is taken out of the process for marketers and agencies and consumers — at least — get the most relevant offers and messages targeted at them.

Because controlling so much data generates another kind of friction for Acxiom — oversight from regulators and advocacy groups concerned about consumer data privacy — it did something else in 2013 that, while it doesn’t necessarily directly benefit marketers, indirectly does by putting consumers at greater ease about how their data is being used.

Last September, Acxiom launched a new consumer website — aboutthedata.com — which gives individuals direct access to a portion of the data Acxiom collects on them and also gives convenient ways of opting out.

Howe and Mui say trust is one of the most important attributes surrounding their data. They say their OS, including both the consumers’ data and that of the marketers who entrust their highly proprietary first-party data to them, has bullet-proof security systems to back that up.

That, in a nutshell, is how Acxiom’s OS came together and is the main reason *MEDIA* selected it as its supplier of the year... for helping Madison Avenue tame Big Data. But Howe says it’s just Phase One of a more ambitious goal to build a suite of new products and services. In that regard, Howe is taking another page out of his former Microsoft playbook and plans to leverage the OS to enlist others — so-called third-party developers — to build applications directly for Acxiom’s clients, which in turn will give them more value for utilizing Acxiom’s systems.

To jumpstart the process, Acxiom has been developing some of its own, homegrown apps... the first of which — a cross-channel media planning platform that taps all of Acxiom’s first- and third-party data to identify the best media options for reaching a consumer — was launched during the OS’ unveiling in September. Howe and Mui say they are developing other applications, but the ultimate goal is to inspire others.

“We are absolutely not in the business of trying to build all the apps in the world of marketing,” says Mui. “What we want to do is expose our ability to connect audiences with channels — online and offline — so that other players, the Adobes and Salesforces of the world, can build even better apps for marketers and agencies worldwide.” **M**

Phil Mui, left,
and Scott
Howe



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SOMETIMES, INNOVATION IS RIGHT

Normally, when people think about innovation they think about moving forward. Sometimes, it requires a step backwards. Chris Boothe is proving that in his transformation of Spark SMG from a small, industrial-focused, lesser-known, conflict shop of big sister and brother Starcom and MediaVest into what could well be the agency of the future. To remind his team that sometimes the past can be prologue, Boothe had some old school typewriters — remember those? — installed in Spark's Chicago headquarters. Why, you ask, utilize an 18th Century technology to spark innovation in a 21st Century agency? Because Boothe believes people who use the indelible medium compose their ideas differently, and with more care and forethought, than on an ephemeral digital medium like tablets, computers and the ilk. And it is that throwback acknowledgement to care and forethought — and the quality of work and service that come with it — which is the underlying reason we've selected Spark as one of *MEDIA's* agencies of the year for 2013.

Let's call it the "smaller agency" category, because Spark is too big to be called a "boutique," it's not quite big enough to be compared with the resources of the the giant media agency networks that normally get recognized here, and it's not truly independent in the sense that it is part of an agency holding company. But it is its smallness, in part, that has contributed to its freer spirit, it's ability to break from the organizational morass that can be an impediment to great ideas (and service) in bigger organizations.

"I can't tell you how many times clients remark how refreshing it is that they can just pick up the phone and that I actually answer when they call me," brims John Muszynski, the seasoned Madison Avenue vet who was the top media buyer inside SMG when Boothe convinced him to throw-in as the top buyer

for the smaller team. Muszynski didn't hesitate for the opportunity to shed some layers of corporate bureaucracy and get more entrepreneurial. In fact, he and Spark CEO Boothe liken the agency more to a start-up than a traditional agency.

To make that point, Spark moved from SMG's legacy headquarters at 35 West Wacker Drive to Chicago's Merchandise Mart, which is home to actual start-ups, such as 1871, an incubator of "Chicago's coolest start-ups." 1871 is named after the year of the great Chicago fire, and to help Spark catch some fire — if not ignite some — Boothe also cut an exclusive deal giving the agency first-look rights to some of the ventures.

Clearly, Spark is not living in the past, even if it embraces some of the best from it. The agency's future focus is 100 percent on innovation, and largely built around the next generation — of people, not gadgets. Specifically, Millennials. While most agencies say they are centering around the younger demographic, Spark has rebuilt its entire planning team around it. Boothe's first step was recruiting youth/Millennial expert Scott Hess from WPP's TRU unit to head up the agency's braintrust.

Hess, who has the Millennial era title of senior vice president of human intelligence, has no background in the media industry whatsoever, but he is an expert on the way Millennials think, feel and behave... and he has used that to alter the way some of the biggest consumer brands think, feel and behave including Taco Bell, Ace Hardware and others.



*Where traditional business practices
meet start-up mentality* BY JOE MANDESE

BEHIND YOU





Avis' "It's Your Space" app using the iPad's Accelerometer technology; below: Hanes "Undercover Color — Dare To Share" campaign

the Spark team negotiated "in-view guarantees" from top publishers. By paying only for viewable impressions, the agency estimates it boosted ConAgra's overall effectiveness by 48 percent.

In another media negotiating first, Spark secured 100 percent audience guarantees for its digital video buys based on comScore's VCE reporting during its 2013-14 digital upfront negotiations.

The agency also developed an especially innovative audience targeting technique for the state of Montana's tourism office. Since the state was focused mainly on attracting visitors from specific geographies — mainly people in Chicago, Salt Lake and other cities prone to visit the Big Sky state — Spark worked with PlaceIQ to develop a method of targeting consumers based on geofencing. That meant only online visitors from the relevant geographies would see Montana's ads, cutting its waste to zero. Montana is the first state ever to utilize the technique.

The impact is evident in Spark's work during 2013, which includes a list of "first-mover" campaigns, including awards-winning ones like Avis' "It's Your Space," Taco Bell's "Cool Ranch Doritos Locos Tacos," and Hanes' "Undercover Color — Dare To Share."

The Avis campaign was the first to integrate with an iPad's Accelerometer technology and Taco Bell's was the first to utilize 3D cinema.

That's not to say Spark's focus is mainly on the next shiny thing. Some of its most innovative work has been with good old-fashioned blocking and tackling, like negotiation and stewardship of media buys. Perhaps the best example was how Muszynski's team haggled for guaranteed ad views for client ConAgra's online ad buys. Leveraging research that as much as 70 percent of display ads aren't even visible to consumers,

All of the media deals, executions, strategies and planning emanate from Spark's ethos of "human experience planning," and go through an extremely rigorous "idea generation process" the agency trademarked as "Crucible." After going through that process, the Taco Bell team told the Spark planners they came up with more relevant media ideas "in 15 minutes than they used to be able to generate in a week." **M**



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BY STEVE MCCLELLAN

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2014 MDX Acura sold on Gilt.com; opposite: National Geographic's *Killing Lincoln* campaign; left: *Breaking Bad* home listing on Craigslist

Boston-based Mullen, a unit of Interpublic Group, had an outstanding year on both the creative and media fronts. Against all odds, it dazzled Adland with its unlikely win of the Acura creative review in which it was considered a dark horse contender at best.

The agency tapped into the cultural zeitgeist with campaigns like the one it did for realtor Century 21 in which it sold the home of Walter White, the anti-hero in AMC's hit drama *Breaking Bad* after the series ended earlier this year.

And the agency found innovative ways to market brands on new platforms, creating, for example a short film for rental company Airbnb that was comprised entirely of user-generated Vine videos. And it sold Acuras on the social shopping site Gilt.com, the highest priced items ever sold on the site.

On the media front, the

shop focused much of its effort in 2013 on rethinking its strategic direction toward screen planning and struck a forward-thinking deal with ad platform Millennial Media that helped its clients market better in the mobile space.

The agency also pushed harder than ever at coordinating and integrating creative and media efforts. National Geographic Channel, for example, started as a media AOR client and within six months was tapping into Mullen creative services as well. Acura on the other hand uses Mullen as its creative AOR, although Mediahub/Mullen social and

digital teams regularly contribute to the agency's work for the client.

For its innovations in both the creative and media sectors and its efforts to make both disciplines work in cohesive and effective unison for clients, Mullen has been named *MEDIA* magazine's 2013 Full Service Agency of the Year.

Work for the National Geographic Channel illustrates how Mullen's efforts on a number of fronts crystalized to boost client campaigns. Earlier this year when Nat Geo launched one of its most ambitious original projects ever, the docudrama *Killing Lincoln*, the network wanted to reach beyond its core audience. The challenge for the network's agency was to make the program stand out in an avalanche of Lincoln coverage

and often against competitors with much larger spending budgets.

Creativity, screen planning and the Millennial deal all came into play. Time and proximity drove the network's strategy. Research showed that nearly 90 percent of multiscreen activity occurred between TV and tablets. The agency used that insight to create a plan to capture channel surfers.

"The majority of people turn on their TV and have absolutely no idea what they're watching," said John Moore, Mullen's Chief Media Officer. "They're grazing through channels and might end up on a show purely by accident — that they're not really tuned into — and simultaneously on their tablet surfing."

In the eight-hour window leading up to and during the



premiere, Mullen targeted tablet users logged in via Wi-Fi networks ... ensuring that intended recipients of the messaging were at home and likely parked on their coaches.

From 2 p.m. to 8 p.m. the creative in the tablet ads showed an overview of the documentary with a click to video for additional content. After 8 p.m. the creative was dynamically updated to serve tablet users with messaging about which part of the program was currently in progress (Conspiracy, Assassination or Manhunt).

Location-based phone ads were added to the mix since there were several locations that played a role in the story. The agency seeded tips on Foursquare, so that when users checked into locations near sites relevant to the assassination, they would get a tip urging them to watch the documentary.

The program achieved the second highest household rating in the network's history. Tablet banner interaction rates were 50 percent higher than industry norms. A companion website created for the program was nominated for an Emmy for Outstanding Interactive Program. The Mobile Marketing Association cited the campaign as one of the best of 2013.

"We've made it a mission and a mindset to really get aggressive in the mobile space," said Moore.

The agency's research shows that for many consumers mobile is the screen

they're focused on in the early morning, while simultaneous screen usage is greatest from 6 p.m. to 8:30 p.m. "It really recalibrates how you think about the media plan," Moore said.

And for some Mullen clients those findings have driven a reallocation of dollars. "We took money out of TV in the early morning dayparts [and put it toward] mobile where consumers are spending more time," Moore said.

For example, Moore said that for client PBS, the agency shifted dollars toward mobile applications relevant to moms or to children. For

VH1, dollars shifted to apps created by entertainment-oriented publishers like *People* or *E!*

For time periods later in the day, he added, "we think more about how to use Facebook and Twitter simultaneously with TV."

The deal with Millennial helped Mullen execute its award-winning work on *Killing Lincoln*. The partnership — which provides mobile insights, first looks and preferred rates for Mullen clients — also helped the agency shape campaigns for Ernst & Young, Olympus, and

JetBlue among others.

In the year ahead, said Moore, the agency will be looking to forge similar partnerships in the programmatic arena. "That's an area we're really focused on," he said. "Companies that can help us figure out programmatic are the ones I'm interested in forging a deeper partnership with." 

**"THE MAJORITY OF PEOPLE
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HAVE ABSOLUTELY NO
IDEA WHAT THEY'RE
WATCHING."**

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CHIEF MEDIA OFFICER, MULLEN**



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AGENCY OF
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THE CONTENT MARKETING MASTER

Chipotle's poignant appeal to conscientious foodies goes beyond branding **BY KARLENE LUKOVITZ**

Branded entertainment and content marketing seem to be everywhere now. But relatively few brands of any size, in any category, have to date demonstrated the full power of these creative platforms as resoundingly as Chipotle Mexican Grill.

As the advertising community is well aware, the fast-casual restaurant brand, working with creative agency CAA Marketing, has now bottled viral lightning twice in two years with groundbreaking, feature-movie-quality animated videos.

“Back to the Start,” a two-minute cautionary tale about a pig farmer who ultimately rejects an industrial farming model in favor of a more sustainable, humane one (backed by Willie Nelson performing Coldplay’s “The Scientist”), proved so popular after its online release in August 2011 that Chipotle released it in 5,700 theaters. Its resounding success in theaters led Chipotle to use the film as its first-ever national TV ad, aired during the 2012 Grammy Awards.

That video, which derived its power from its emotional narrative and barely-there branding, generated a frenzy of media coverage, as well as social buzz/sharing — resulting in 8 million-plus YouTube views (to date).

This year’s three-minute follow-up video, “The Scarecrow,” tells the story of a dystopian world in which a scarecrow is forced to work in an industrial food factory, with Fiona Apple’s mournful cover of “Pure Imagination” underlining the “Cultivate a Better World” message.

Posted on YouTube in early September, this video — without support from TV or other traditional paid media — managed to top “Back to the Start”’s viral performance, drawing more than 5.5 million views in its first week alone, and nearly 7.4 million within two months.

“The Scarecrow” was also designed to serve as the trailer for a free iOS game that let players earn buy-one-get-one free (BOGO) deals on Chipotle menu items. Supported by a small online and mobile ad campaign, plus PR outreach that generated more than a half-billion media impressions, the game — which delivers sustainability messages in a fun way — had been downloaded 500,000-plus times by mid-October.

Those home runs alone would make Chipotle a natural for Media Client of the Year. But importantly, they’re part of overall marketing and advertising strategies that are both unique among restaurant brands and an inspiration to brands across categories.

Every aspect of those strategies is laser-focused on reinforcing and building awareness of the “Food with Integrity” brand mission that is Chipotle’s core differentiator — its promise to deliver “fast” food that’s not only fresh, but from sus-

value-priced menu item promotions — and the costly, TV-reliant campaigns that drive those. Instead, it’s focused on OOH, radio, print and online ads designed to foster lasting brand relationships by getting people to think and talk about where their food comes from and how it’s prepared.

This year, for instance, it ran a new “Skillfully Made” campaign, with billboard and radio ads highlighting its brand differentiators, which has driven noticeable traffic and sales lifts, according to Chipotle founder, co-CEO and chairman Steve Ells.



Above: Chipotle celebrated 20th anniversary with “Adventurrito” treasure hunt game; left: “The Scarecrow,” a video accompanying Chipotle’s app-based game

tainable sources wherever possible.

Chipotle — now celebrating its 20th anniversary — has developed those strategies in-house, having famously dropped the standard agency-of-record model in 2009, after Mark Crumpacker became its first CMO. The guiding principle, as expressed by Crumpacker, is building meaningful, emotional connections with the brand. Chipotle is achieving that (oft-cited but frequently elusive) goal with an educational, discussion-driving approach that appeals to “conscientious eaters,” including hype-averse Millennials.

That approach is apparent in its advertising, as well as its other innovative marketing initiatives.

Chipotle has largely shunned the restaurant industry’s ubiquitous limited-time,

Chipotle continues to be the envy of much-larger chains and brands because of the massive exposure it enjoys, despite its super-lean measured-media budgets. For example, it spent just \$5.8 million on measured media in 2011, and \$7.5 million in 2010, per Kantar. While it’s upped ad spending somewhat in fiscal 2013, its marketing costs as a percentage of sales will be only about 1.6 percent.

Chipotle’s connection-marketing programs include Cultivate, a series of festivals combining live music, celebrity chef demos and experiences that inform attendees about organic, sustainable food sources, held in various markets each year since 2011. 2013’s events in San Francisco, Denver and Chicago each drew more than 100,000 attendees. Further, the advertis-



ing and media coverage around the events have produced “strong, positive” brand perception benefits even among non-attendees in the markets, reported Ells.

Chipotle has also taken an unconventional approach to its first loyalty program, dubbed the Farm Team. Instead of the typical frequency-based BOGO rewards system, this invitation-only program rewards members for learning about food sourcing by taking online quizzes, and for sharing the knowledge via social media.

One of Chipotle’s latest initiatives is a sponsored-content “Food for Thought” area within The Huffington Post site, dedicated to “creating awareness about how food is grown, raised and prepared and the effects this system has on us.” The platform offers posts and articles from experts and knowledgeable consumers — along with links to Chipotle’s videos and apps.

Overall, the marketing support for Chipotle’s increasingly resonant “Food with Integrity” cornerstone has “helped us create considerable word-of-mouth... allowing us to build awareness with relatively low advertising expenditures,

even in a competitive category, and to differentiate Chipotle as a company that is committed to doing the right things in every facet of our business,” Ells recently summed up. (It’s no coincidence that giants like McDonald’s and Starbucks have been running their own food-sourcing-themed campaigns in recent times.)

Indeed, while fast-casual Chipotle is still dwarfed by the big QSRs, it’s among

the fastest-growing, best-performing restaurant chains in the U.S. Last year, Chipotle’s systemwide sales jumped 20.3 percent, to \$2.7 billion, its same-store sales rose 7.1 percent, and its diluted EPS rose 29 percent, to \$8.75. Its momentum has continued in fiscal 2013, including a 15 percent profit increase in Q3, and projected full-year revenue growth of 16 percent. ^M



2013 Chipotle Cultivate Festival in Lincoln Park, Chicago; below: billboard for the Skillfully Made campaign



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