

MediaPost's

MEDIA



AGENCY OF THE YEAR 2010 \$4.95 www.mediapostpublications.com

ART, SCIENCE & EVERYTHING IN BETWEEN



AGENCIES OF THE YEAR



DBG didn't invent branded entertainment.
We're just damn good at it.



Watch More at www.dbg.tv





Interpublic's
Emerging Media Lab

4 LETTER FROM THE EDITOR

How user-generated content solves the problem media doesn't know it has.

7 HOLDING COMPANY

MEDIABRANDS is our favorite Holding Company for its ability to churn out fresh ideas, making it poised for the future.

12 AGENCY OF THE YEAR

Media magazine picks **MPG** as Agency of the Year due to its reliance on collaborative alliance that conjures up the attention of a small agency.

15 INDEPENDENT MEDIA SERVICES

Two giants from Madison Avenue went rogue and created an old-school shop: **TARGETCAST**.

19 SHOPPER AGENCY

Interpublic's Mediabrands took a former retail CMO and let him open a shop driven solely by consumer shopping; thus **SHOPPER SCIENCES** was born.

22 OUT-OF-HOME AGENCY

Connie Garrido, **POSTERSCOPE's** CEO, transcended the Madison Avenue boy's club and put out-of-home on the map.

26 HYPERLOCAL AGENCY

Media's pick for Hyperlocal Agency, **GEOMENTUM**, drove consumers to places with clever innovation.

29 CLIENT OF THE YEAR

PBPSI skips the Super Bowl; what they did with the money, however, is even more shocking.

32 SUPPLIER OF THE YEAR

FACEBOOK broke out of its mold as a personal social media setting, becoming a space where marketers and advertisers could use the net giant to turn major profits.

MEDIA >>

PUBLISHER
KENNETH FADNER
KEN@MEDIAPOST.COM

EDITOR-IN-CHIEF
JOE MANDESE
JOE@MEDIAPOST.COM

CREATIVE DIRECTOR & EDITORIAL DIRECTOR
JONATHAN MCEWAN
JONNYMACK@MEDIAPOST.COM

MANAGING EDITOR
JOHN CAPONE
JCAPONE@MEDIAPOST.COM

ASSISTANT MANAGING EDITOR
CARRIE CUMMINGS

ART DIRECTOR
NATHANIEL POLLARD
NATE@MEDIAPOST.COM

ASSISTANT ART DIRECTOR
KATHERINE PEARL
PHOTO EDITOR
LORRAINE WIEGAND

ART
ROBERT BAJNATH
COPY EDITOR
IRIS DORBAN

CONTRIBUTING EDITORS
MIKE BLOXHAM, PHYLLIS FINE,
COURTNEY HUMISTON, DIANE MERMIGAS,
NINA LENTINI, JOSH LOVISON,
GAVIN O'MALLEY, PAUL PARTON,
FERN SIEGEL, LAURIE SULLIVAN,
MARK WALSH, JACK FEUER

MEDIAPOST COMMUNICATIONS

CHAIRMAN
KENNETH FADNER
PRESIDENT
JEFF LOECHNER

SALES DIRECTOR, PRINT/ONLINE
SETH OILMAN
SETH@MEDIAPOST.COM

ONLINE/PRINT SALES MANAGER
NICOLE FADNER
NICOLE@MEDIAPOST.COM

ONLINE/PRINT SALES ASSOCIATE
SAM BUCCIERO
SAMANTHA@MEDIAPOST.COM

ONLINE/PRINT SALES MANAGER
LIAM FLEMING
LIAM@MEDIAPOST.COM

VICE PRESIDENT, EVENT SALES
JON WHITFIELD
JON@MEDIAPOST.COM

DIRECTOR OF CONFERENCE PROGRAMMING
ROSS FADNER
ROSS@MEDIAPOST.COM

SENIOR MANAGER, CONFERENCES & EVENTS
ELAINE WONG

DIRECTOR OF MARKETING
ROBERT MCEVILY

ASSISTANT MARKETING MANAGER
LAUREN HONIG

MEMBERSHIP AND CIRCULATION MANAGER
SERGEI KOGUT

MEMBERSHIP SERVICES REPRESENTATIVE
ILANA LERMAN
ILANA@MEDIAPOST.COM

Media magazine is published monthly by:
MediaPost Communications
15 East 32nd Street, 7th Floor
New York, NY 10016
Phone: 212-204-2000 Fax: 212-204-2038

To subscribe: www.mediapostpublications.com/media
Email changes, inquiries, etc. to
circulation@mediapost.com
sales@mediapost.com
editorial@mediapost.com

For reprints email:
reprints@mediapost.com
Phone: 212-204-2000



MEDIA (ISSN 1533-9475, Publication #020-254) is published four times a year (subscription cost is \$48 per year) by MediaPost Communications at 115 East 32nd Street, 7th Floor, New York, NY 10016. Periodical Postage Rate Paid at New York, NY and at additional mailing offices. POSTMASTER: Send address changes to MEDIA c/o MediaPost Communications, 15 East 32nd Street, 7th Floor, New York, NY 10016. No part of this publication may be reproduced without written consent of the publisher. ©MediaPost Communications. Published since 2000 by MediaPost Communications. SUBSCRIPTIONS: Call 212-204-2000, e-mail us at circulation@mediapost.com or write to MediaPost Communications, 15 East 32nd Street, 7th Floor, New York, NY 10016. Issue 108



The Greatest Story Never Told

We are the stories we tell, and the stories others tell about us. Well, we are certainly more than that, but a good part of how we think about people and the organizations they are part of, is the stories we build up about them over time. What follows is the best stories we came across about the agencies and agents who did the most over the past year to shape the way people use media to tell stories about brands. It is nothing more than that. It is not very scientific. But it is very human. We depended on humans to tell us why they, or the people they work with, deserved to be agency of the year for 2010 based on these simple criteria: strategic vision, innovation and industry leadership. We did not conduct any surveys. We did not ask anyone to fill out any questionnaires. And we do not purport that our method is representative of all the agencies and agents who did innovative and industry-leading work during 2010. In fact, we know it is not. I can tell you as a journalist who has covered the advertising and media industry for 30 years that some people do not want or do not know how to tell their stories. I'm not always sure why, because I believe that the people in our business are the most talented communicators the world has ever known.

Over the years, some have told me that they consider what they do to be “confidential” and “proprietary.” These awards are not for them. Others, I’m deducing, simply do not care, or do not agree with the way we handle things. These awards are not for them either. They are for those people who are so passionate about what they do and convinced that they do it better than

the next guy, that they want to shout it for the world to hear. And we listened. Actually, we listen all the time. We listen when they speak to us directly. We even listen when they speak to others and break the news about their significant achievements in the pages or on the screens of the people we compete most directly with. We don’t hold that against them. We just want to know what their stories are so we can share them with you so that you or someone you know will be inspired to change the world, too. Got it? Good. Now please do not carp about our picks. If you don’t like the fact that we often pick the same organizations over and over again, then do something about it. Tell us why you are better and deserve to win next year. Use any means you believe will be most effective, because as I’ve said, you are among the greatest communicators the world has ever known. So prove it. Show us.

But first a few notes about our 2010 stories. You may notice some new categories: out-of-home, hyper- local and shopper media agencies. And at least one missing from prior years: media department. Since *MEDIA* began recognizing agencies, and agents, the number of categories has ebbed and flowed, but mostly it has grown as we added new ones deserving of recognition. Originally, we had just one: Agency of the Year. Then, we added interactive agencies of the year. Then we spun *OMMA* off into its own magazine, which recognizes its own categories of interactive shops, some of which (like this year’s pick, Wieden + Kennedy) are actually full-service agencies. Over the years we added categories for media departments, boutiques, clients, suppliers and even holding companies. Among the most notable changes we’ve observed, is that much of the criteria we celebrate the most — industry-changing innovation — is now happening more at the holding company-level within organizations like Publicis’ VivaKi, WPP’s GroupM, Omnicom Media Group and this year’s


category winner, Interpublic's Mediabrands. Those organizations have become much more of the "industry-facing" entities responsible for reshaping the media industry, while their media agency units have focused more on servicing clients and leveraging the tools developed by their holding companies to do a better job of doing that.

That system seems to be working, but it also means that the business is evolving and that much of the type of innovation we recognize is not happening at the media agency level, but in their parent organizations. That's one reason why MPG won this year and for the second year in the row, because its parent Havas Media is far less centralized than its peers and its organization is generally smaller, allowing the real action to happen at the agency level, inside MPG and Media Contacts.

Watch for the categories we recognize in these awards to continue to evolve over time, just like the industry these agencies and agents serve. Some may be back. Some may not. And some new ones may emerge.

Lastly, I'd like to make a special note about one we omitted this year: media department. For the past two years, we awarded Goodby, Silverstein & Partners, even though (and maybe because of) it claims to have gotten rid of its media department and integrated media into its overall brand and communications strategy. When Goodby communications chief Josh Spanier asked me about that, I explained that it wasn't a reflection on the work the agency was doing in media. In fact, it

[THESE AWARDS] ARE FOR THOSE PEOPLE WHO ARE SO PASSIONATE ABOUT WHAT THEY DO AND CONVINCED THAT THEY DO IT BETTER THAN THE NEXT GUY, THAT THEY WANT TO SHOUT IT FOR THE WORLD TO HEAR. AND WE LISTENED.

did as good a job in 2010 as any year prior. I said we had simply retired Goodby from consideration, because in our estimation they now qualify for a new recognition altogether: Agency of the Perennial. Come to think of it, there are others who likely qualify for that distinction — agencies and agents whose work is so consistent and so sublime year after year, which they have helped reshape the way we think of advertising, media and communications. Call it a "hall of fame," a "lifetime achievement" or whatever you'd like, but I'm thinking it's time to add a new awards category altogether: we may just call it the Media Perennials. Stay tuned. 


JOE MANDESE, EDITOR-IN-CHIEF



Be the Mayor of the
Perfect View

MediaPost's

Social Media

INSIDER

SUMMIT

January 30-February 2, 2011

The Ritz-Carlton, Key Biscayne

All the brands, all the newest ideas, all the best minds, gathered
together in one of the most beautiful locations in America

www.mediapost.com/socialmediainsidersummit



AGENCY
OF THE YEAR

HOLDING
COMPANY

MEDIABRANDS

MEET A COMPANY STRIVING FOR PERFECTION

MEDIA has selected Interpublic's Mediabrands as its "agency holding company of the year" – for the second consecutive year – but a more apt honor might be the "anti-holding company of the year." That's because, with the exception of certain centralized resources and financial disciplines, Mediabrands hasn't been operating much like traditional holding company, which typically is all about gaining operating efficiencies while aggregating market share. Yes, Mediabrands does that too, but what differentiates the organization from the rest of Madison Avenue is the entrepreneurial spirit that pervades everything it does. In effect, it operates more like a ventures group responsible for fueling new ideas, businesses and business models. It's a smart, pragmatic approach, because it recognizes two important realities about the media services marketplace: that there are a diverse array of clients searching for solutions that reflect their specific business needs; and that the marketplace is evolving so rapidly that the kinds of media and marketing services that dominate today may not necessarily be the ones that succeed in the future.

Mediabrands has managed to address those realities in a way that hasn't destabilized but has actually strengthened its core client service

organizations, global media networks Initiative and Universal McCann, which still comprise the bulk of Mediabrands' revenues and

direct relationships with marketers. As those agencies are, and as much as the collective resources of Mediabrands have made them better, the approach recognizes that there are marketers who have unique approaches to media that traditional media agencies simply cannot manage. To handle them, you need to blow up old models and reinvent a few wheels. And that's what Mediabrands spent much of 2010 doing, whether it was inventing a hyper-local media shop like Geomomentum or creating a shopper media agency such as Shopper Sciences, two Mediabrands units also being recognized in new agency of the year categories this year. Importantly, it didn't create these ideas in a vacuum but studied, experimented and nurtured them as part of Mediabrands' ongoing tracking of how technology changes the way consumers

interact with media and how that, in turn, influences the way marketers and brands can communicate with them.

The most visible example of Mediabrands' scientific approach is Interpublic's Emerging Media Lab, which has been in the forefront of curating and testing the latest media platforms and technologies. Given Mediabrands' spirit for venture, it's not surprising that 2010 was also the year that it chose to take the lab from theoretical to applied science, using it not just to monitor changes in the media marketplace, but to actually create them. Shopper Sciences, in fact, was one of those experiments brought to application. Actually, it was a series



A TurboTax ad, featuring actors from NBC's "Community" that aired during prime time season.



of research and partnerships that former Emerging Media Lab chief John Ross participated in that led to the formation of Shopper Sciences, which you can read about elsewhere in this issue.

And when Ross took his new agency model out of the lab, Interpublic turned it over to another inquisitive mind – Universal McCann social media guru Brian Monahan – and gave him the charge of finding ways of exploiting the lab’s unique vantage point and turning other next-generation ideas into businesses or applications. One of them, fittingly, is applications – the programmable kind. Monahan has been leading a team of the lab’s scientists in a quest to bring so-called APIs, or “applications-based interfaces,” directly into online display ads, making them dynamic and capable of receiving data that instantaneously updates their relevance to specific consumers.

“We believe the next generation of storytelling will be fueled by dynamic data elements,” Monahan explains. “An app is one way of thinking about it, but what they really are, are display ads that scale by calling dynamic data.”

To illustrate how an API-based ad might work, Monahan gives an example of a banner ad for an allergy medication brand that has an API connecting it to a real-time weather database updating pollen counts so that could be relevant to a consumer’s decision to use

the brand. Other obvious applications could tie into any real-time databases connecting ads to dynamic, relevant databases about weather alerts, traffic patterns or even social media feeds from Facebook, Twitter, or just about anywhere else a strategist, creative or programmer could think of. The barrier, says Monahan, is no longer technology but the way Madison Avenue thinks and is organized.

The API approach, coupled with the launch of Shopper Sciences and Geomomentum, illustrate how Mediabrands began taking its lab work from theory to application, creating new platforms and services around next generation media technology. The lab may be the most visible example of Mediabrands’ innovation process—guests are literally invited to tour the Los Angeles facility, which added a separate retail media lab within the lab during 2010 to help Shopper Sciences tinker with new technologies and consumer shopping experiences. But Mediabrands fosters a ventures-like approach to everything it does, and not surprisingly, has created an organization within its global organization that does just that. Dubbed Mediabrands Ventures, the unit now represents nearly a third of Mediabrands’ 6,200-person global workforce.

Mediabrands Ventures isn’t literally a venture capital unit, though it does incorporate that as well. Velociter,

a unit within the unit, was created to help Mediabrands identify start-ups and new outside ventures that could be meaningful to Interpublic and its clients. Velociter works with them, as well as so-called “incubators”—companies that provide seed capital, advice and resources for new ventures – to help develop them, sometimes in exchange for equity stakes or preferred business arrangements.

Velociter is a formalization of a long history Interpublic has had staking new media start-ups, the most notable of which is Facebook, and Interpublic’s initial multimillion dollar investment in the social network now believed to be worth hundreds of millions – on paper, of course – but the strategic value to Interpublic’s media agencies and clients may be incalculable.

The executive who struck that seminal Facebook deal, Bant Breen, has been a key player in the formation of Mediabrands. He currently oversees Reprise Media, a search and social media specialty shop that he is repositioning to focus on what Breen calls “intent-based” marketing, because both online search and social media are indicators of a consumer’s intent. Interestingly, Reprise is one of the few parts of the current Mediabrands organization that was acquired from the outside. Unlike the bigger agency holding companies it competes with, Interpublic’s Mediabrands grows most of

its new service businesses from in-house expertise.

Mediabrands Ventures, which is run by CEO Matt Freeman, approaches its “ventures” activity in three ways. The first, Freeman describes as “operations,” and involves working with Mediabrands’ existing organizations to identify new business services that can be grown via their existing organizations. The creation of Geomomentum is a good example of that, because it was created by merging all of Interpublic’s existing local media operations – NSA, Wahlstrom and OAG – and building a new team of modelers, analysts and consumer insights pros to identify new ways targeting consumers via local media.

The second phase, Freeman refers to as “incubations,” which are entirely new businesses that Mediabrands incubates from within, tapping the expertise and entrepreneurial spirit of venture-minded employees or executives. John Ross’ Shopper Sciences is a good example of that approach, as is Cadreon, the sophisticated online-based audience-buying system Mediabrands launched in 2009, which continues to grow and evolve.

The third facet of Mediabrands Ventures is actual “investments,” sometimes, but not necessarily for cash, in outside ventures and start-ups that would round out Mediabrands’ portfolio. Mediabrands formalized that

last element with the creation of Velociter, and tapped one of the best known “VCs” on Madison Avenue to oversee it: Tim Hanlon, a long-time expert on new media who cut his teeth at Publicis, and who was the lead ventures executive on Publicis’ Denuo team. Hanlon, who already has deep roots and connections within the venture capital communities stretching from Silicon Valley to Silicon Alley, with a few stopovers in his home base of Chicago, is casting a wide net and plans to have dozens of relationships with promising start-ups within the next year. One of the first is a New York start-up called Spongecell that has created a sophisticated new way of delivering a marketer’s content into dynamic banner ads, leveraging the kind of API approach that the lab’s Monahan refers to.

The goal with all of Mediabrands’s ventures, whether incubated in-house or via an external strategic investment, is to identify and fuel the development of new products and services that will ultimately give Interpublic agencies and their clients a competitive advantage in the marketplace. But they may also lead to new products and services that have their own freestanding market potential.

That was the case when the lab helped develop a new dynamic and inexpensive video screen technology capable of transforming virtually any class surface into a touch- or gesture-sensitive,

full-motion video screen. Dubbed the Magic Window, the acetate-thin screen can be applied to dressing room mirrors in retail outlets to transform them into an interactive shopping assistant or virtually any other screen concept a media planner or designer could imagine. The Magic Window, which is still only an internal working name, has so much potential that Mediabrands is looking at developing it as a standalone product, putting together a marketing plan and team to help sell it publicly.

That team is being overseen by Joe Benarroch, the long-time Mediabrands communications chief who was promoted to CMO and who plans to develop other product and service spin-offs, some of which may be consumer-focused, from the ventures developed by Mediabrands. One of the things that makes the Mediabrands organization unique is its collegial approach to developing businesses and working together to fuel the growth of existing businesses within the organization, whether they be traditional media service agencies like Initiative and UM, or newer specialty units like Reprise, Geomomentum or Shopper Sciences. Even more unique, is the way it is managed. Currently, there is no CEO running Mediabrands’ overall operations and the group runs itself via an “office of the president” approach that was in place before founding Mediabrands CEO Nick Brien

THE GOAL WITH ALL OF MEDIABRANDS’S VENTURES, WHETHER INCUBATED IN-HOUSE OR VIA AN EXTERNAL STRATEGIC INVESTMENT, IS TO IDENTIFY AND FUEL THE DEVELOPMENT OF NEW PRODUCTS AND SERVICES THAT WILL ULTIMATELY GIVE INTERPUBLIC AGENCIES AND THEIR CLIENTS A COMPETITIVE ADVANTAGE IN THE MARKETPLACE.

left the group to takeover—and help transform—one of Interpublic’s other most important divisions, the McCann Worldgroup.

Interpublic isn’t rushing to fill the Mediabrands CEO slot; however, the organization seems to be doing a good job of running itself, though expectations are that the top job will eventually go to Mediabrands Ventures’ Freeman.

Freeman demurs at that notion, and says the real strength of Mediabrands is the diversity of its team, espe-

cially their unique points of view, which makes for a very rich, uniquely differentiated organization. Freeman calls the approach the “constellation system,” an allusion to the fact that all of the people and organizations within it are stars with their own points-of-view, but which in aggregate, form constellation-like approaches to servicing media for clients.

With that approach with one part of the organization, Geomomentum, can take a hyper-local view of the media universe, while Shopper Sciences might take the view of a consumer looking at a store shelf. Reprise looks at the intentions of consumers initiating searches or social media conversations. Or barter media division Orion might take a view based on the underlying value of the unsold goods or services of Interpublic clients and what their media market value might be.

But Mediabrands’ constellation approach is more of an expanding universe than a set star system; at press time for this issue, it actually shook up Geomomentum, restructuring its top management team and bringing in some of the online industry’s top players: former Starcom MediaVest Group and Omnicom digital chief Sean Finnegan and former Restaurant.com CMO Tony Bombacino to take it to its next phase. Not surprisingly, the next phase of hyper-local media won’t necessarily be the kind of traditional media – newspapers, radio, TV, Yellow



Pages and outdoor – that have historically been used to target consumers in their own backyards, but will likely be digital approaches, including localized and addressable online, mobile and social media versions. While some of those newer exploits are still under wraps, Geomomentum recently did a deal with online video ad server Mixpo to begin placing in-banner video ads on Web

Interpublic's Emerging Media Lab where researchers conduct studies of the latest technologies.

sites that are capable of “micro-targeting” users based on their local geography. Interpublic executives said that deal is indicative of the direction that Finnegan and Bombacino would be taking Geomomentum and that the unit would also be working closely with other Mediabrands digital divisions, especially search and social specialty agency Reprise Media and digital

audience buying system Cadreon, to find more hyper-local ways of targeting media.

In effect, Freeman said the goal is to transform Geomomentum from a “specialty agency” focused on hyper-local media to a flagship, full-service media agency whose specialty is hyper-local targeting. More often than not, he said those services might extend beyond conventional media and marketing to reach into other vital parts of a client’s enterprises. Given the nature of its focus, that already has brought Geomomentum into strategic real estate planning, because its team and systems are capable of identifying which neighborhoods will generate the best returns for a retail marketer to operate a store or franchise in.

While most of Mediabrands’ innovation has been about reshaping media to provide new products and services, it has also been doing some important behind-the-scenes work on its own and potentially, on the industry’s infrastructure. Mediabrands, which has always been in the vanguard of developing state-of-the-art media management systems, spent much of the year quietly developing new protocols for managing the flow of information between agencies, clients and the media. That system, dubbed M.O.M.S., was initially developed with Microsoft, a Mediabrands client, but by the middle of

the year, Mediabrands turned it over to the American Association of Advertising Agencies to make it a true industry initiative.

Meanwhile, Mediabrands was also conducting a review of its own internal media management and processing systems; at the end of 2010, it made the bold move to pull its business out of Donovan Data Systems, the dominant provider of Madison Avenue’s systems since the 1970s, and go with VC-backed MediaBank. The decision was based on a number of pragmatic factors, including superior costs, but Scott Beltran, the chief information officer at Mediabrands, said an equally important part was MediaBank’s vision for the future and the fact that it utilizes an open source approach that can grow and scale as media becomes increasingly digital and open source as well. MediaBank, which is backed by the same people who created GroupOn, is now run by Bill Wise, a digital native who helped develop online industry trading systems like Right Media and ultimately at Yahoo, which acquired Right. Like everything else about Mediabrands, the decision to go with MediaBank, Beltran said, was based on having a unique, differentiated point-of-view on where the media marketplace is heading and to be in the forefront of helping to develop it. **Joe Mandese**

Talking and Driving
Strongly Encouraged

MediaPost's

Mobile

INSIDER

SUMMIT

February 2-5, 2011
The Ritz-Carlton, Key Biscayne

Learn from and network with the best minds in the industry.
All the brands, all the newest ideas, all the top people, gathered
together in one of the most beautiful locations in America.

www.mediapost.com/mobileinsidersummit



AGENCY
OF THE
YEAR

MPG

A NEW KIND OF PIÉCE DE RÉSISTANCE

The word “collaborator” might not be the first one that comes to mind as an attribute for an agency of the year, much less one that is owned by the French, but it has proved to be one of the strongest qualities differentiating MPG from the rest of the media agency world, and it is the main reason why we’ve picked it as our media agency of the year in 2010 — and for the second consecutive year.

During 2010, MPG helped make a difference for its clients — and the advertising industry as a whole — by collaborating. It collaborated internally, of course. It collaborated with its clients. And it collaborated with the media companies and technology providers that ultimately enable the most important collaboration of all: the one between its clients’ brands and the consumers they are

trying to reach.

It also collaborated, dare we say, with the enemy. Well, in the parlance of our times, let’s just call them frenemies. To make advertising and media better, and more effective, MPG invited agencies that would just as soon steal its ideas, as well as its clients, into its process to collaborate on things that would ultimately require some industry buy-in —

including that of its competitors — to make happen.

It’s not that MPG management is necessarily altruistic, but it is smart enough to understand that the only way to make some important things occur is if they happen in a way that others also embrace, even if those others ultimately want to eat your lunch. It’s a brilliant tactic, and not one that *MEDIA* originally factored in when we established our criteria for these awards — innovation, strategic vision and industry leadership. But it is one that when executed the way MPG has, enables a media agency to lead the industry by getting the industry to lead itself. It is the kind of behavior you might expect of an industry trade association, or even the multitude of coalitions, councils, consortia and private industry enterprises that have organized with the goal of collaboration, but which ultimately fall prey to their own self-interests and guarded bottom lines. MPG has managed to avoid all that by

embracing some simple truths about the modern and increasingly digital media era: open source, critical mass and perhaps most important of all, utility, functionality, design and implementation.

MPG’s primary device has been its so-called Collaborative Alliance, a loose affiliation of ideas, projects and information-sharing that was conceived, organized and led by Mitch Oscar, a former Madison Avenue “futurist” turned pragmatist who has learned that nothing ever happens unless everyone — all sides of the table, including clients, suppliers and even rival agencies — buys into it. Oscar may have started with interactive and enhanced television platforms and advertising applications, a concept MPG has tried to convince the industry to coin “tevisual” media and which makes up Oscar’s official MPG title (executive vice president/tevisual applications), but he



IT'S NOT THAT MPG MANAGEMENT IS NECESSARILY ALTRUISTIC, BUT IT IS SMART ENOUGH TO UNDERSTAND THAT THE ONLY WAY TO MAKE SOME IMPORTANT THINGS OCCUR IS IF THEY HAPPEN IN A WAY THAT OTHERS ALSO EMBRACE, EVEN IF THOSE OTHERS ULTIMATELY WANT TO EAT YOUR LUNCH.



To help Kmart launch its Protege basketball shoe, MPG developed a mobile-led campaign combining branded content with free games and apps that would resonate with teens.



Ad insiders mingling at a Collaborative Alliance meeting during Advertising Week 2010

has broadened the mandate to include anything and everything that could reshape the way advertisers and agencies communicate with consumers, including online, mobile, out-of-home, augmented reality and platforms and technologies that may not be so easily classified.

To be fair, the concept first originated at Aegis' Carat unit, and was originally nurtured under the helm of former

Aegis Media chief David Verklin, now CEO of Canoe Ventures, who has become the brunt of Oscar's jokes for failing to achieve — with much greater resources and, presumably, influence (Canoe is backed by the major U.S. cable and broadband operators) — even a smidgen of what the MPG's loosely affiliated alliance has managed to pull off. But that's another story. This one is about the culture of collaboration that has infused MPG, and while the alliance is its most visible example, it has actually become part of the DNA of the organization, setting it apart from the rest of Madison Avenue. So much so that the prestigious London-based *M&M* magazine recently named MPG parent Havas

"We're a smaller organization and that makes it easier for us to do," she says. "That enables us to work more closely with others and to work more closely internally because we're all connected." She also says that the smaller nature of MPG's organization enables it to be "closer to innovations," because it is not as consumed with ongoing processes the way other big agency holding companies might be. In essence, she says, MPG is fleetier of foot and has more to gain by collaborating with others.

And it's not just through the alliance, but through much of the way it has organized and structured a variety of business operations. For example, when MPG wanted to find a better way of scaling its out-of-home

THE SMALLER NATURE OF MPG'S ORGANIZATION "CLOSER TO INNOVATIONS," BECAUSE IT IS NOT AS PROCESSES THE WAY OTHER BIG AGENCY HOLDING

Media its 2010 "Collaborator of the Year."

But Maria Luisa Francoli, the Spaniard who runs MPG globally and is a key part of the Havas Media management team, says MPG's collaborative approach makes a great deal of sense and that it may be uniquely positioned to take advantage of it. For one thing, she notes that MPG is smaller than most of the other media networks run by the major agency holding companies, so it has less to lose and more to gain by collaborating with others.

media operations, it collaborated with rival Aegis Media to come up with a solution that benefited both organizations and put them in a position to compete with the biggest out-of-home media buyers in the world, while finding a way to preserve a strategic edge that would give its clients a marketplace advantage.

MPG had incubated Chrysalis, a strategically focused out-of-home planning and buying unit created by two entrepreneurial Americans — Connie Garrido and Ray Rotolo — on the assumption

that if MPG couldn't outspend its competitors, it could at least outthink them. But MPG soon realized that the most brilliant thinking in the world will only get you so far if you cannot execute those strategies broadly in a world where physical presence still counts a great deal. Working with the Chrysalis team, Francoli hatched a plan to collaborate with one of her chief rivals, Aegis Media's Posterscope (see related story in this issue). The end result was that Garrido and Rotolo left Chrysalis to run the North American operations of Posterscope and to infuse their strategic and creative approach to buying out-of-home media into the Aegis unit, while at the same time servicing MPG's Chrysalis. The deal required a

Vincent Bolloré — and there is incessant speculation that the two holding companies will ultimately merge, Francoli says the collaboration had nothing to do with corporate-level interests and everything to do with figuring out a better way to service the clients of the two organizations.

In a similar vein, when Francoli needed to figure out a way for MPG to launch a barter media division, she utilized a collaborative approach. Barter media, a practice in which agencies trade some of their clients' unsold goods or services in exchange for media credits, can be an effective and efficient way of financing media buys, especially during a global economic recession where many clients had above-average surpluses. But barter media also is a complex and often convoluted process that requires expertise and acute knowledge of two simultaneous markets — the marketplace of unsold goods and services to be liquidated and the marketplace of media inventory they can be exchanged for.

Instead of building a division from scratch the way other big agency holding companies have, Francoli structured a deal with one of the biggest and most established independent barter media firms, Active International, to service MPG and its clients in a way that is similar to the deal she structured to service Chrysalis out-of-home media-buying through Posterscope.

In both cases, the MPG

teams work in collaboration with their outsourced partners to develop strategies and executions uniquely beneficial to MPG's clients.

"It's managed in-house," Francoli says, "but overnight we immediately gained the benefits of big organization — 200 people who are experts on corporate trading. They do the execution. We collaborate on the strategy. But the stewardship is handled in-house."

MPG's collaborative approach fuels everything it does, but nowhere is it more publicly visible than in Oscar's Collaborative Alliance. Many people may think of that alliance as a series of quarterly, or occasionally more frequent, industry meetings, hosted by MPG but where an array of thinkers and next-generation vendors show their wares and kick around ideas. Yet it is actually more than that: it is a live laboratory for testing and for deploying next-generation approaches to media. Sometimes that takes the form of a specific one-time project. Or it takes the form of a separate series of meetings, coupled with projects and new meetings to share the results. That's been the case with the alliance's so-called digital set-top data initiative, a project in which the alliance got most of the industry's leading TV digital set-top data providers to agree to share their data publicly, and to be used as the inputs for a series of tests, executions and even new models that could help make the planning and buying of TV advertising time more effective.

In one notable example, Oscar corralled some of the industry's leading TV audience researchers and analysts, including many from agencies competing with MPG, to work together to develop a means of using digital set-top data to create an index for the audience of TV networks that are not currently measured by Nielsen. The collaboration produced a simple approach, which while it may not be up to the same rigorous media-buying and posting standards of Nielsen data, nonetheless provide a pragmatic means for agencies to include networks for which there currently are no conventional TV ratings. At least two rival MPG agencies — Carat and Omnicom's OMD unit — worked on and endorsed the method and have said they plan to use it.

That collaborative approach worked so well that it has spawned a separate initiative for Spanish-language TV networks that are not currently measured by Nielsen and Oscar believes it can be applied to other areas of the industry as well.

While other agencies have worked collaboratively to move the industry forward, most notably the "Pool" approach developed by Publicis' VivaKi unit, what differentiates MPG's approach is that it is completely open to anyone, including competitors. The outcomes are available to everyone and they are intended to benefit the entire industry, whether they choose to participate or not. **M Joe Mandese**

ENABLES IT TO BE CONSUMED WITH ONGOING COMPANIES MIGHT BE.

fair amount of open-mindedness, vision and the suppression of some pretty strong egos to make happen, but it's working.

Garrido reports simultaneously to the boards of Aegis and Havas Media, somehow managing to maintain a secure firewall between the two of them. Aegis gains clout and strategic insights for Posterscope and its clients. Chrysalis gains buying clout and global resources, while preserving the unique, strategically focused approach to its clients.

While Havas and Aegis both share a common largest shareholder — Havas chairman

A night-time photograph of the Golden Gate Bridge in San Francisco, illuminated with warm orange lights against a dark blue sky. The bridge's towers and suspension cables are prominent, with the lower sections and walkways glowing from streetlights.

**This Spring,
We're
Taking the
Shows
on the Road**

Much More of the Best. Still Free Out West.

OMMA
GLOBAL
SAN FRANCISCO

FEBRUARY 28 - MARCH 1, 2011

FOR MORE INFORMATION VISIT WWW.OMMA-EXPO.COM
FOR SPONSORSHIP OPPORTUNITIES CONTACT JON WHITFIELD, JON@MEDIAPOST.COM OR 212-204-2025



TARGETCAST

OLD SCHOOL COLLABORATION GETS COOL

TargetCast tcm entered 2010 as something of an **anomaly**: an old-school independent media services agency. The kind that used to be quite common in the advertising industry during the '60s, '70s, '80s and early '90s, before the mega agency holding companies began unbundling their media services into free-standing units, which in turn began acquiring and consolidating the best of the media independents. The old-school positioning was by design, because TargetCast founders Steve Farella and Audrey Siegel — renegades from big Madison Avenue shops — saw it as a unique opportunity whose time had come — again.

"It was an old playbook," Farella acknowledges, one he watched work successfully time and time again during his career at mainstream Madison Avenue shops. The original era of seminal independents like SFM Media and Dennis

Holt's Western International Media, which were ultimately sold to the big holding companies (SFM became part of what is now Havas' MPG, while Western is part of the rootstock of Interpublic's Initiative), transitioned into a period marked



by entrepreneurs like the late Gene DeWitt who founded an agency that is now part of Publicis' Optimedia and Richard Kostyra who founded one that was absorbed into Interpublic.

"We had to create something that hadn't been done in a long time: the first successfully launched media agency in 15 years," Farella boasts. Not surprisingly, there is a fair amount of Madison Avenue-esque hype in that claim, as independent media shops of varying degrees of success are launched all the time, especially digitally

"WE HAD TO CREATE SOMETHING THAT HADN'T BEEN DONE IN A LONG TIME: THE FIRST SUCCESSFULLY LAUNCHED MEDIA AGENCY IN 15 YEARS."



focused ones. And last year, *MEDIA* recognized Dennis Holt's second act, U.S. International Media, as its independent media services agency of the year, based largely on his tenacity and the fact that he has stuck with a practice of bypassing third-party TV- and radio-station sales reps to get his clients better deals, effectively busting the reps' stranglehold on the business.

But there is no denying that Farella and Siegel have done, in eight years, one of the best jobs of building an organization that is most akin to the classic independents of Madison Avenue lore; you could almost see how that "playbook" would ultimately play out: TargetCast would continue to grow by winning business from next-tier "challenger brand" marketers who weren't a good fit for the agency holding companies until it and its client roster grew to a point where one of the majors ultimately acquired it.

And it surely has been on that trajectory, growing between 15 to 20 percent every year since it launched, including the industry's black recessionary hole of 2009. With more than 90 people, TargetCast is now hovering around a half-billion dollars in media billings and has been picking up strong, performance-driven clients like hotels.com, 1-800-Flowers and New York Life.

But just as TargetCast entered 2010, its story took a 360-degree turn that effectively changed its playbook. It acquired Triumph360, a

spunky, pure-play digital shop that was founded by an old Madison Avenue colleague of Farella's, Steve Minichini. Sure, other "traditional" media services shops have acquired and integrated digital agencies to accelerate their expansion into new media and marketing services, but the effect that Triumph360 has had on TargetCast has reshaped the core thinking of TargetCast in a way that has altered its playbook, doing it in ways that even Farella may not fully understand.

Farella and Siegel is like watching an organization with a foot planted firmly in two different worlds that are actually coming together.

Siegel says the change is consistent with TargetCast's core mission of "innovation," and the fact that it will embrace and utilize whatever tools give its clients a competitive edge in the media marketplace. The first round of innovations has dealt primarily with developing better strategies, insights and planning and buying systems to

and influence.

Most agencies say that, or something very much like it, of course, but the TargetCast team is premised on it and everything it does is for that end goal. And that's where the acquisition of Target360 starts to get interesting.

Siegel notes that TargetCast had already been building a pretty strong organic digital practice within its original holistic team, as part of the normal evolution of media planning and buying and the fact that

“WHAT MAKES US A DIFFERENT KIND OF AGENCY,” SIEGEL SAYS, “IS THAT WE DON’T JUST TALK ABOUT UNDERSTANDING THE CONSUMER’S PURCHASE PATH AND WHAT THEIR APERTURE MOMENTS ARE. WE CAN ALSO DELIVER THE RIGHT MESSAGING FOR OUR CLIENTS AT THE RIGHT MOMENTS.”

Minichini may have his roots in traditional Madison Avenue agencies, but he talks, thinks and acts like a digital native, speaking about advertising and media services in what could well be digital code. He looks at all advertising and media, not just digital, the way a Web development shop might, talking about “design,” “interface,” “information architecture” and “CMS,” or content management systems, which are the core elements of a successful Web publishing or app development enterprise. While that's nothing new, the way Minichini has been fusing that logic into TargetCast's traditional systems may well be and to see Minichini presenting the agency's case alongside

leverage traditional media more effectively — superlative communications planning systems, research and analytics, and, of course, strong planners and buyers who can execute on them.

“What makes us a different kind of agency,” Siegel says, “is that we don't just talk about understanding the consumer's purchase path and what their aperture moments are. We can also deliver the right messaging for our clients at the right moments.” Siegel says this approach takes media planning beyond the conventional notion of “targeting” and creates something she calls “sequential targeting,” or a dynamic living process where the media plan literally evolves with the consumers it is trying to reach

digital is becoming more of the general plan. But she and Farella realized they also needed to accelerate their digital progression and that the only way to do that would be a mashup with a digital native organization like Triumph360.

The result is that Minichini's thinking and technological savvy is infusing every facet of TargetCast's processes and services and he's got a toolbox full of proprietary systems and dashboards to prove it. Importantly, they are not all simply for planning, buying and managing digital media, but for offline media as well.

One of them, dubbed Hotspots, is a proprietary media-trading platform that Minichini's team built to

improve the workflow between TargetCast's traditional media planners and buyers, and the media vendors — typically TV- and radio-station sales people — around a crucial element for the agency's clients: "opportunistic inventory."

Hotspots serves as an online clearinghouse where reps can post offers for the kind of remnant, last-minute inventory that typically consumes hours of phone call time — often at the end of a business day or just before the weekend when a plan-

workstations, as well as their mobile devices. Like other in-house, Web-based agency trading systems, Hotspots is capable of processing digital media buys, but its real power is in its ability to facilitate the kind of offline back-and-forth haggling that can eat up time, which isn't a good thing when you're working with valuable, but perishable inventory like last-minute TV or radio time.

Minichini notes that the system is completely transparent and doesn't have any

or reject offers more efficiently and expediently.

"We love technology and we're pushing and developing our own technologies to make the process better," notes Farella, adding, "but at the same time, technology cannot replace the thinking of smart people who understand the media marketplace."

Some organizations get "technology happy," he says, "and they forget that industry history with a brand and the marketplace. What we're doing is infusing technology to make that work better and faster than we could before."

That relates to online media as well as offline media. Minichini has built five proprietary tools, including Hotspots, which enable the agencies' planners and buyers to move quicker, smarter and more effectively on behalf of their clients' campaign strategies. Increasingly, that goes beyond conventional media services to include creative. As part of its acquisition of Triumph360, TargetCast also integrated a creative team. The team is focused primarily on digital media campaigns, which is the norm in the interactive agency business; but over time, those creatives and the systems they use could well impact the ability to adapt the creative messaging of offline media as well.

A good example of this is TargetCast DCV, which stands for "dynamic creative versioning." The Web-based system enables TargetCast planners, buyers and creative

to instantaneously modify content on-the-fly, across some or all of the places they are running online at any given moment.

As an example, Minichini mentions World Vision, an aid organization that literally has millions of online display ads running on a continuous basis, much of it donated inventory, but all of it mission-critical for some humanitarian relief effort aimed at helping children in need in some part of the world.

If a natural disaster develops, say an earthquake or a tsunami, the TargetCast team can instantaneously update the headline and copy of World Vision's banner ads automatically via a simple text message from their mobile phones.

"They love this tool," Minichini says of clients like World Vision, "and there is no other technology like it in the market. It allows us to immediately update the text in an ad without pulling the ad down."

Minichini says the DCV system can do that, because it "sits on top of an ad server," acting as a traffic cop and ensuring that the right copy is served, preventing older copy from appearing on Web sites and Web users' browsers.

"Within 15 seconds, across millions and millions of ads, we can change the message and make it live," says Minichini. "This to us, and to [our clients], is a safety net that goes beyond their expectations." **M Joe Mandese**



Hotels.com enlisted the help of TargetCast to boost sales and online performance.

ner's mind or a client's approval may not be most available. When a vendor

posts an offer in the Hotspots system, it automatically and seamlessly pings the appropriate planners and account groups via a cloud-like interface, alerting them on their

of the negative auction-based functions that media vendors fear can commoditize their inventory. It's also capable of creating so-called "private markets" between TargetCast and media suppliers for specific campaigns or clients.

Importantly, he says, the system does not replace human judgment calls, but allows people on both sides of the table to make, accept



SHOPPER SCIENCES

A FORMER RETAIL CMO SETS UP SHOP

Picture this scene: A group of savvy Madison Avenue types huddle in a conference room to whiteboard a plan for creating the “agency of the future.” The plan starts with recruiting someone who really understands how marketers are grappling with the way technology is altering how consumers shop for their products and services, say, the CMO of one of the nation’s biggest retailers. Then take that CMO and immerse him in a new media lab where he will be exposed to the kind of bleeding-edge technologies that will further transform the consumer shopping experience and the ability of marketers to influence it. Scratch that, let’s put the former CMO in charge of the lab and make him responsible for not just curating and researching such technologies, but for figuring out ways of applying them commercially. Then, after letting him steep in that role for a year, have him design a new kind of ad agency that combines his years of hands-on retail shopping experience with his proprietary knowledge about where new technologies and media platforms — the Facebooks, Groupons and iPhone apps of the future — are going to take us.

That may not be exactly how events transpired when Interpublic’s Mediabrands recruited former Home Depot CMO John Ross, but the end result was the same: a year after running Interpublic’s Emerging Media Lab, Ross launched Shopper Sciences, a retail-focused agency leveraging the best working knowledge about the role of media in influencing how consumers make

the journey that ultimately leads them to grab one brand versus another from a shelf and put it in their shopping carts, whether it be in a store or online.

That journey, Ross has learned, can begin long before the media strategies that are typically used to encourage consumers to shop at a store are deployed and it can end in ways that extend well beyond the checkout aisle. The reality,

Ross has learned, is that the consumer’s shopping journey is a far more complex and multivariate experience than most marketers or agencies may actually understand and that concepts like the “marketing funnel” are crude tools at best. While technology is at the core of Ross’ new agency, Shopper Sciences, his greatest asset is something far more organic — the human brain — and the systems and tools that can be used to understand how it influences the decision to purchase one brand versus another.

To understand that process, Ross has borrowed some knowledge from the field of political science. Specifically, Ross has incorporated some of the best knowledge on how voters go from undecided to decided when making a decision at the voting booth.

“How voters go from undecided to decided on Election Day is fundamentally the same process a consumer goes through when deciding what bank or restaurant or store to go to,” he says. “It’s basically a decision-making process based on influence.”

Shopper Sciences utilizes sophisticated neural mapping techniques that can pinpoint when and where people make up their minds about brands and what media can influence that process along the way. Often, Ross says, it’s not the typical “moment of truth” that marketers assume it is, an epiphany occurring as the consumer walks through the aisles of a store or reaches for a product on the shelf. The process can begin weeks, even months before the consumer enters a retail location. And that longitudinal process isn’t just for

SHOPPER SCIENCES’ RESEARCH HAS PROVEN THAT BUYING A CAKE MIX HAS LESS TO DO WITH OBVIOUS ATTRIBUTES LIKE PRICE, TASTE AND CONVENIENCE, BUT MAY BE RELATED TO A BIGGER ARRAY OF CONSUMER EXPECTATIONS, LIKE PLANNING OR THROWING A PARTY, OR COMMEMORATING A SPECIAL OCCASION.

big-ticket items, but can also be for something as seemingly impulsive as buying a prepared cake mix. In fact, Shopper Sciences’ research has proven that buying a cake mix has less to do with obvious attributes like price, taste and convenience, but may be related to a bigger array of consumer expectations, like planning or throwing a party or commemorating a special occasion. And understanding that process, when it begins and how to influence it, can alter everything marketers and agencies use to influence it, from the design of a product, how it’s packaged and the media they use to communicate it.

That’s not to say that important decisions aren’t being made at the end of the



funnel, when consumers are actually reaching for a product off a shelf. To understand that process, Shopper Sciences has been working not just with Interpublic's media lab, but with another famous one, MIT's. But that epiphany also came from a surprising source: a technology MIT programmers developed to help teach autistic

children how to recognize emotions based on the visual cues of facial expressions. Utilizing that software, Shopper Sciences effectively flipped the concept around and used it to program cameras hidden in retail shelves that could read the facial expressions of consumers gazing at a marketer's product to determine what emotions

they were experiencing when they decided to buy it — or not.

What makes Shopper Sciences unique isn't that it is focused on what happens when a consumer is in a store deciding on a product or brand, rather it is focused on all the factors, including media and marketing, which lead up to and follow these purchasing decisions. **M Joe Mandese**

Interpublic's Emerging Media Lab; inset, the "Magic Window," an inexpensive, touch- or gesture-sensitive video screen that can be applied to any glass surface.



Movie posters with QR codes allow consumers to interact with advertisements further than a simple glance while passing a bus stop.

O U T
- O F -
H O M E

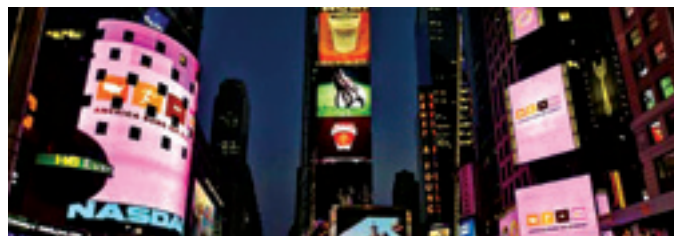
POSTERSCOPE

OUT-OF-HOME ADS GET 21ST-CENTURY MAKEOVER

If Madison Avenue has had a stepchild medium, it has surely been out-of-home. With the exception of the occasional attention-getting spectacular, out-of-home media planning and buying has typically been relegated to a back-office specialty department often seen as tactical and far removed from the strategic planning process that shapes the underlying communications plan of most consumer brands.

Connie Garrido has spent most of her career trying to change that, and for the past year, as CEO of Aegis' Posterscope unit, she finally has the clout, resources and team in place to make it happen.

At first glance, Garrido may seem an improbable change agent. Standing not much more than five feet, the Colombia-born American transplant has somehow managed to break through Aegis' old boys' club, to make Posterscope a core asset on a par with Carat, Isobar and the rest of its media services portfolio; in the process, she has gone a long way toward changing the ad industry's



thinking about the value of out-of-home.

And the timing couldn't be better. As the universe of media in homes, offices and online continue to fragment and lose control to consumers, out-of-home represents an opportunity to captivate consumer attention in places that may be highly relevant to a brand experience. And with new creative tools, including a rapidly expanding base of digital out-of-home screen options; mobile, online and augmented reality tie-ins; and the imagination of some of the most creative people in the business, out-of-home has become a strategic imperative for many

AS THE UNIVERSE OF MEDIA IN HOMES, OFFICES AND ONLINE CONTINUE TO FRAGMENT AND LOSE CONTROL TO CONSUMERS, OUT-OF-HOME REPRESENTS AN OPPORTUNITY TO CAPTIVATE CONSUMER ATTENTION IN PLACES THAT MAY BE HIGHLY RELEVANT TO A BRAND EXPERIENCE.

marketers and at least one big agency holding company. All of these reasons account for making Posterscope one of our agencies of the year.

The year began with Garrido and long-time partner Ray Rotolo, making the leap from Chrysalis, a creative and strategically driven out-of-home and experiential marketing agency they created in partnership with Havas' MPG in 2009. Well, they didn't completely leap. Garrido figured out a way to structure a deal that would combine the strategic thinking of Chrysalis with the scale and buying clout of Aegis' Posterscope in a collaboration that is rare among big agency holding

companies (see related story in this issue).

After years of overseeing strategy or running small, strategically focused out-of-home media boutiques within other big agency holding companies — most notably WPP — Garrido finally had the resources to transform out-of-home on a major — indeed a global — scale. And one of the first things she did was to get her team to map the globe, creating Prism, a proprietary media planning and buying system that has databased every facet of digital out-of-home advertising in the world, including rates, data and a variety of qualitative factors, giving the



Nokia's campaign uses mobile technology to enhance traditional media.

agency and its clients the ability to think globally, but activate locally.

The benefit of the system, Garrido says, is that it standardizes much of the audience data around established, in-house metrics that the Posterscope planners can use to build their strate-

gies, giving them more time to plan and wasting little or no time gathering information on audience composition, reach and cost.

The goal, says Garrido, is to develop systems that automate and routinize many of the most time-consuming aspects of constructing out-of-home media buys, allowing the Posterscope team more time to think about creating unique messages for clients that take advantage of the proximity and propinquity of out-of-home locations.

Typically, the Posterscope team utilizes conventional outdoor media to do that, but more often than not, they are leveraging elements that go beyond billboards and

screens. That might include creating an event or experience in an out-of-home location that either creates a buzz on its own, or creates a multiplying effect for an out-of-home media buy surrounding it.

The key, Garrido says, is not to simply think about out-of-home as media buys, but as consumer experiences with brands in public places. That's true for traditional billboards, as well as some of the newest digital out-of-home media technologies. A good example is the growing prevalence of augmented reality and so-called QR, or 2-D codes that can be used to launch handheld screen experiences linked to location-based media. One of the problems, Posterscope found, was that while industry insiders may understand the connection with 2-D codes, many consumers do not, resulting in extremely low use of what could be a very promising medium.

In an effort to learn how codes could become a more integrated part of out-of-home media campaigns, Posterscope conducted a



test with client Nokia, using the mobile phone marketer's Point & Find augmented reality codes. To find out what would happen if the codes became a ubiquitous part of out-of-home environments, Posterscope took over the city of Colchester in southeast England for four weeks, incorporating Nokia's Point & Find codes into virtually every out-of-home media location available in the market. Utilizing cameras in their phones, local residents were able to hyperlink to content that was related to the billboard, and even to download apps utilizing a combination of image-recognition and GPS technology.

"The purpose," says James Davies, Posterscope's chief strategy officer, "was to test just how interested ordinary citizens might be in using their smartphone cameras to interact with poster sites and to gain insights regarding content types, user profile and usage patterns."

The experiment tested ads in four general consumer categories — movies, music, candy and leisure activi-



ties — offered in the local market. Posterscope gleaned two important insights from the test. One is that when properly informed on how to download and use the codes, a significant percentage of consumers will do so. About 3 percent of the entire population in Colchester downloaded them. And equally significantly, that a significant percentage of people who download the readers will interact with campaigns utilizing them. The average number of app users interacting with any one of five campaigns using the codes during the test was 23 percent.

Davies says the test yielded other important insights about the behavior of consumers, what they are most prone to use codes for (video content and Facebook links were among the most popular links), and when and where it was most likely to influence their behavior.

TYPICALLY, THE POSTERSCOPE TEAM UTILIZES CONVENTIONAL OUTDOOR MEDIA TO DO THAT, BUT MORE OFTEN THAN NOT, THEY ARE LEVERAGING ELEMENTS THAT GO BEYOND BILLBOARDS AND SCREENS.

Davies says more testing needs to be done to understand the wear-out and long-term potential of the codes, especially if a big public awareness campaign was conducted alongside them to help consumers understand

their value. Posterscope is considering a larger scale version of the test this year, possibly in the United States.

The Nokia test is part of a broader commitment Posterscope has made toward understanding consumer mindsets with out-of-home media and in various locations, including the Out-of-Home Consumer Study, or OCS, which enables Posterscope's planners to analyze how different types of consumers will react to different forms of media — posters, billboards, digital screens, mobile, experiential — in different locations.

The approach is working, and is transforming not just the way Posterscope handles out-of-home planning and buying, but the way Aegis and other agencies and clients that Posterscope works with think about out-of-home as a strategic element in their marketing mix. **M Joe Mandese**





GEOMENTUM

THINKING GLOBAL, BUT ACTING HYPER LOCAL

At a time when most of Madison Avenue seems focused on a distant, almost astronomical view of the media universe, Interpublic's Geomomentum unit has flipped the marketing telescope 180-degrees, turning it, in effect, into an electron microscope. Hold on to that metaphor for a moment, if you will, because it will help explain why *MEDIA* has named Geomomentum one of its agencies of the year for 2010. If the past century of marketing science has been the advertising industry's equivalent of astrophysics (you know, "think global"), then Geomomentum is all about quantum mechanics ("act local"). Actually, it's about hyper local — bringing marketing analytics, media planning, strategy, execution and results down to the most micro level of all: proximity. And for marketers who depend on driving consumers to places, especially retailers, which may be the most important perspective of all.

The irony is that it has been hiring rocket scientists to do that. Well, at least one ex-NASA scientist has been among the Ph.D.s hired by Geomomentum to develop analytic tools and modeling systems capable of understanding and predicting how

the confluence of location and media influence

consumer behavior.

The concept was the brainchild of two former retail marketers — Dave Walker (Toys "R" Us) and Mike Hayes (Bon-Ton Stores), who were key executives of Interpublic's massive local newspaper-buying unit, NSA. They came up with a plan to roll up all of Interpublic's local media divisions — NSA, Yellow Pages unit Wahlstrom and out-of-home media unit OAG — into

Kmart used the hyper-local model to target Spanish-speaking consumers

a humongous, multi-billion dollar local media entity that would combine state-of-the-art marketing analytics and modeling techniques with sophisticated communications planning systems; along the way, both Walker and Hayes effectively created the concept of a hyper-local media and marketing services agency.

The plan was always to extend the concept into digital media, especially online, mobile, social media and even advanced, addressable, digital TV advertising systems, which would give brick-and-mortar-based retailers the same tools to influence consumers as click-based ecommerce marketers. Just as this profile was going to press, Interpublic restructured Geomentum, bringing in two of the industry's best-known digital "natives" — Sean Finnegan and Tony Bombacino — to replace Walker and Hayes as the two top executives at Geomentum, and to further accelerate its drive into digital media, including rapidly emerging hyper-local platforms such as GroupOn and Facebook Places.

Geomentum has already begun to activate its hyper-local digital media strategy, cutting a deal with online video ad server Mixpo in November and adding a micro-targeting capability to online video ads, enabling advertisers to serve ads based on a user's local geography.

Adding digital video advertising to the mix provides a dynamic new element for Geomentum and its clients, because TV advertising is gen-

erally considered to be among the most effective media in generating sales results. But despite numerous fits and false starts, the TV industry still has not managed to scale a significant addressable advertising marketplace, even though cable TV operators theoretically can segment and insert ads down to ZIP code and even household levels.

So the deal with Mixpo effectively gives Geomentum a running start on what many believe will ultimately become an addressable TV/video advertising marketplace.

The Geomentum team has also been working closely with sister Interpublic audience-buying unit Cadreon, which has built a system for buying online display advertising based on its audience composition, with plans to expand it into online video and eventually TV advertising. That system presumably would also enable Interpublic and its clients to target audiences based on their local profiles.

Geomentum has also quietly begun working on ways to extend that concept into local television advertising buys, something the cable, satellite and broadcast TV industries have been working on for years, but which they have yet to deploy in any meaningfully scalable way.

Geomentum executives declined to comment on exactly how they are doing it, but they are known to have begun buying cable TV on a hyper-local basis below the so-called "interconnect" level, which

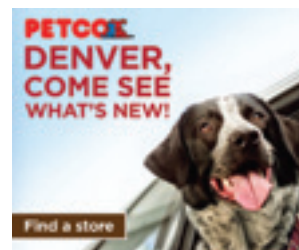
would mark an industry first.

Geomentum's new chief, Finnegan, says his mission will be to extend those capabilities into other emerging media platforms. He further added that Geomentum would be working closely with other divisions of Interpublic's Mediabrands, especially search and social media specialty shop Reprise Media and audience-buying system Cadreon, but that the "organizing principle" behind it would always be to leverage the hyper-local component of each medium and its unique ability to convey a message to a consumer based on their proximity to a client's brand, store or location-based objective.

While developing more precise ways of buying locally targeted media obviously is critical to Geomentum's mission, it is actually the end result of a sophisticated analytic and planning system that determines which media will influence consumers at various geographic proximities.

"In the world of mass media, where the usual practice is to blanket in order to hit the most people, we offer an opportunity to become more granular — to figure out where your customers reside and where the people who are not yet your customers reside," explains Lisa Bradner, a long-time Forrester analyst who joined Geomentum as president of its analytics and insights division earlier this year.

Bradner says the real power of hyper local is in understanding when, where and to whom to target a message that



THE REAL POWER OF GEOMENTUM'S SYSTEMS IS THE ABILITY TO EXECUTE THESE HYPER-LOCAL STRATEGIES ON BEHALF OF MARKETERS WHO HAVE BROAD GEOGRAPHIC FOOTPRINTS THAT OFTEN ARE NATIONAL OR EVEN GLOBAL.



will have the greatest influence on consumer behaviors. Generally, she says, that has to do with where a marketer's stores, branches or dealer locations are, or equally significantly, where those of their chief competitors are located.

While it is common for marketers and agencies to utilize the propensity of local markets or even specific trading areas to plan media buys, using such well-worn industry concepts as the BDI (brand development index) or CDI (category development index), Bradner says Geomomentum's systems get far more granular, incorporating data on demographics, psychographics, macroeconomics with geospatial variables that can determine the mindset a consumer will have about a particular brand message in a particular location and what influence specific media can have in delivering it.

The agency calls the inherent influence a marketer, or as its competitors have in a geographic location, a "relative presence." Geomomentum's regression modeling systems are capable of analyzing which variables have the greatest impact and predicting which ones would be most effective in future scenarios.

That's part one of the process. The second step is coupling those models with proprietary insights about the effectiveness of specific media or other communications options (PR, event/experiential marketing, etc.) would have in optimizing the marketer's message to consumers in those locations. In effect, Bradner

says the analytics and insights practice couples the fields of marketing mix modeling with communications planning and does it with the unique point-of-view of a hyper-local marketing perspective. Armed with that knowledge, she says, it is much easier to pick the right media and message to execute a campaign.

"The point is to break things down below the market level to find the most productive places within the market. We often begin with a client's CDI or BDI, but that's just a starting point. We then use applied and predictive analytics to determine how someone will become a customer or not and what the real differences are between trading areas in the market," she explains.

And while that may seem easy enough to do on a market-by-market basis, Bradner says the real power of Geomomentum's systems is the ability to execute these hyper-local strategies on behalf of marketers who have broad geographic footprints that often are national or even global.

"We've got 35,000 [ZIP codes] in this country. How can you make that scalable? That's where our technology comes in, because you just cannot do this with an abacus and on the back of an envelope. You can do it that way in one market, but not across all markets at the same time."

Geomomentum executives are loath to cite specific client examples, for proprietary reasons, but Bradner shares one of a "large financial services client that was interested in taking its retail branches and

making them more of a customer acquisitions tool."

The client had a theory that newspapers might be the best medium to influence their conversion, so Geomomentum conducted a test in a relatively strong newspaper market — Chicago.

"When we went in and modeled the customers they are looking at and what they react to, we actually saw that newspapers work very hard for them in some parts of the market, particularly the North Shore of Chicago. But in the rest of the market, they didn't work as well for them and local cable TV worked better.

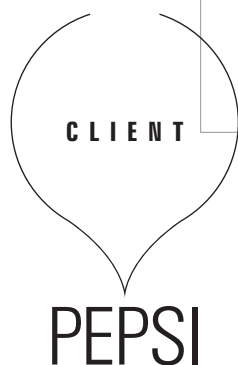
After running the model, Bradner said Geomomentum executed a test, buying both the modeled versions and a "controlled market" version using just newspapers. The result was a 239% lift in customer acquisition, proving that the model worked better than the conventional approach.

Since geography is such an important variable for some marketers, especially retailers, the Geomomentum team has found themselves working on projects and with people in their clients' organizations that they did not initially expect to: the ones who manage their real estate holdings, deciding where to open new stores, or decommission older, less successful ones. As a result, Geomomentum executives are looking at launching a new service practice to apply geospatial planning to real estate holdings. But for the moment, Bradner says the focus is still on media planning, buying and marketing objectives. **Joe Mandese**

STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION

1. Publication Title: *Media*
2. Publication Number: 020-254
3. Filing Date: 10/7/2010
4. Issue Frequency: Quarterly
5. Number of Issues Published Annually: 4
6. Annual Subscription Price: \$48.00
7. Complete Mailing Address of Known Office of Publication: MediaPost, 15 East 32nd Street, 7th Floor, New York NY 10016
8. Complete Mailing Address of Headquarters or General Business Office of Publisher: same as number 7
9. Full Names and Complete Mailing Address of Publisher, Editor, and Managing Editor: Publisher: Kenneth Fadner; Editor: Joe Mandese; Managing Editor: John Capone at Media, 15 East 32nd Street, 7th Floor, New York NY 10016
10. Owner: Fadner Media Enterprises, LLC, Kenneth Fadner, 15 East 32nd Street, 7th Floor, New York NY 10016
11. Known Bondholders, Mortgagees, and Other Security Holders Owning or Holding 1 Percent or More of Total Amount of Bonds, Mortgages, or Other Securities: none
12. The purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes: Has Not Changed During Preceding 12 Months
14. Issue Date for Circulation Data: September 2010
15. Extent and Nature of Circulation:

	Average No. Copies Each Issue During Preceding 12 Months	No. Copies of Single Issue Published Nearest to Filing Date
a. Total Number of Copies:	9,599	8,302
b. Legitimate Paid and/or Requested Distribution:		
(5) Individual Paid/Requested Mail Subscriptions Stated on PS Form 3541:	8,762	7,202
(6) Copies Requested by Employers for Distribution to Employees by Name or Position Stated on PS Form 3541:	0	0
(7) Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Paid or Requested Distribution Outside USPS:	0	0
(8) Requested Copies Distributed by Other Mail Classes Through USPS:	0	0
c. Total Paid and/or Requested Circulation:	8,762	7,202
d. Nonrequested Distribution: Outside County Nonrequested Copies Stated on PS Form 3541:	0	0
In-County Nonrequested Copies Stated on PS Form 3541:	0	0
Nonrequested Copies Distributed Through the USPS by Other Classes of Mail:	235	210
Nonrequested Copies Distributed Outside the Mail:	563	850
e. Total Nonrequested Distribution:	798	1,060
f. Total Distribution:	9,559	8,262
g. Copies not Distributed:	40	40
h. Total:	9,599	8,302
i. Percent Paid and/or Requested Circulation:	91.66%	87.17%
17. I certify that all information furnished on this form is true and complete. Kenneth Fadner, Publisher		



PEPSI THROWS SUPER BOWL, WINS FANS

Britney's belly didn't make it to the Big Game, but because she didn't, down in Hattiesburg, Miss., Homes of Hope for Children, Inc. is building a safe haven for kids.

Michael J. Fox didn't star in a Super Bowl spot in 2010. Instead, 14-year-old Jonny Cohen in Highland Park, Ill., is working with his sister to make school buses more energy efficient.

Cindy Crawford didn't strut her stuff across the small screen for the soda maker this time around. This means that in Idaho Falls, Idaho, Hillcrest High School can create a virtual computer lab for its students.

When PepsiCo pulled out of the Super Bowl ad lineup after more than two decades of spectacular television commercials, opting to instead use the \$20 million for a social media marketing campaign, the press went out

of their minds, the industry was intrigued and so much heat was generated by the announcement that it was anointed one of the Top Ten News Stories of 2010 by *Advertising Age*.

But the Pepsi Refresh Project turned out to be much more: a primer on how to use social media circa 2010 and a trailblazing integrated effort that included novel new partnerships among Pepsi's media partners. It broke new ground on how to combine traditional media with emerging channels.

Even more dramatic was the program's ability to harness the pull-not-push power of a consumer-empowered digital ecosystem to create thousands,

perhaps millions of evangelists. It's "doing well by doing good" on a massive scale.

Pepsi not advertising in the Super Bowl is a really big story. But the Pepsi Refresh Project is revolutionary. The marketer got out in front of the social media bonanza with an innovative campaign and leveraged it beautifully — and continues to iterate the program in all sorts of new directions, not the least of which are potential new business models for Madison Avenue.

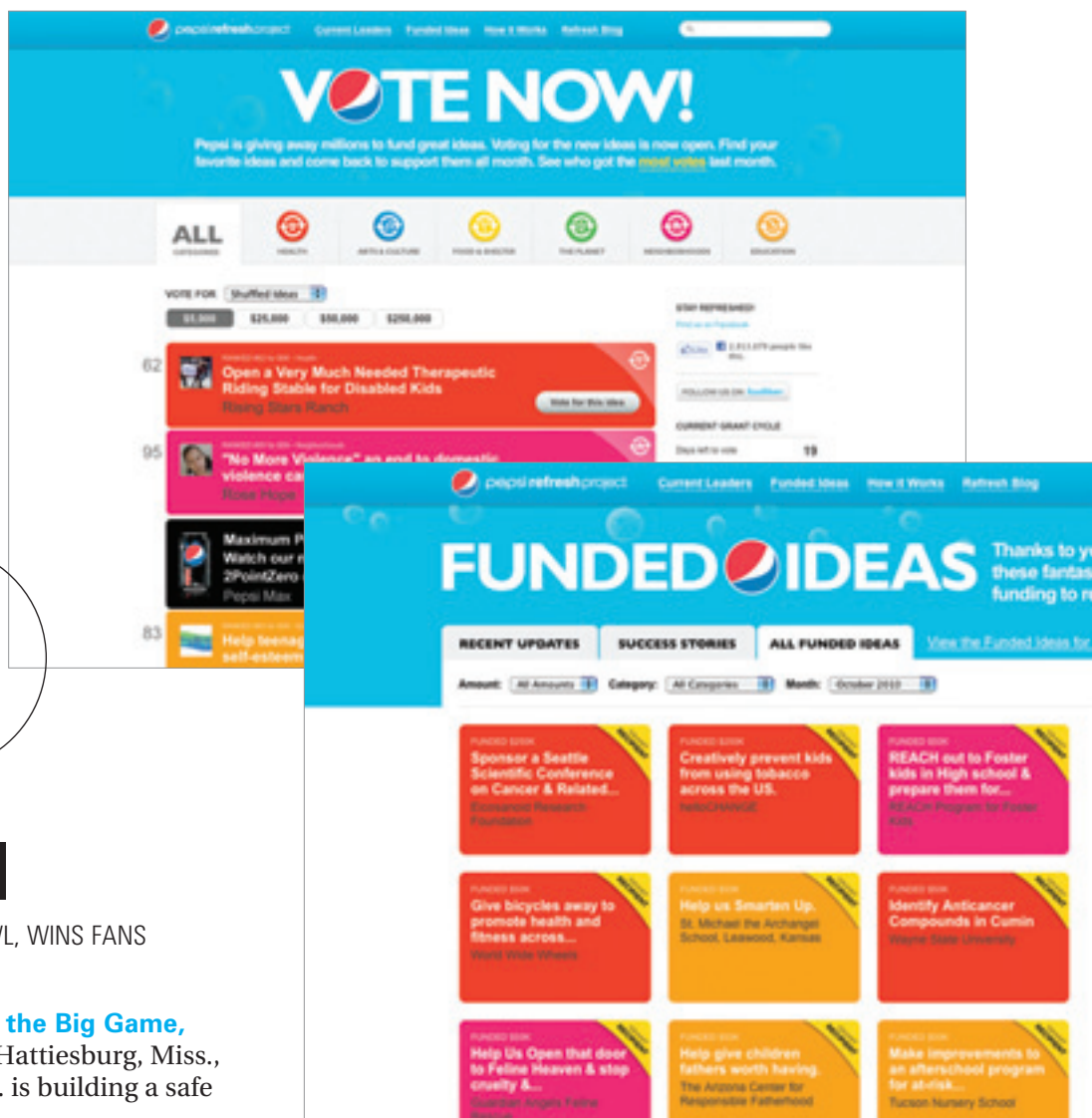
And that's why the soda maker is *MEDIA Magazine's* 2010 Media Client of the Year.

Early and Often

If there's one thing we've learned from being knocked

around in the ferocious currents of the digital age, particularly its social media manifestations, it's that everybody has an opinion and no one is shy about giving it. Many marketers have tapped into that pull-not-push zeitgeist. But the Refresh Project tied this uniquely "now" trend to another high-profile aspect of current culture: making a difference.

"The genesis of the program came from some core consumer insights, the most important being that given the state of the economy, people were more open to social-good programs," recalls Seth Kaufman, Pepsi's director of media



"THE GENESIS OF THE PROGRAM CAME FROM SOME CORE CONSUMER INSIGHTS, THE MOST IMPORTANT BEING THAT GIVEN THE STATE OF THE ECONOMY, PEOPLE WERE MORE OPEN TO SOCIAL-GOOD PROGRAMS."

strategy and investment while the Refresh Project was incubating and now vice president/general manager of the Pepsi-Starbucks North American Coffee Partnership. "Rather than winning money or giving to charity, people wanted to do stuff themselves. They could play a role in moving society ahead."

Pepsi gave people two ways to do that: nominate your own community-building idea or vote for those you like. Consumers nominate ideas for Pepsi Refresh grants each month at refresheverything.com, and visitors to the site vote on what they think are the best ideas

* More than 60 million votes cast (Pepsi will be proud to tell you that number is more than the total votes cast in the 2008 Presidential election);

* The site attracted in excess of 17 million unique visitors;

* More than 1.6 million comments posted;

* 350 projects awarded a total of \$14.6 million, including 54 schools, 26 parks or playgrounds, 10 children's homes and six community centers, and a small and growing army of individuals.

Celebrities like Kevin Bacon threw their weight behind the campaign; MTV's on-air talent filmed Pepsi Refresh stories

based *Times Union*:

"At Cohoes Music Hall, 40 kids sat at tables, telethon-style, with their phones and laptops, texting, emailing and sending Facebook notes to all their friends encouraging them to vote.

"At University at Albany, Siena College and other schools and businesses, including one in Australia, officials sent blast emails urging students, alumni, teachers and employees to vote. "Meanwhile, folks like Ed Sames, Jim Charles and Tony Rivera passed out flyers outside



of the month. If the nominees meet the company's guidelines, they win grants of \$5,000 to \$250,000.

As the Refresh Project polished off its first year in December, the tallies, per Pepsi, were staggering:

The Pepsi Refresh Project galvanized whole areas of the country. Just take a peek at this breathless account of the \$575,000 in grant money awarded to projects in its area from a September story that appeared in the Albany, N.Y.-

Price Chopper and attended Boy and Girl Scout and PTA meetings — all in an effect to get out the vote [sic]."

And how many national campaigns have you seen where cities brag about how involved they are in your

branding efforts? In the story, the *Times Union* crowed that “if you look at a map of grant winners, you see that the Capital Region compares favorably to New York City but far exceeds Boston, Hartford, Philadelphia and Baltimore.”

New and Improved

Beyond evidence demonstrating the huge amount of goodwill generated by the program are the fascinating signals it sends to the media industry itself. At a MediaPost Social Insider Summit in 2010, Shiv Singh, director of digital for PepsiCo Beverages America, presented some of the program’s results and noted that the initiative is “turning the economics of media upside down” because the program Web site generates more traffic than sites he buys for the Pepsi brands.

And it isn’t slowing down: even a year later, Singh notes, “refresheverything.com gets more traffic than GQ does online.”

Traditional media were used fairly widely to promote the Project, and although the advertiser won’t reveal exact ad spend, it’s likely that brand Pepsi’s 2009 spend of around \$135 million was exceeded last year, in large part due to the Refresh Project. But the campaign also contained some inventive new elements, Kaufman says.

The Pepsi Refresh Project partnered with NBC Universal, MTV Networks, AOL, Facebook, *Parade*, Yahoo and others, but “we

looked at media completely differently,” he explains. “A lot of companies, including us, have done big partnerships in the past. It was pick the partner, do an integration, have a big program. What uniquely we required [was that] everyone, regardless of size, be a real partner, not just sell us inventory...”

So MTV produced content using MTV talent and filmed Pepsi Refresh stories. Rather than buy banner ads, seed.com gave its 5,000 journalists around the country Pepsi Refresh assignments.

Sure, stuff like that is done all the time, but as an adjunct, not as the core activity of the initiative. Throughout the Pepsi Refresh Project, in fact, everybody was *doing* something. Nobody was just pitching, or selling, or consuming.

Speaking of which, there was one very traditional Pepsi element to the campaign: celebrities. John Legend did a YouTube video urging voters to tap his favorite music teaching program, and Drew Brees did the same for relief from the Gulf’s oil spill.

The Pepsi Refresh Project has even had a halo effect on how Pepsi and its media agency, OMD, measure results. At a Mediapost Social Insider Summit last year, Shiv Singh talked about a new way of looking at metrics he called the “Impressions Plus” model, which grew out of Pepsi’s experience during the Refresh campaign, and calculates the value of a media buy on the conventional media impressions plus social media pass-along.

“Our initial plans for 2011 all utilize this model,” notes Erin Matts, OMD group director of strategy, digital. “Capturing this in our analytics dashboards, I think, would be critical to understanding the value of those partnerships and what role a particular site, blog or environment plays in different kinds of campaigns.”

Taking the Tally

For society, building a better world is vital. Business success, alas, is measured with far less (or any) sentiment. And the question — asked almost from the very first Pepsi Refresh Project presser — was and is: did the Pepsi Refresh Project work?

It worked like gangbusters from a PR and relationship-building standpoint. Local media like the *Albany Daily* gushed about the program and got behind it. ABC aired almost 40 local segments highlighting 2010’s winners. Bottlers threw picnics for grant winners. The program totaled more than 2.8 billion impressions from earned media through the middle of the fourth quarter. There were more than 1,500 blog posts and 167,000 tweets about the program.

In terms of sales, not so much yet. Pepsi’s share actually declined in the first nine months versus Coca-Cola, per *Beverage Digest*. But that really wasn’t the point of the effort. Relationship building was, and by any reasonable analysis, Pepsi triumphed with this campaign.

“Marketers and people in

the media are used to thinking of advertising as driving volume,” says Singh, “but this is lifetime brand equity and loyalty. This will make people brand loyalists for Pepsi for their lifetime.”

And in terms of creating intriguing new models of activating and measuring media campaigns, the Pepsi Refresh Project most definitely made a difference.

In fact, “whether it worked or not is not even that important,” claims Josh Levine, CEO of LA-based social media marketing consultancy Rebel Industries. “The most interesting thing about this program is that Pepsi is doing it—that a marketer of that size has jumped into the space so thoroughly.”

A Better World, a Bigger Program

Next month, Pepsi returns to the Super Bowl. But the Pepsi Refresh Project lives on, breaking new ground, giving out \$1.3 million in grants every month and finding new causes to support. In 2011, the program goes international as well.

“I do think that the intersection of cause marketing and brand marketing thanks to social media [is] something everyone will be a part of,” concludes Singh. “Consumers like brands that make a difference in the world.”

No doubt students at a certain high school in Idaho, the kids in a home in Hattiesburg and a teenager in Highland Park would enthusiastically agree. **M Jack Feuer**



FACEBOOK

MEDIA MAGAZINE PAYS SPECIAL HOMAGE TO THE SOCIAL NETWORK THAT EXPLODED INTO THE STRATOSPHERE IN 2010.

Do we really have to tell you why Facebook is MEDIA Magazine's 2010 Media Supplier of the Year? Perhaps we should let some of our "friends" explain it.

"Facebook is an uber portal," declares Dave Marsey, senior vice president/media director at Digitas Chicago. "It's the first place we go to in the morning and the last place we go to before we go to bed."

"You've got to be there," says GroupM economist Adam Smith. "If the consumer expects to be there, you've got to be there."

And oh, boy, are they ever there. At this writing, Facebook is approaching 600 million active users, half

of whom log on to the uber portal in any given day. For those of you keeping score, that's one out of 10 people *on the planet*.

But wait, there's more. People spend over 700 million minutes per month on Facebook and install 20 million applications every day. Two hundred million of those active users get their face time through mobile devices. Facebook Connect, which allows users to log onto third-party Web sites, applications, mobile devices





**"IT'S NOT THAT
FACEBOOK IS THE SOLE
TRANSFORMATIVE
AGENT BY ANY MEANS
BUT IT IS BY FAR
THE SINGLE, MOST
TRANSFORMATIVE
NEW MEDIA
ENTITY CHANGING
PRODUCERS,
PUBLISHERS,
BROADCASTERS,
ADVERTISERS,
AGENCIES AND
MEDIA."**

and gaming systems with their Facebook identity is just about ubiquitous at this point.

Last month, in naming Facebook one of its Top Ten Global Media Trends, *Advertising Age* cited a DDB study of 1,642 international Facebook users (70% of all active users live outside the U.S.), which found that the average Facebook fan is 31 years old and follows nine brands. Three out of four respondents have pressed "like" for their favorite brand. And 94% stand ready to advocate for their favorite brand, if necessary.

Most importantly, if Facebook didn't exist, would a fan-feed groundswell result

in Betty White being asked to host "Saturday Night Live?"

Not even.

And in the past year, it seemed like Facebook was in our faces every week with some new announcement, product or improvement. For instance, in April 2010, it was social plug-ins; then in November, it was Facebook email.

No wonder the *New York Times*, not typically overcome by hyperbole, was moved to gush that the great connector "has also come to be seen as one of the new titans of the Internet, challenging even Google with a vision of a Web tied together through personal relationships and recommendations, rather than by search algorithms."

Or, as Facebook spokesperson Brandon McCormick puts it, "We fundamentally think a more open, transparent world is a better one."

There were other candidates that could make a credible case for the innovation and thought leadership by which we evaluate Media Supplier of the Year: others who have a role to play in the transformative nature of social media; and still, others who leverage their user base and the social graph that connects it.

But no one scales like Facebook, which at press time, serves 24% of all online display ads in the U.S. No other social network activates its offering for marketers and agencies with such an "open armed approach to advertising," as *Forbes* described it.

"It's not that Facebook is the sole transformative agent by any means but it is by far the single, most transformative new media entity changing producers, publishers, broadcasters, advertisers, agencies and media," declares David Fitzpatrick, author of "The Facebook Effect" and contributor to *The Daily Beast* and *Fortune*. "All those constituencies are restructuring their thinking around the existence of social media and Facebook is so much larger than any other entity that it does serve as an appropriate proxy."

Forget the fact that *Time* named Mark Zuckerberg, Facebook's famously hoodied founder, its Person of the Year. Or that the movie version of Facebook's birth, the critically acclaimed "The Social Network," is an Oscar contender. That's just the media machine grinding up another sensation for the nation's endless appetite for sex, scandal and geeky tech wunderkinds.

This is more than pop culture. This is more than an emerging platform.

This is the face of the new social media order.

Marketer's Best Friend

The first thing Digitas recommends when it talks to clients is that they hire a community manager and "not an intern," says Marsey. Because Facebook, first among others, is so much more than just a chat platform.

"We quickly realized that



‘thumbs up’ is going to make all the difference,” Marsey says. “We know consumers trust friends and family much more than they trust brands [and in] the last year, we finally realized it’s not necessarily about advertising. It’s more about how do we program our Facebook page.”

In fact, the ability to deliver multiple marketing opportunities is a key Facebook differentiator and a major source of its transformative power. Marketing consultant, author and blogger Joseph Jaffe calls it the Facebook secret sauce.

“For me, the real shining light of Facebook has always

talk about whether or not social networks are advertising vehicles. They can be, but they’re also customer relationship tools and PR vehicles. Facebook is the prime example of that flexibility and the reason why marketing professor Nora Ganim Barnes and social media scholar Eric Mattson, in their annual study of social media using trends inside U.S. corporations, found that 56% of the 2010 Fortune 500 companies now have a “solid presence” on Facebook.

It’s not all sweetness and light, of course. Facebook

Google, Yahoo, AOL and the like. And it’s now positioned to take the battle to rivals on mobile phones as well.

The cool idea, formerly known as thefacebook.com, seemed to come of age in 2010. “It did kind of mature this year,” agrees Fitzpatrick. So does Facebook.

“In 2009, [marketers] knew they had to have some kind of Facebook strategy, but it was really experimental,” notes McCormick. “2010 was when we came out of the experimental bucket. Some of the larger brands really went big: Starbucks did a global Facebook buy in 22 countries.

newsfeed carries the notation that another friend has become a fan of the brand.

That’s an area that the 2010 Media Supplier of the Year plans to work on in 2011 as well. “When you think about Facebook as a platform, even on the consumer side, people use it as a way to tell their friends what they’re doing in a number of broad ways,” says McClintock. “It’s the new word-of-mouth. That’s what we’re thinking about — word-of-mouth that for the first time is at scale. That is going to be an important thing for us in 2011.”

Putting aside its past screw ups, false starts and nervousness over privacy, so far it’s all good for the proxy for the social media revolution. There isn’t a brand marketing campaign that isn’t tapping into the Facebook phenomenon in one way or another.

“And it’s only going to become more so,” predicts Fitzpatrick, because “so far there isn’t any sign of a significant threat to its growth in terms of users and time. Also because the way Facebook operates is so extraordinarily brilliant.”

But don’t take our word for it, friends. Ask the participants in a recent survey of business leaders regarding their marketing plans for 2011, conducted by Zoomerang in late November. Fifty-seven percent of them are increasing their social media spend next year and Facebook marketing, at 35%, is way out in front, ahead of viral campaigns at 22% and Twitter marketing at 21%.

Better yet, just ask Betty White. **M Jack Feuer**

“WHEN YOU THINK ABOUT FACEBOOK AS A PLATFORM, EVEN ON THE CONSUMER SIDE, PEOPLE USE IT AS A WAY TO TELL THEIR FRIENDS WHAT THEY’RE DOING IN A NUMBER OF BROAD WAYS. IT’S THE NEW WORD-OF-MOUTH.”

been with respect to things like action, social change and ‘Rock the Vote.’ It’s what I call nonmedia,” he explains. “Facebook can deliver paid media, earned media, owned media and nonmedia. You can buy the engagement ads, those little viral mushrooms that got Betty White onto ‘Saturday Night Live.’ Create a branded space with one million likes. And then the non-media. People on Facebook aren’t friending a shoe or liking a can. They’re sharing photos and connecting with other people. That’s why it has to be in the forefront of any integrated digital plan—and leaving it out of a social media plan now is almost suicide.”

There’s no longer much

still faces criticism over privacy concerns, particularly since Facebook is clearly going to be where the governing rules about online privacy will be laid down. But there’s no denying its power and its reach — both of which expanded exponentially in 2010.

The Year of Succeeding Ridiculously

The past 12 months were a watershed year for Facebook. It grew from 375 million to 600 million active users. Almost weekly, it launched something new, most notably, the Facebook Messages gambit that elevates it from a platform to a fully formed communications giant that now will compete face-to-face with

Nike did a global buy with us for the World Cup. So when I look back on the past year, I think our ability to prove the effectiveness of our marketing and advertising platform helped move brands into a more in-depth relationship with us.”

2010 was also the year that measured Facebook more precisely. The platform’s collaboration with Nielsen saw its first fruits last year with the release of its first public study in April. The research drilled into the relationship between those infamous fans and ads on Facebook. Key finding: ads that included mentions of friends who were fans of a brand enjoyed significantly higher recall and awareness, especially when a user’s

Say your agency built an
app and everybody loved it.

The reviews poured in,
5 stars across the board.

And you thought to yourself:

**“There ought to be an
award for that.”**

Well, now there is.



AppyAwards

ALL PLATFORMS, FROM MOBILE TO TABLETS

CATEGORIES INCLUDE:

**iPAD PUBLISHING | MARKETING/BRANDING/ADVERTISING | NEWS | GAMES
SOCIAL NETWORKING | ENTERTAINMENT | AND MORE...**

ENTER BY JANUARY 14 AND SAVE UP TO 20%

ENTRY DEADLINE: JANUARY 28, 2011

www.mediapost.com/appyawards

Congratulations to
all of this year's MEDIA Award winners.



Thanks for helping our brands
shine with your clients.

Best wishes from your friends at

