

## SECTION I

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# The Problem

*“Jacksonville, we have a problem.”*

Not a conversation goes on these days—at least in any marketing industry public forum—that doesn’t announce the failings of the Network model. You have probably heard buzzwords, from “audience fragmentation” to “channel proliferation” (I murmur them in my sleep, so I’m told), from “empowered consumers” to “the elusive 18- to 34-year-old male,” from “the rise of the Internet” to “TiVo as the Antichrist.” All of this is culminating in the clichéd death of the 30-second commercial.

Depending on which talking head or writing hand might be doing the communicating on any given day, you’ve also heard the resolute and emphatic rhetoric that the 30-second commercial isn’t going away anytime soon, although admittedly it is changing. Conversely, if you poked your head into your ad agency’s broom closet (aka the new media department), you may even have heard the words, “The 30-second is dead” . . . or was it just the sound of the Swiffer? [Gratuitous product placement number 1.]

A recent AAF study exposed seemingly contradictory opinions from its *2004 Survey of Industry Leaders on Advertising Trends*. Although most respondents felt that the growth of nontraditional ad formats (led by digital video recorders like TiVo) will change advertising, there was also skepticism

about these alternatives. This finding could be read two ways: (1) The marketing community is divided into those who embrace nontraditional forms of marketing and those who fear them; or (2), and this second interpretation is more reprehensible, *no one ever got fired for putting TV on the media plan*. In other words, a lot of marketing executives out there still cling to TV advertising because they think they understand the alternatives and therefore that they're safe. *Wrong*. CMOs are being picked off faster than Donald Trump can say "You're fired!" The root of the problem could very well be their reliance on the so-called safer options.

When talking to the New Age marketing zealots, I dance on the 30-second's grave and sing hallelujah; however, when addressing a room with "traditional" marketers and/or media folk, I have been known to feebly parrot that the 30-second isn't going away anytime soon—an act of kiss-ass reassurance and self-preservation (after all, I like being paid and I intensely dislike being attacked).

But now is the time to come out of my closet with this emphatic statement: The 30-second spot—at least as it exists today—is either dead, dying, or has outlived its usefulness. Take your pick.

To be sure, those who believe that the 30-second isn't going away anytime soon might want to scrutinize their definition of the word *soon*. Perhaps we can wager which will go away sooner: the 30-second itself or their jobs.

There was a time when some folk believed that the black-and-white television wasn't going away anytime soon. In fact, there are still some black-and-white televisions out there; I believe they can be purchased on eBay from the antiques section.

The bottom line is that the marketing communication world is in disarray. Client-agency relationships are at all-time lows (both in morale and tenure). Procurement is rife and consultants who run today's new business selection dog and pony show are giving consultants like myself a bad name; Madison Avenue is tarnished and no longer the epicenter of the incestuous world of advertising.

Something gave out a long time ago, but the reality many marketers are still clinging to is a security blanket, embroidered with the letters U P F R O N T, that is soiled, worn, and infested with mold and mothballs.

Now that you're either considering a profession as a volunteer aid worker in Africa or staring upward at that ominous-looking noose, take a deep breath and relax: It's all going to be okay. In fact, it's all going to be swimmingly okay, but it is going to take some time and a lot of hard work. You are going to need to check your ego at the door, and you might even have to work a bit harder to get to a new place, using a new slate, with an entirely new set of possibilities and potential.

The real truth is that there couldn't possibly be a better time to be working in this business. The opportunities are endless, and they're there for the taking, but I stress that preconceptions, political alliances, and fiefdoms have to be summarily dismissed; resistance to change will be futile, and the ability to take risks will prove to be essential to navigate through a brave new world.



# 1

## The End of Mass Media

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*Whosoever desires constant success must change his  
conduct with the times*

—Niccolo Machiavelli

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If there are still people out there who think that mass media is a viable business, please give them this book. The continued fragmentation and proliferation of media touch points and content alternatives makes reaching masses of audiences difficult and aggregating them even more difficult.

Why would you even want to reach a mass audience at a time when there are truthfully very few remaining mass products? With more than 40,000 products up for grabs in an average supermarket (according to MSNBC), the only mass that is present these days is mass confusion, distraction, and clutter.

Even the once revered Coca-Cola is not as mass as it thought it was. The cover of *Business Week's* December 20, 2004, issue was aptly titled "The Real Problem, or Gone Flat." With C2, Diet Coke, Diet Coke with Lemon, Classic Coke, Cherry Coke, and Vanilla Coke, not to mention Dasani and so on, it is very much a diversified product line against a segmented audience.

Coke is a brand that used to be impregnable. Pepsi would literally prove to consumers that its carbonated sugar water tasted better, but nobody cared. Now for some reason,

Al Ries and Jack Trout spoke about top-of-mind positioning for specific brands, but I don't believe they ever conceived that the *easiest* part of the process might be choosing Colgate and the toughest part would be choosing among Colgate Total Plus Whitening, Colgate Total, Colgate Total Advanced Fresh, Colgate 2in1 Icy Blast whitening, Colgate 2in1 whitening, Colgate 2in1 fresh mint, Colgate Total Advanced Fresh 2in1, Colgate Herbal White, Colgate Sensitive Maximum Strength plus whitening, Colgate baking soda & peroxide whitening with tartar control Brisk Mint Paste, Colgate baking soda & peroxide whitening with tartar control Frosty Mint Striped Gel, Colgate tartar control with baking soda & peroxide clean mint, Colgate 2in1 Kids Toothpaste and Mouthwash, Colgate Barbie\* Sparkling Bubble Fruit toothpaste, Colgate Looney Tunes† Bubble fruit, WildMint and Berrylicious, Simply White Advanced Whitening Toothpaste, Colgate Max Fresh, Colgate Fresh Confidence, Colgate 2in1 whitening, Colgate Sparkling White Cinnamon Spice, Colgate Sparkling White Mint Zing, Colgate Sensitive Maximum Strength plus whitening, Colgate tartar control plus whitening gel cool mint gel, Colgate tartar control plus whitening Crisp Mint paste, Colgate Platinum whitening mild mint, Colgate Platinum whitening winter mint, Colgate Max Fresh, Colgate Fresh Confidence, Colgate tartar control with baking soda & peroxide fresh mint, Colgate Cavity Protection Great Regular Flavor, Colgate Cavity Protection Winterfresh gel.

I mean, there's line extension and then there's a one-way ticket to the funny farm.

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they've started to care and Pepsi is breathing hard and fast down Coke's neck. There are many possible reasons for this, but one major point of differentiation could be the way these two brands divide and conquer to connect with their consumers using a combination of old and new marketing approaches.

Is it coincidence that PepsiCo announced in March of 2005 that it would be reintroducing Pepsi One diet cola with one more calorie than the total number of television commercials that would be used for its promotion? (Hint: It has only one calorie.) I think not. Instead, the campaign would include events (see Chapter 14), online films (see Chapters 11 and 15), and other alternatives to traditional advertising (e.g., trading cards). Reads a lot like this book.

Instead of looking at an exploding number of alternatives—from niche programming to mobile marketing to gaming, marketers continue to feel the need, to yield to the urge, to succumb to the tendency to be lazy. For some reason, it just feels better to be able to reach out and touch the largest number of possible people at any given time.

Mass marketing originated from the need to sell mass-produced output following the industrial revolution (e.g., Fordism, started by Henry Ford). Today we are governed by *informational revolutionary* forces—but you wouldn't know it by the way marketing is deployed or by the lack of innovation in the advertising industry. Demand (the consumer) has irrevocably changed. Supply (or the marketing and advertising of it) has not. This gap simply has to be bridged.

The Super Bowl—defined by a self-dated commercial by the name of “1984”—is the only alleged mass-media moment left, and it, too, has slowly degraded to what I would call an act of “desperation marketing,” where marketers are going all out in the hope of instant success. In 2005, advertisers paid a record \$2.4 million for a 30-second spot—a ridiculously inflated sum that banked on the hope that history or hype would repeat itself.

There is substance, however, for the efficiency of Super Bowl advertising. Although technically it airs only during

the game, the actual frequency of a Super Bowl ad may be magnified by several factors, including—but not limited to—the repeat plays that newscasts, newspaper articles, and general PR spikes give to that overhyped Mecca of Advertising. The watercooler effect (recently usurped by HBO—It's not TV, it's HBO!) offers up a refreshing extra-punch cocktail to boot. In recent times, the Web has provided amplification and extension of Super Bowl ads by offering the commercials after the fact and by its ability to forward them to colleagues and friends. CBS and AOL encourage this by driving viewers to the Web to vote for their favorite commercial of the big game in the Super Bowl Commercial Showcase. There's no overstating the value a bunch of tickets to the big game brings to the table on the trade side of the equation. But how do we measure the impact of this spot? In efficiency or effectiveness terms? Should we even attempt to calculate the immediate return on investment (ROI)? How do we monetize and quantify the impact of advertising's annual center stage?

I asked several people to justify why and when a Super Bowl ad makes sense. One of the consistent responses was "continuity." In other words, if this is the beginning of a process, a journey, a means to an end, then how better to introduce a new idea or brand, launch a new product, or introduce a new line extension? Then there's the argument in favor of the message sent out to the market (including Wall Street) when a brand like Reebok took on the creative high ground previously occupied by its archrival Nike with its famed Terry Tate commercial (except it doesn't explain why Reebok did not renew its commitment).

There's a conflict of special interest here. How many times do you think Super Bowl ad agency BBDO sold each of its clients on the same promise: "Hey FedEx, think about the message this will send out to the market and the advantage it will give you over UPS! Let's throw in an alien monster for full effect." (Ka-ching!)

Here are some questions to ponder.

With close to 50 percent of the audience being female,

how does this translate into efficiency for a brand like Gillette, for example? It may appear that even the Super Bowl isn't as super an audience as we've been led to believe.

And from a creative standpoint, is this pinnacle of the calendar year truly the ultimate expression of the promise and potential of advertising? Or is it the biggest overdose of Kool-Aid ingestion? Why is it that we see this kind of creativity only once a year? Shouldn't this be happening all year round? In just one year, we went from a warehouse in Texas (2004) to a little house on the prairie (2005)—but in both cases, creativity was absent without leave.

An Association of National Advertisers (ANA) report cites that about a third of major marketers polled believe their advertising agencies are infected by “creative arrogance.” Does this arrogance translate into inflated production costs—particularly around the Super Bowl?

Think about the Super Bowl spots widely held to be the best of all time. Why is it that most of them are 10 years old or older? (Does the statute of limitations for Apple's “1984” commercial expire in 2084?) What does it say for our industry when a one-off phenomenon like “1984” becomes the best justification for our livelihoods, leaving the other 364 days so conspicuously neglected and barren?

And let's expose the quality of the audience for what it really is. A bunch of intensely inebriated viewers who are about as likely to purchase a car or ship out a package the next day as is Pete Rose to ride the next Triple Crown winner to victory. Under these influences, how effective can this kind of investment really be?

Segue to the heart of the hysteria of mass advertising—the default weapon of choice: the 30-second spot, long protected by a faulty methodology that has survived only because all those who adopt it are too afraid to stick their necks out and say, “Just because everybody goes by the same defective rules doesn't make it okay.” But it's actually not okay anymore. It's not efficient. It's not effective. It's time to step aside and make way for a host of alternative solutions.

I'm not sure if there's some deep-rooted psychological mass-media envy that forces us to compare our reach against that of our competitors, but it sure feels good to be able to deliver a feminine hygiene message to males and postmenopausal women . . . just because a given program overindexes relative to some broad-based segmentation based on age.

The implicit assumption is that if everybody plays by the same flawed rules, then by definition the rules are not flawed, because they are generally accepted and practiced by one and all.

Nielsen's ratings and its methodology border on egregious, with 15-minute intervals that conveniently average out the highs of content and lows of commercials. Despite the odd call for minute-by-minute ratings by the occasional agency executive (their version of the machismo game of chicken), the same-old-same-old way of doing business continues to chug along as if nothing were awry.

The following statement appears on Nielsen's web site as an FAQ to potential panel recruits: "We may ask you to fill out a diary, keep a television meter in your home, or just answer some questions over the telephone."

The three methodological approaches conjure up the notion of dumb, dumber, and "dumberer" when conceptualizing the inertial characteristics of the couch potato.

#### APPROACH 1: THE DIARY

*"Dear Diary, today I sat on my royal behind for five solid hours in a comatose state, and at 2 A.M., when I awoke from my trance, I multitasked to perfection as I simultaneously wiped away the hardened drool from the side of my mouth and took a worst guesstimate at what I thought I watched that night on the tube."*

#### APPROACH 2: THE TELEVISION METER

Many of us wonder why TiVo has taken so long to catch on; some argue that it requires too much of a behavior shift too soon. Following on from

approach 1, it stands to reason that in a society where the numbers 12:00 flash incessantly on most VCRs, our diligent household members may not exactly be saints when it comes to their reporting duties.

#### APPROACH 3: THE TELEPHONE INTERVIEW

Subject to the same inertia and laziness associated with the first two approaches, with an added bonus: People tend to bias responses to make them appear to be smarter.

Thankfully, there will soon come a day when we are implanted with chips with built-in GPS and proximity locaters to help advertisers determine how truly worthless their messages are. When this day comes, I'll be sure to send you all a postcard from the Galapagos Islands.