



The 'Next Generation' of Advertising

Why are we here today?



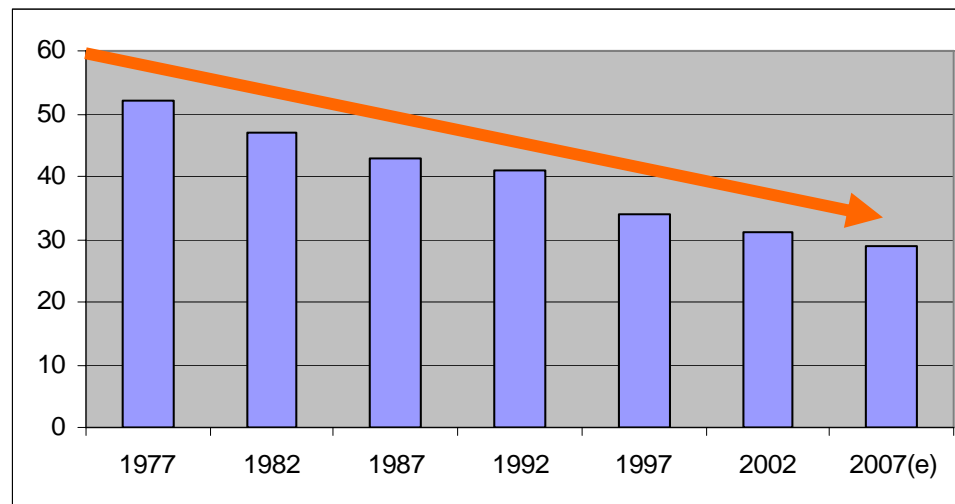
Is it getting easier to
do Advertising these
days?

The decline of prime time...



- It is no longer possible to communicate with 90% of the population by placing a TV commercial on a few channels

US Prime-Time Ratings
Millions of Viewers



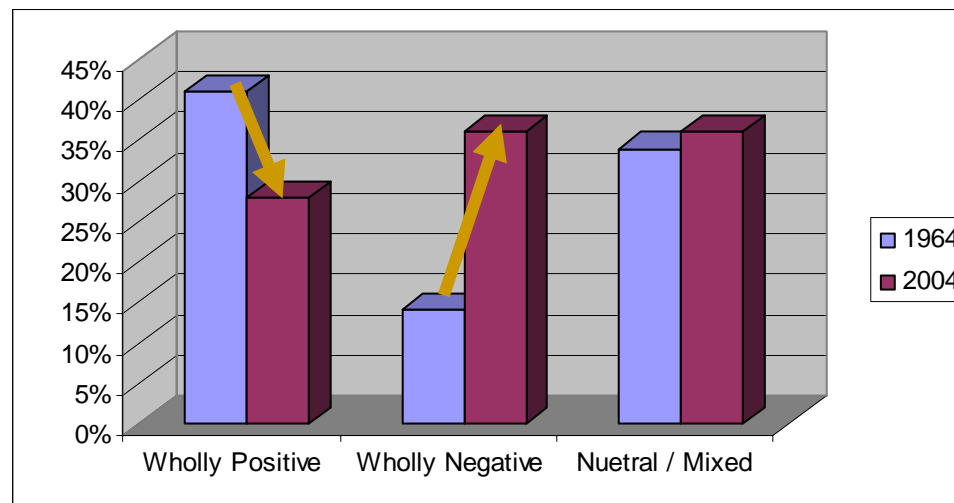
Source: Veronis Suhler Stevenson, PQ Media LLC, AC Nielsen Corp.; Universal McCann

How do consumers really feel about advertising?



- 61% of people feel the amount of marketing and advertising is **“out of control”**
- 65% of people feel **“constantly bombarded”** by ad messages (Yankelovich Monitor 2004).

Consumer Opinion of Advertising / Marketing Then and Now

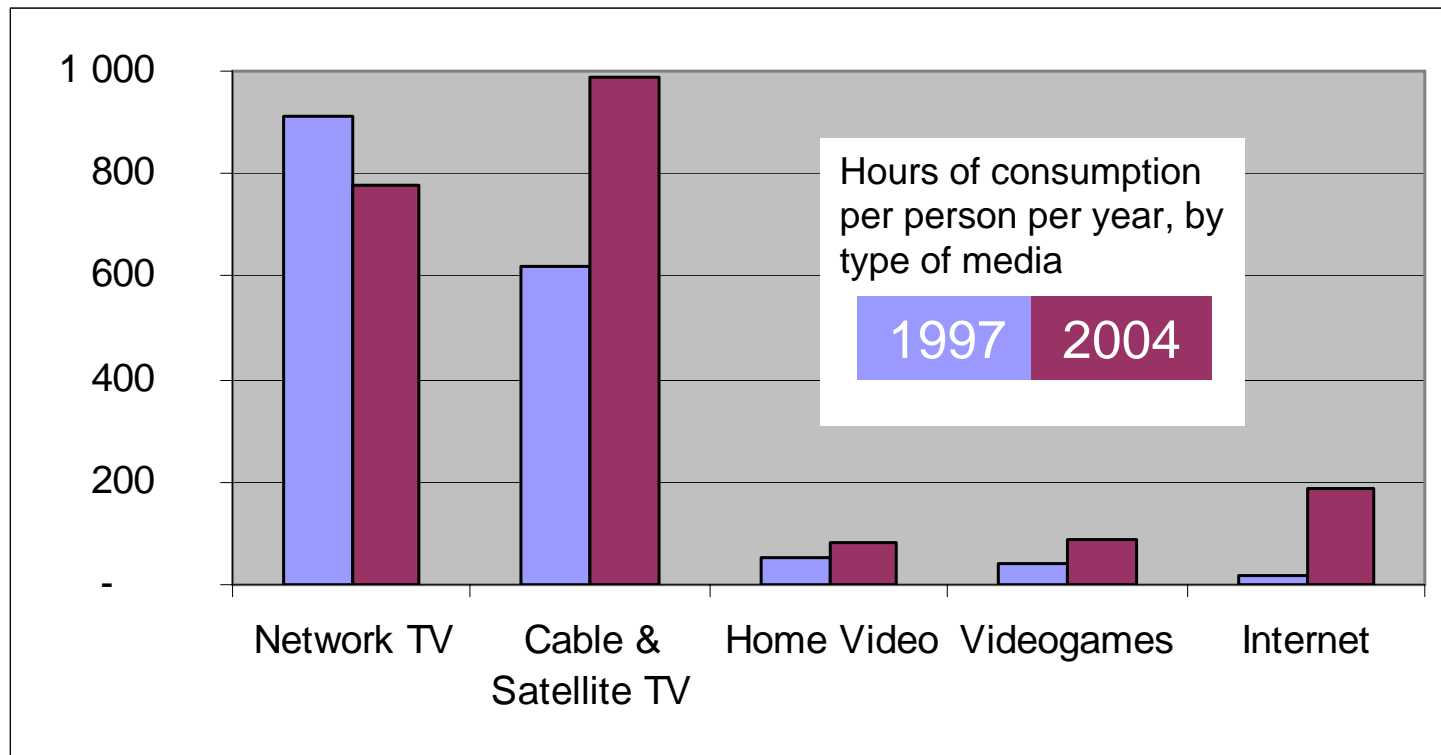


Source: American Association of Advertising Agencies 1964 and Yankelovich Monitor 2004

Consumer activities are all moving *ON DEMAND*



- There's no schedule concerns with Pay-Per-View, DVD players, Play Stations, etc. and of course, the Web.

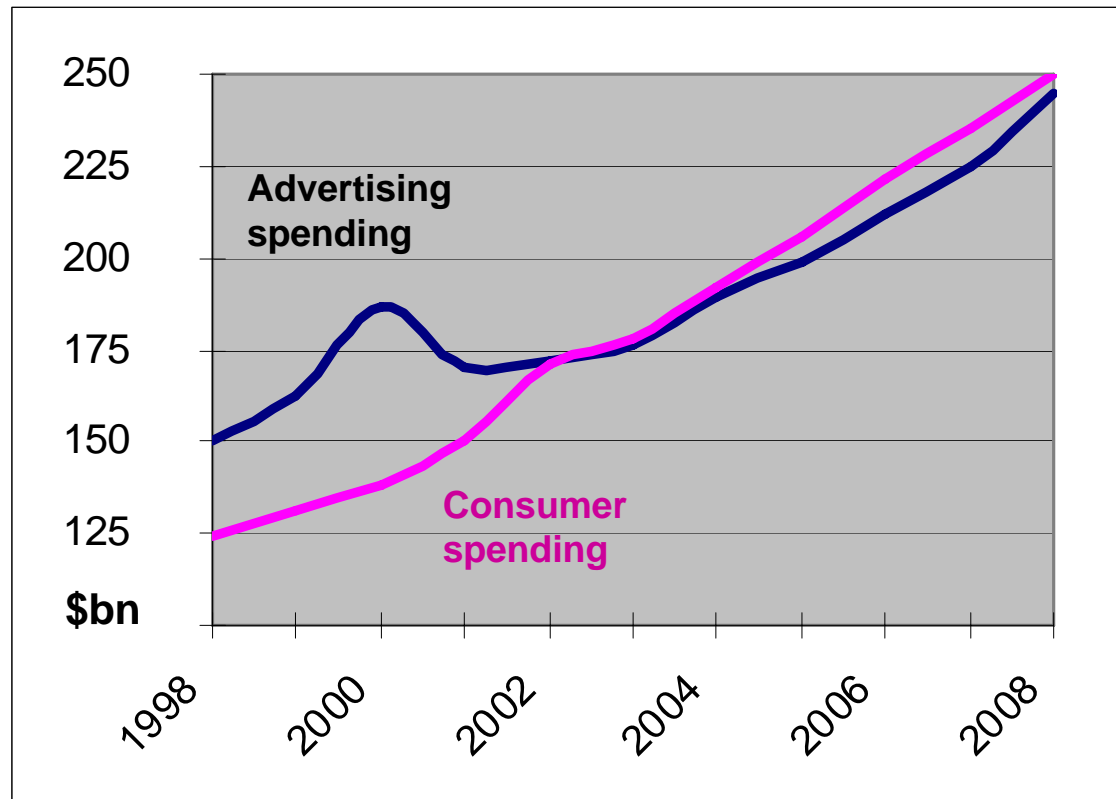


Source: Veronis Suhler Stevenson, US Media consumption calculated in number of hours per activity

Consumer-controlled media is bigger than Advertiser-controlled media



- Consumers now spend more to avoid ads (movies, music, Cable TV, Web sites, video games, etc.) than Marketers spend to Reach them

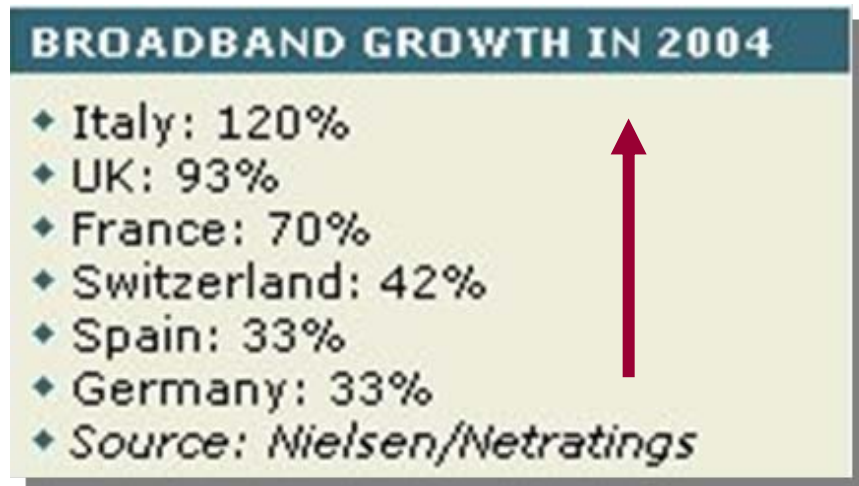


Source: Veronis Suhler Stevenson

TV becomes the niche vehicle while the Internet goes mass



- Over 40 million Broadband connections in Europe
- 70% total growth in 2005
 - 45k lines added daily
- European homes with broadband, 40% are watching less TV.

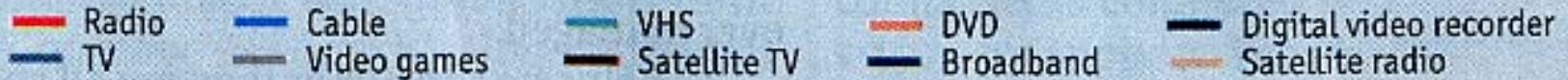


The home is filling with devices



Multiplying messages

US household penetration rate, %



Source: Veronis Suhler Stevenson Communications Industry Forecast 2004

* Projections

...Driving clutter way up

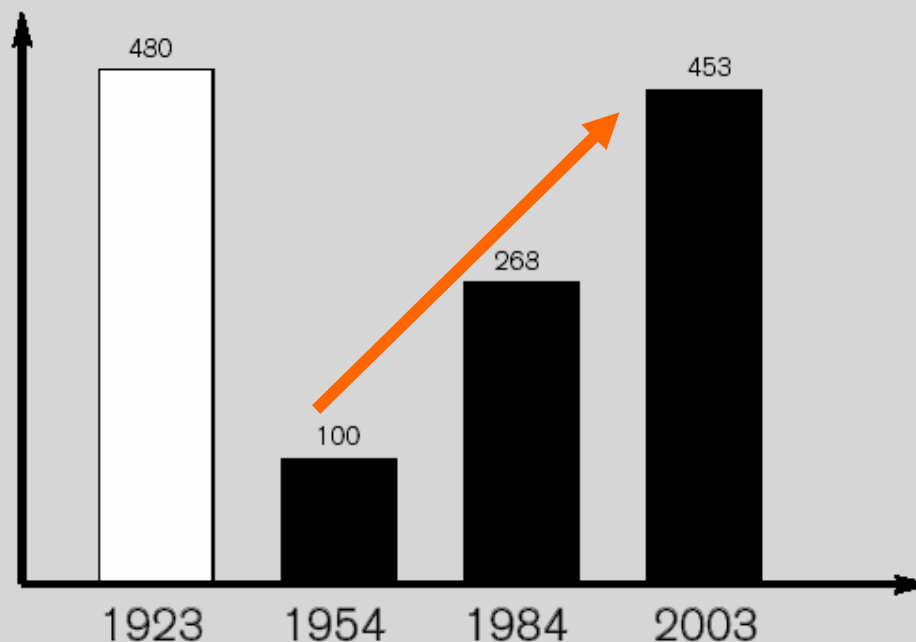


30 seconds of consumer's attention costs the same now as ***BEFORE THE INVENTION OF TV***



THE DAYS OF CHEAP TV ARE OVER

THE PRICE OF THIRTY SECONDS OF CONSUMER ATTENTION INDEX



FIGURES FOR 1954 - 2003 BASED ON ALL ADULT COST PER MILLE FIGURES FOR 30 SECOND TV FOR US AND WESTERN EUROPEAN MARKETS. 1923 FIGURE BASED ON CONTEMPORANEOUS Y&R READING AND NOTING RESEARCH FOR FULL PAGE MONO ADS IN US EASTERN SEABOARD.



And this is just the
beginning...

Look what Microsoft and Intel are up to...



- 2004 the “Digital Home” is launched
- Basically an Entertainment Server for the house
- Organizing all content across all TVs from a central computer
- Do you see “watch TV commercials” on the list?

A screenshot of the Windows XP Media Center interface. The top navigation bar includes logos for Microsoft Windows XP Media Center Edition and Intel Inside Pentium 4, along with the URL digitaljoy.com. The main menu lists options: Play DVD, Online Spotlight, My Videos, My Pictures, My TV (highlighted in green), My Music, Radio, More Programs, and Settings. An orange arrow points from the text in the list on the left to the "My TV" option in the menu. At the bottom, there are three promotional banners: "Introducing a new kind of home PC", "Find the model that's right for you", and "Special Online Offer". A small image of a computer system is visible in the bottom right corner.

So what's an Advertiser to do?



Primetime Decline

Negative Consumer Attitudes

On-Demand Activities

Consumer-Controlled Media

Broadband Explosion

Endless Devices in the Home

Sky-Rocketing Cost of Media



**First, know the 'new'
consumer**

The 'New' Customer distills down to two simple words



Control



Relevance



Second, know the new rules of Advertising



Advertising 2.0

Ten Rules to Live By

1) The 'Lean Forward' Medium

Lean Forward Medium



2) Watch the money
(media money that is)

Advertising Age

APRIL 4, 2005



CRAIN'S INTERNATIONAL NEWSPAPER OF MARKETING | U.S. \$3.99, CANADA \$5.00, U.K. £3.95

ADAGE.COM

WUNDERMAN

LATE NEWS

Motorola picks 180 for brand assignment

[SCHAUMBURG, ILL.] Motorola has handed an undisclosed branding assignment to independent 180 Amsterdam, prompting



speculation that WPP Group's Ogilvy & Mather is losing its grip on the cellphone marketer's \$100 million account. While

Motorola executives said that Ogilvy continues to be Motorola's worldwide advertising agency, executives close to the situation claim that CMO Geoffrey Frost is unhappy with its recent work and has been talking to a number of creative boutiques in the U.S. and Europe including Mother, London. [AdAge.com QwikFIND aag45m](#)

MDC gains control of Zyman in \$64M deal

[TORONTO] MDC Partners on April 1 acquired 61.6% of Zyman Group, the Atlanta marketing strategy firm headed by former Coca-Cola Co. CMO Sergio Zyman, for \$63.8 million in a cash-and-stock deal. Mr. Zyman, 59, remains as chairman-CEO, and becomes the second-largest shareholder in MDC Partners. Miles Nadal, MDC's chairman-CEO, will remain the company's largest shareholder.

THE CHAOS SCENARIO

What happens if the traditional marketing model collapses before a better alternative is established? Bob Garfield dares to confront the question

No-carb: Sales fail, trend ends

Food giants PepsiCo, Unilever, Kraft pull products off store shelves

By STEPHANIE THOMPSON

PEPSICO, UNILEVER AND KRAFT are retreating from the shrinking low-carb food category as fast as they can to get in.

Citing dismal sales, mainstream marketers have halted production on a variety of low-carb products mere months after their debuts, while smaller players such as Keto Foods have closed their doors. Those still serving the segment will likely spend little to advertise in what has quickly returned to a niche market.

The low-carb food market was once predicted to hit sales as high as \$15 billion, but seems to have topped out at around \$1 billion. Trend companies hoped to ride for at least five years.



See LOW-CARB on Page 60

Pontiac, Buick flunk CM ad tool

Media money flowing into product placement and sponsorship marketing



MediaDailyNews

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Product Placement Outpaces Ad Spending

by David Kaplan, Wednesday, Mar 30, 2005 8:00 AM EST



WHILE THE VALUE OF PRODUCT placement has been a tough nut for the media industry to crack, PQ Media, a marketing researcher that has put together a brief history of the practice, is putting the net worth of the overall product placement market last year at \$3.46 billion--an increase of 30.5 percent over 2003. And according to its projections, that's only the beginning. PQ Media is also saying that product placement grew at a compound annual rate of 16.3 percent from 1999 to 2004. And since 1974--when the company began tracking product placement spending--the value of product placement rose at a compound annual rate of 10.5 percent.

Both in 2004 and in the 1999-2004 period, product placement was



Today's Most Read

- [1. Nets Eye Deals Outside Upfront, Explore New Media Options](#)
- [2. AOL Braces Video Ads With Lightningcast](#)
- [3. Google Promotes 'The Break-Up' On Video Search](#)
- [4. CW Takes Best Of WB, UPN](#)



**3) Time shifting is a
reality**

Time shifting is a reality



- TIVO and SkyPlus made the VCR promise come true (25 years later)



Personal Video Recorders (PVRs) allow customers to cut you off



“The consumer-empowering digital device that mass advertising and TV executives fear the most is the Personal Video Recorder”

- Business Week

PVR users watch 30% more television than before and

SKIP 70% OF THE COMMERCIALS





4) Forget channel
planning, think
portable content

Content will become device agnostic





Watch full episodes online for free!

May 1, 2006 - June 30, 2006

Welcome to the only place online where you can watch full episodes of your favorite ABC television shows!

NEW EVERY MONDAY



"No One Is Alone"

Last Aired: May 14, 2006
3 EPISODES AVAILABLE

NEW EVERY THURSDAY



"Three Minutes"

Last Aired: May 17, 2006
4 EPISODES AVAILABLE

NEW EVERY THURSDAY



"No Hard Feelings"

Last Aired: May 17, 2006
ENTIRE SEASON AVAILABLE

WATCH NOW



"Ties That Bind"

Last Aired: April 27, 2006
ENTIRE SEASON AVAILABLE

Only viewers within the United States can watch these full-length episodes.



**5) Consumers are
creating most of the
content**

ESPN THE MAGAZINE BLOG

Search: _____

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Lee extension imminent

Published: Monday, April 20, 2006

The Cubs and the agent for **Berrie Lee** will meet Monday in the hope of completing the first baseman's contract extension. It seems a deal is on the verge of being done, but if the negotiations were to somehow break down in the next few days, Lee likely would be the market as a free agent - and perhaps would be a long-term solution at first base for the Boston Red Sox. Lee has much of the Red Sox model: He's a power hitter and he's young defensively.

While last week about the bulk of the story that he seems serious physical regression in **Berrie Lee** and his swing, and it was evident from watching the Atlanta Braves pitch to Bonds over the weekend that they saw some of the same things. Bonds seems to be having trouble maintaining his balance on job pitches, especially the strike zone low and away; in this way, if Bonds is having trouble reaching down, he cannot pull enough on his swing and drive the ball the way he has. In past years, bonds had the leg strength and balance to drive outside pitches for home runs, but perhaps not any more. Through his games, Bonds is 0-for-12. He was named **all-star** in 2005. Even if Bonds is demoted, he will still be a valuable asset.

WEDNESDAY APRIL 12, 2006

VW Golf Going nuts in US - Mad Rabbit

engadget

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opinion about mborghini and

by **LucaDiStato**

SWITZERLAND'S LURES TOTALING WOODSTOCK'S BURNING. The mystery of DiStato's, according to German and Swiss law, remains to be seen and Switzerland, before him.

ALDO JORDAN GET INTERVIEWED

Spagna from Berlusconi was down in P but will take place on May 25th. No footage of the creative guru who will do

Help wipe out fraudulent spending

Examining web videos on the verge of the future

Make: Magazine

Make Magazine Projects

Men's Wearhouse

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treehugger

WIN AN ECO-TRIP TO PERU

treehugger.com

TRANSBUDDHA

Everything's Gone Green - Aaron Ruell

His director Aaron Ruell writes "Transbuddha" is a comedy. His background as a film photographer really comes through in this one, with lots of close-ups and detail and precision. The dynamic was cool and all, but for whatever reason, it just didn't work for me. I'm not sure if it's just me or if it's just the movie.

The New Annotated Times

Free Split Spheres

SMART

General's Speech Out on Day

What was a man doing? There's no doubt about it. General's speech was a masterpiece. It was a masterpiece of a speech. It was a masterpiece of a speech. It was a masterpiece of a speech.

mod Today

and Speculation

automotive news

Audi's Side Assist Technology Wins "Innovation of the Future" Award

As My World Turns

Off to Go... To the land of Popular Culture

April 11, 2006

Make: Magazine

Make Magazine Projects

Men's Wearhouse

Men's Wearhouse From

Make: Magazine

Make Magazine Projects

Men's Wearhouse

Men's Wearhouse From

The Racing Blog

ATOP - South Africa preview

The track was the last ATOP round in Malaysia has been longer than planned due to the postponement of the Malaysia round. It certainly has to be the longest track race in the world and it's not surprising that it's being postponed. The Portuguese team is also being postponed.

men's wearhouse

men's wearhouse from

men's wearhouse

men's wearhouse from

men's wearhouse

men's wearhouse from

COOL HUNTING

Free Split Spheres

COOL HUNTING VIDEO

COOL HUNTING

Free Split Spheres

COOL HUNTING VIDEO

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COOL HUNTING VIDEO

COOL HUNTING

Free Split Spheres

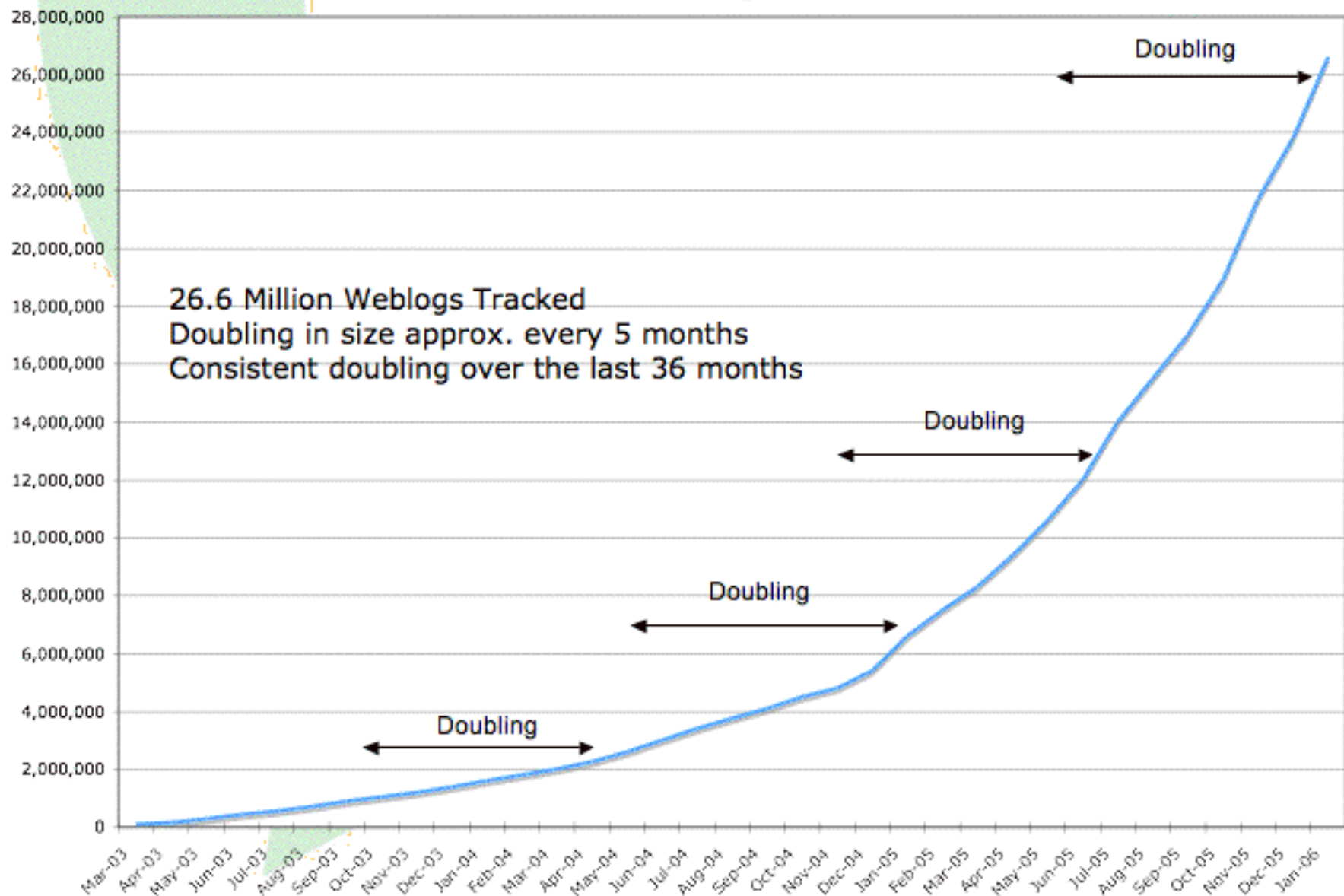
COOL HUNTING VIDEO

COOL HUNTING

Free Split Spheres

COOL HUNTING VIDEO

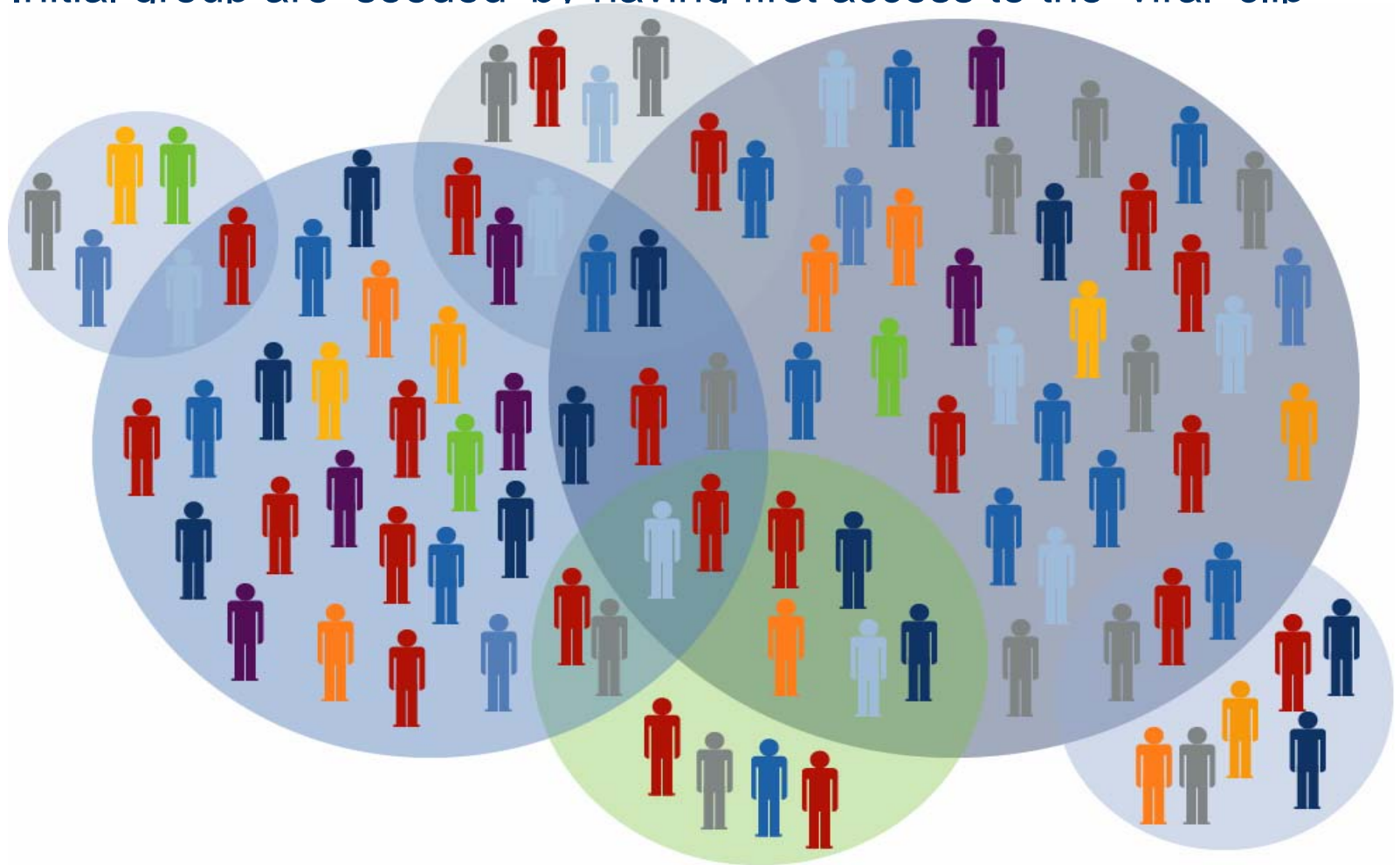
Weblogs Cumulative March 2003 - January 2006



Viral Marketing: How does it work?



- Initial group are 'seeded' by having first access to the 'viral' clip

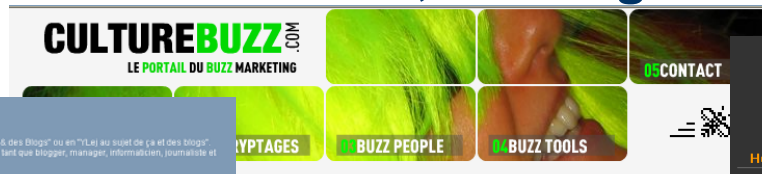


The contents of this video are for entertainment purposes only. Microsoft Corp. disclaims all warranties and conditions with regard to use of the material for other purposes. Microsoft Corp. shall not at any time be liable for any special, direct, indirect or consequential damages, whether in an action of contract, negligence or other action arising out of or in connection with the use or performance of the material. Nothing herein should be construed as constituting any kind of warranty.

Results: MS 'IT's Showtime!' Viral Clip



- Over 1 million unique views (and still counting...)
- Referenced in over 74,000 blogs

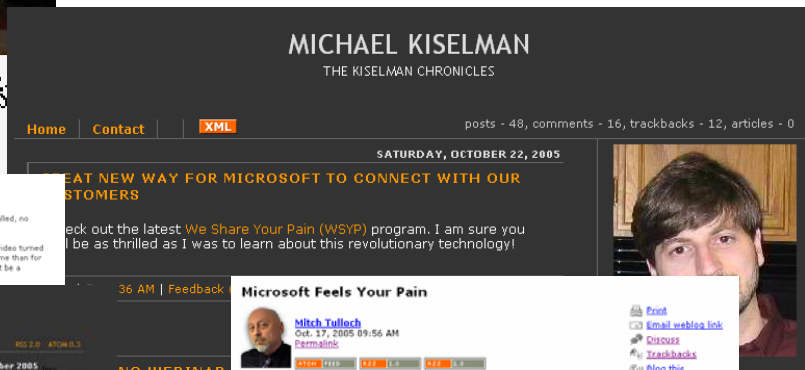


YLej on IT & Blogs
Ce journal se traduit en "YLej au sujet des Technologies de l'information & des Blogs" ou en "YLej au sujet de ça et des blogs". En fait c'est un peu tout cela et ce que j'en pense, moi, Yannick Lejeune, en tant que blogger, manager, informaticien, journaliste et technophile.

17 octobre 2005
WSYP : Rigolons un peu avec Windows Shares Your Pain
Je ne sais pas si les autres éditions y ont eu le droit mais lors de la présentation des nouveautés de Windows Visual Studio 2005, nous avons également eu l'occasion de voir cette petite vidéo "d'accueil" sur la manière dont Microsoft gère les rebours d'erreur automatisés à l'aide de WSYP. A voir jusqu'à la fin, c'est quand même quand les boîtes ne se

À propos de l'auteur
Ecrivez-moi
Catégories
Actualités
Emploi
Google
Linux
Libres

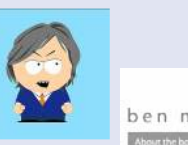
Ernst Wolthaus
IT'S LIFE, BUT NOT AS WE KNOW IT...
posted on Friday, October 21, 2005 11:37 AM by Ernst Wolthaus
I'm not in favor of physical punishment, I couldn't help to think this is a great project for some of my (former) colleagues...



MICHAEL KISELMAN
THE KISELMAN CHRONICLES
Home Contact XML posts - 48, comments - 16, trackbacks - 12, articles - 0
SATURDAY, OCTOBER 22, 2005
Microsoft Feels Your Pain
The link above opens a Windows Media (asf) video created by Microsoft TechNet UK that shows how Microsoft software engineers are constantly trying to develop new tools to help them better understand the pain and frustration ordinary Windows users feel when bugs are encountered in the product.

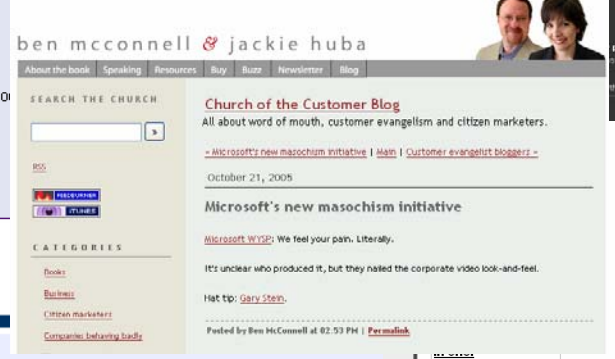
22nd October 2005, 05:19 PM

Conchial
"Tevetuola Mr. Templar"



Join Date: 14th Jan 20
Location: MEM. TN
Posts: 4,879

Re: Microsoft WSYP
And for the record that was filmed at Microsoft UK HQ in Reading and those guys are real Microsoft employees. I used to spend a lot of time there and recognise at least two of the SMT team memers.



posted on Friday, October 21, 2005 11:37 AM by Ernst Wolthaus
I'm not in favor of physical punishment, I couldn't help to think this is a great project for some of my (former) colleagues...

GEICO Car Insurance Quote
New GEICO customers report average annual savings over \$500 on...
This is one really funny video. The the WSYP project at Microsoft. M... White House.
Via



WSYP Project: "We Share Your Pain"
A friend of mine pointed me to Microsoft U.K.'s very innovative WSYP Project. As someone who works closely with early adopters of our technology, I'm all for increasing the connection between our customers and the product team...especially, the individual developer. So, if you've ever wondered what happens when you press the *Send Error Report* button after an application failure, you need to watch the four minute video. And I need to check my chair tomorrow morning. :-)
On a more serious note, if you are curious about Windows Error Reporting (WER), I encourage you to read How Windows Error Reporting Works. Until I learned how much we rely on this data, I used to ignore this dialog box. Now, however, I make a point of sending an error report each time.
posted on Monday, October 24, 2005 10:50 PM by mswanson
Post a Comment ::
Comments
Subscribe
FEEDBURNER
MY YAHOO!

6) Know the difference
between an influencer
and a squeaky wheel

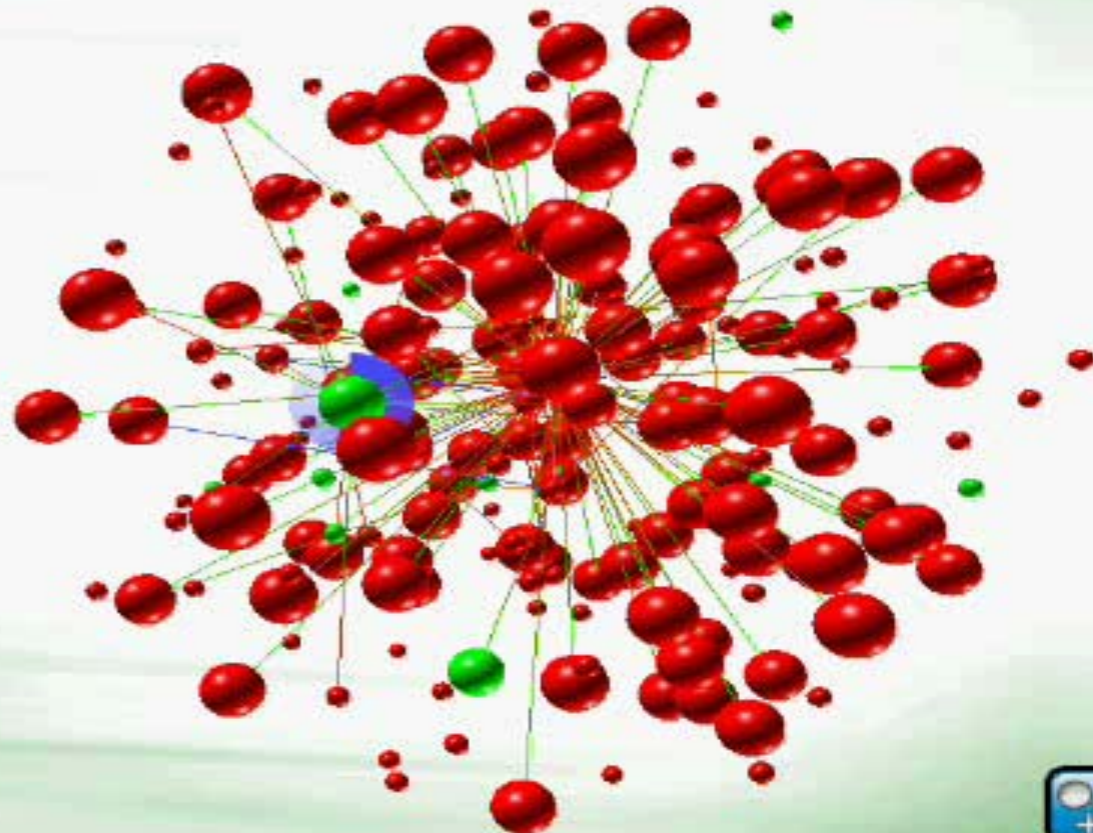


HOW DO I LISTEN to consumers in a Digital Ecosystem?



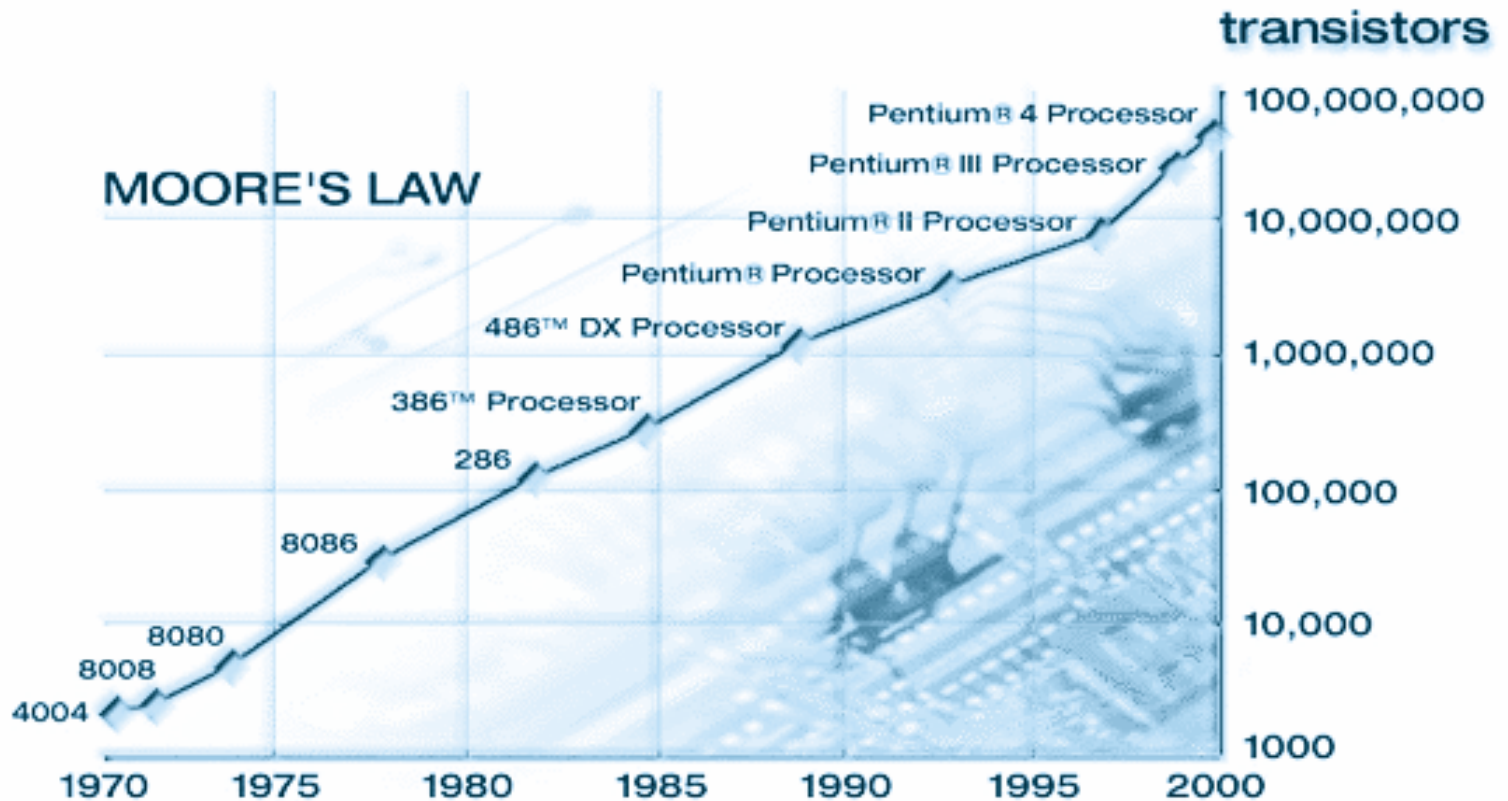
 *TANQUERAY*

7



7) The power of
technology will change
everything (again)

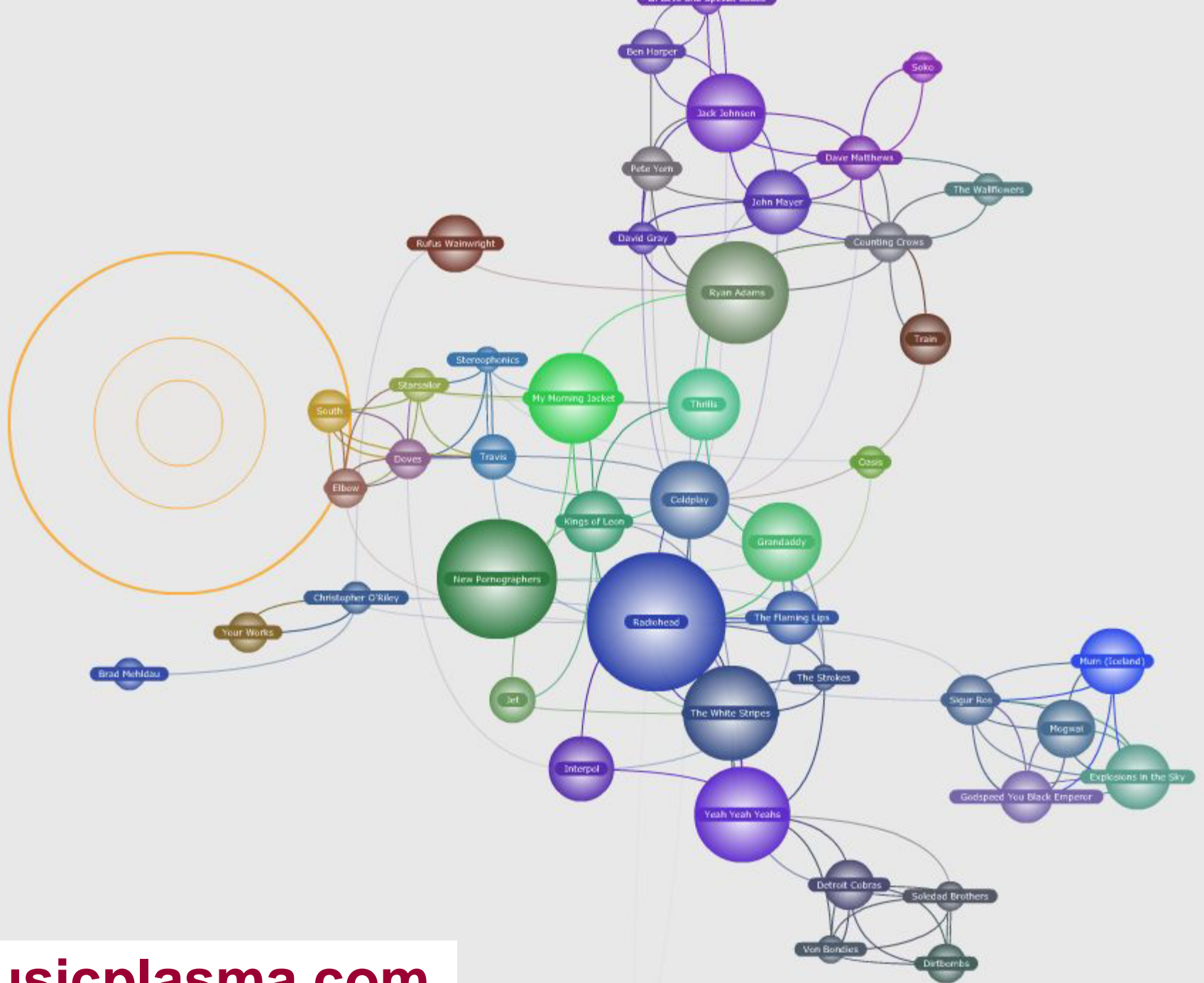
Endlessly cheaper and more powerful technology



Every two years, the number of transistors on a chip, and the speed of those chips **DOUBLES**. And the price of computing power **HALVES**.

Nicer than the check in staff







**8) Know thy Segment
and spend correctly**

Youth segments turn the old advertising model on its head



Internet and Video Games have the same priority as TV

**Favorite
leisure
activity of
men 18-34**



**Go online
22%**



**Watch TV
22%**



**Play videogames
22%**



**Go see a movie
9%**



**Watch movie on
DVD or VHS 6%**



**Read a book or
magazine 6%**



**Listen to music
4%**

OLD PEOPLE'S HOMES WILL BE FILLED WITH GAMERS



If you sought solace from your life in virtual environments at the age of fifteen, you are likely to do so again in your seventies.

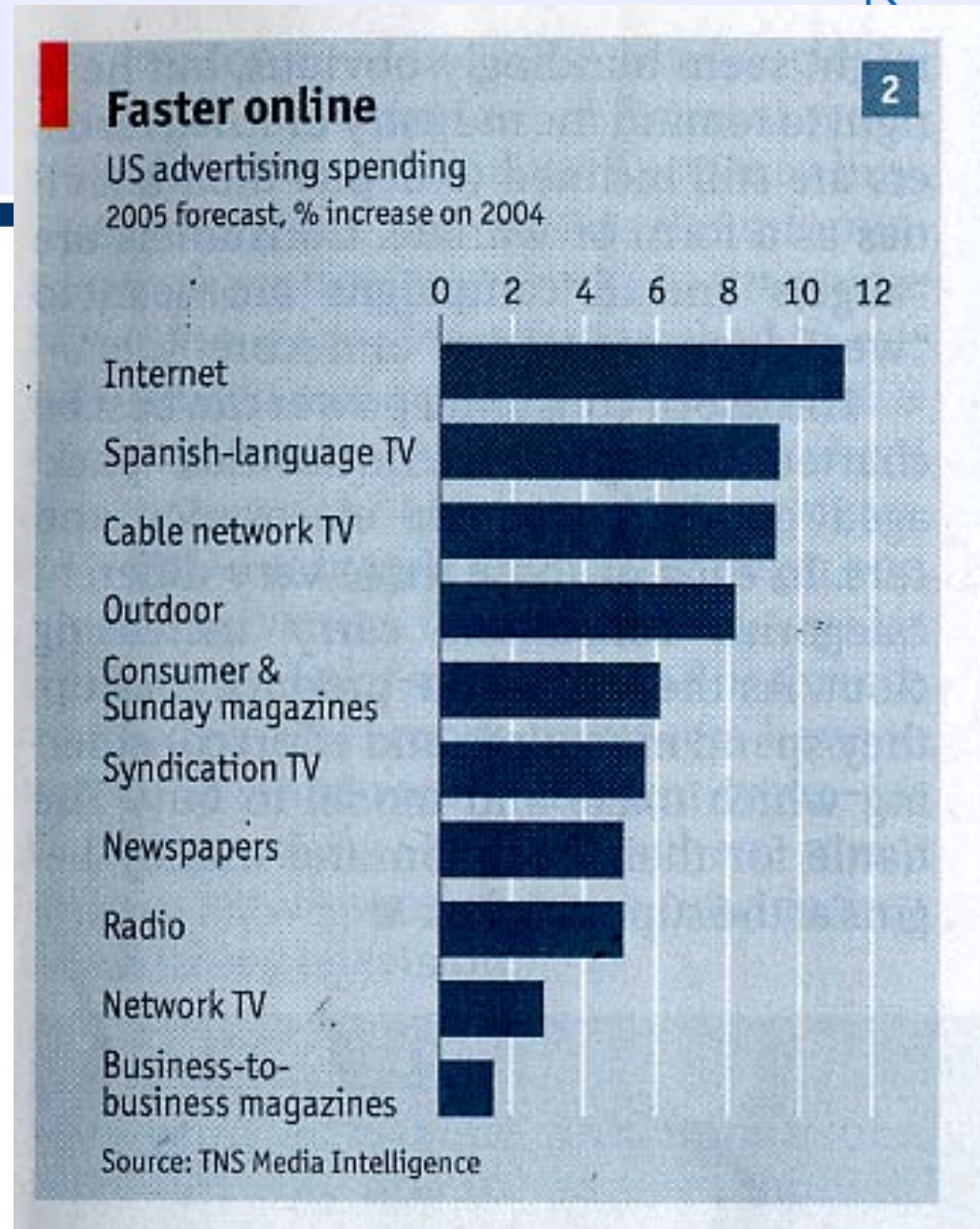




9) The ROI dream
has become reality

Web Speed

- Internet Ad spending driven by massive growth of search marketing





[Advanced Search](#) [Preferences](#) [Search Tips](#)

flowers

Google Search

I'm Feeling Lucky

Premium Ad Placements

Searched the web for flowers. Results 1 - 10 of about 5,570,000. Search took 0.11 seconds.

JustFlowers.com - Best Online Florist - Secure Ordering Sponsored Link
JustFlowers.com Same day flower delivery on over 1000 arrangements!

Flowers: Save 30-55%! Order Direct from the Grower, from \$29.95! Sponsored Link
www.proflowers.com SPECIAL: FREE VASE with order! GUARANTEED FedEx delivery!

Category: [Shopping > Flowers](#)

1-800-FLOWERS.COM - Flowers, Plants, Gourmet and Sweets, ...
... Program | Investor Relations | About Us | Terms of Use | Employment | Store Locator | Privacy | Wireless Services Copyright 2001 1-800-FLOWERS.COM, INC.
Description: Many different bouquets to choose from.
Category: [Shopping > Flowers > Wire Services](#)
[www.1800flowers.com/](#) - 26k - [Cached](#) - [Similar pages](#) - [Stock quotes: FLWS](#)

The Original Virtual Flowers - VirtualFlowers.Com - Send ...
... Virtual **Flowers** - Now Featuring... CanadaFlowers for Canadian Customers. Virtual **Flowers** - On-Line Gift Shoppe, ... Thank you for using Virtual **Flowers**
[www.virtualflowers.com/](#) - 13k - [Cached](#) - [Similar pages](#)

Virtual Florist - send a free virtual card or fresh flowers ...
... Order the highest quality **flowers** and gifts online for delivery anywhere in the world. Teleflora@ Weber@ Grill Bouquet Item: TF \$44.95. ...
Description: Send free virtual **flowers** to that special someone, or send a fresh arrangement of **flowers**.

AdWords Placement

Sponsored Links

\$10 Off Flowers Now!
Beautiful bouquets, gift baskets & plants. Secure, online ordering
[www.Cliffords.com](#)
Interest:

Same Day Flower Delivery
Nationwide Delivery 6 Days a Week
Flowers/Plants/Balloon Bouquets
[www.mynationwideflorist.com](#)
Interest:

JustFlowers -Best Florist
Say it with fresh flowers
Best Online Florist!



10) As complicated
as it gets, never
forget simplicity



1
2
3
4
5
6
7
8
9
0
#

REPEAT
CANCEL
A-P REPEAT

CALLER ID
CALL WAITING
CALL TRANSFER
CALL FORWARDING
CALL HOLD
CALL REDIRECTING
CALL RECALL
CALL RECALL
CALL RECALL
CALL RECALL

“The ideal consumer electronics device has only one button.”

Akio Morita

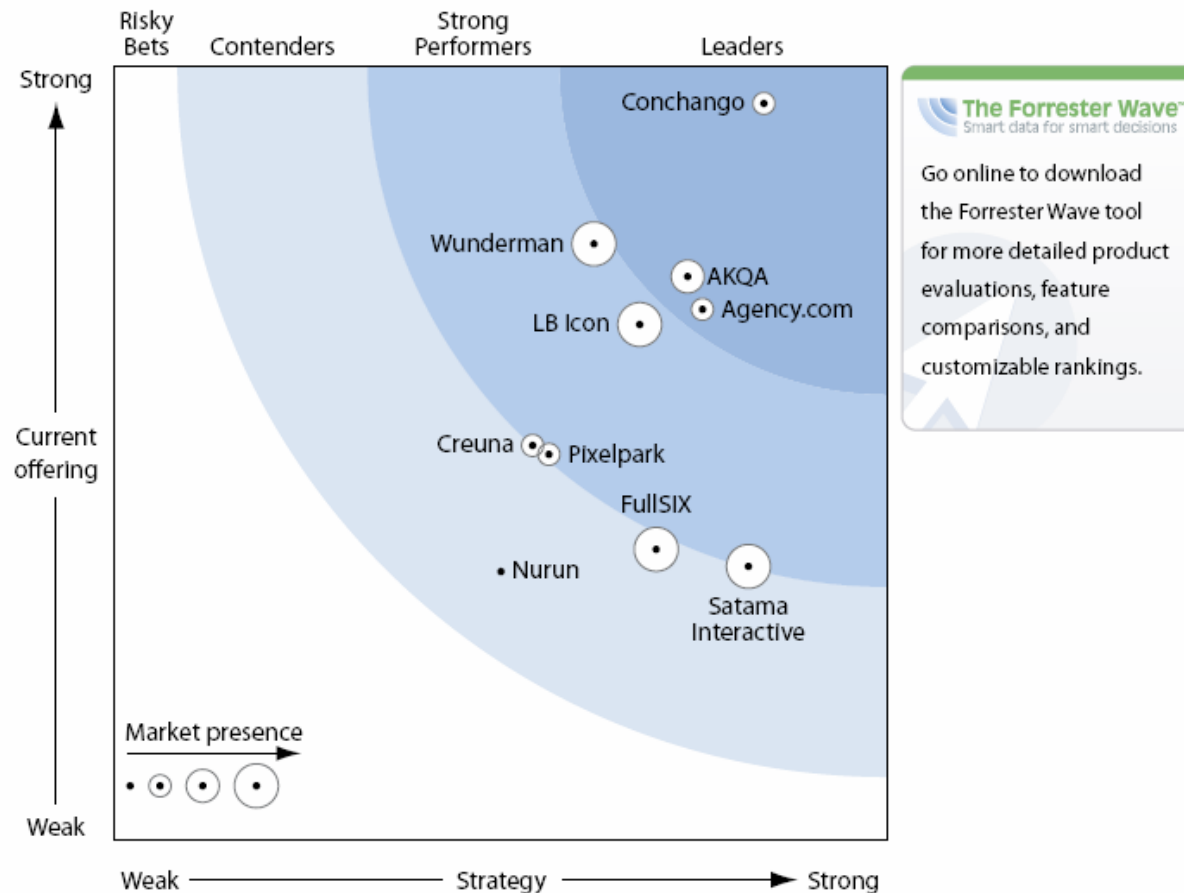


11) Get a partner that
knows the space

No AD agencies here...



Figure 4 Forrester Wave™: Web Design Agencies For User Experience-Led Projects, Q2 '06



The Forrester Wave™
Smart data for smart decisions

Go online to download the Forrester Wave tool for more detailed product evaluations, feature comparisons, and customizable rankings.



Thank You!