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## Ad Age Agency of the Year: The Consumer

John Doe Edges Out Jeff Goodby

By Matthew Creamer

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NEW YORK (AdAge.com) -- Stop me if you've heard this one before. A pair of Maine theater geeks decide to film an experiment in which a certain mint is dropped into a bottle of a certain no-calorie soft drink,





Lawyer Stephen Voltz and juggler Fritz Grobe created the year's most important piece of commercial content. Their viral video, 'Diet Coke and Mentos

unleashing a foamy geyser. Flavoring this bit of schoolyard-chemistry lore with Vegas showmanship, they produce a cola version of the Bellagio fountain and put the <u>clip on the web</u>, where it goes viral.

#### 15% sales spike

Really viral. So viral, in fact, that millions watch it, hundreds of media outlets cover it and the mint in question enjoys a 15% spike in sales. The corporate giant behind the soda, likely against every fiber in its brand-controlling being, is forced to react to it.

Experiment,' drew millions of viewers, boosted product sales and demonstrated how consumer-generated content is influencing marketing strategy as never before.

#### **EDITOR'S NOTE:**

How and Why We Picked the Consumer as Agency of the Year

That the most important piece of commercial content of 2006 was created by a juggler named Fritz Grobe and lawyer Stephen Voltz, and distributed on a website called Revver, is a sign of our times. Compressed into

"The Diet Coke & Mentos Experiment" sensation is the key question that gnaws -- or should be gnawing -- at just about anybody who wants to sell their product to consumers in the 21st century: Should I try to get my consumers to do something like this?

Even if they haven't worked out exactly how to make that happen, many of the leading marketers have already answered a resounding yes. At the last meeting of the Association of National Advertisers, the most important marketing confab of the year, the speakers at the podium kept changing, but their words remained the same -- one after another, the marketing world leaders took to the stage and declared that it's time to give up control and accept that consumers now control their brands.

#### **Consumer control**

Of course, in some ways, they always have. A brand has only ever been as good as consumers' experience of it. The difference today is that consumers have lots of ways of communicating those experiences, and trust each other's views above marketers' overt sales pitches. Consequently, they're influencing marketing strategy as never before.

Then, to come back to our cola fountain, there's the content-producing part of the story. Not only do everyday people make the videos that earned that oh-so-coveted water-cooler buzz, they also reign supreme as distributors of content of all kinds. YouTube's explosion glopped a big new pile of distractions into an already cluttered communications world, which means that if you want anybody to see your ad -- sorry, content -- you better hope people are frenetically e-mailing links to it.

OK, so the consumer doesn't have a profit-and-loss account or an office, which have always previously been deemed prerequisites for an Advertising Age Agency of the Year, but a portfolio of

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Bob Garfield TV Spots Why It Matters Video Index Small Agency Diary Out of Site consumer-generated commercial content from last year would easily trump any single agency's offering and, for a relatively nascent force in the commercial-content arena, consumers won a lot of new business in '06, too.

#### Marketers' embrace consumer content

MasterCard's priceless.com is open to all. While it offers the caveat "Priceless Picks are not necessarily endorsed by MasterCard," the credit-card brand's website is loaded with consumer video. BMW found a 1998 video of a pair of exultant children unwrapping a Nintendo on Christmas morning and then paid to use it in a new spot. General Motors' Chevy Tahoe off-roaded into the consumer-content arena and, to its shock, found that some people aren't so crazy about the gas-guzzling SUV. Wal-Mart's attempt at a social network, a disaster known as The Hub, was quickly shuttered. And when Anheuser-Busch launches Bud.tv this year, the online media channel will prominently feature video made by its Bud drinkers.

And then wait until Feb. 4, when the Super Bowl, long a showcase for ad agencies' finest productions, will be invaded by the unwashed masses. Frito-Lay's Doritos has solicited 30-second ads from consumers and is going to run the best one during the game. This kind of gimmick, a twist on the old win-a-chance-to-star-in-a-commercial game, doesn't mean the Super Bowl will be any more a zenith of creativity than it was when BBDO and DDB were churning out 70 spots apiece for it. But it does offer a tidy way to close out, once and for all, that chapter of marketing history where agencies were the center of things.

For years, countless big marketing thinkers have repeatedly made the case that the consumer is in control. The evidence: First there was media fragmentation, with the explosion of cable TV and the birth of the internet. Then came TiVo, followed by the rise of the blog.

#### **Consumer tools**

For an agency denizen, each of these dots on the new-media timeline marked innovations that either drew eyeballs away from his TV commercials or dulled the effectiveness of the spot's sales pitch. A more interactive media environment gave consumers the tools to be better informed and less susceptible to the

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one-way communication model, which happens to be the cornerstone of growth for the 30-second spot and, with it, the ad agency.

When asked about this changing environment, your average big-shot creative director articulates a mission built on the creation of something along the lines of "compelling content," the kind of stuff that people actively seek out in contrast to the spots hurled at them during breaks on "CSI: Miami."

That phrase "compelling content" represents a lot of things, including sticky websites that are fun to tool around on; informative, no-bullshit blogs that inform consumers rather than snow them; and plain old funny or moving video snippets that people are eager to pass on to their friends.

The problem for a big-shot creative director in 2006 was that the most compelling content wasn't made by highly paid ad-agency teams and aired on TV. Nobody did it better than amateurs working with digital video cameras and Macs, and uploading onto YouTube -- just going to show you don't need a big medium or production budget to create catchy work.

#### 'Brilliant' YouTube content

"There's no reason you can't expect good stuff from regular people," says Jeff Goodby, co-chairman of Goodby, Silverstein & Partners, San Francisco. "The best stuff you see on YouTube is really brilliant."

From an agency perspective, there are exactly three ways to look at the rise of consumer control. The first view is like something out of the Book of Revelation -- all conquest, war, famine and death. Happily, the ad industry, thanks to countless foretellings of the death of the 30-second spot and pretty much every other Madison Avenue institution, by now has gotten used to apocalyptic visions of its future, so this will mean minimal leaps out of windows.

The second way of looking at this is to pretty much reject the notion that there's any fundamental change at all. This is perhaps best espoused by Euro RSCG New York Executive Creative Director Jeff Kling, who responds thusly to the suggestion that consumers could one day unseat agencies at the right hand of marketers: "I think the idea that this represents a threat to ad agencies is patently absurd and drummed

up to have something interesting to discuss. I don't know anyone who fears for his job. Companies have always wanted to gain control over what's said about them. It used to be letters to the editor; now it's consumer-generated content. Advertising has the same role it's always had, and managing and leveraging all that content that's out there is classic creative direction."

We arrive rather dialectically at the third way: an acknowledgment that there are lessons to be learned but those lessons don't necessarily herald the end of the ad agency as we know it.

#### Agencies losing control

What it does mean, however, is that big agencies -great companies that once cast long shadows over
corporate America -- are losing more of their control
within a marketing process that for decades they have
dominated. They're already being squeezed by
procurement departments and jostled by media
companies and nibbled at by a host of other kinds of
agencies that grew in importance as TV ceased to be
the only game in town.

"Traditional agencies have never had to think about distribution because they'd been told what media to color in," says Nick Law, North American chief creative officer at digital shop R/GA, New York. "Creatively, it's all been about creating punch lines. For years, there's been a guild mentality. Clients came because agencies created the magic behind the screen. The new environment has blown open the idea of being an expert, so you can be very good and working in a bedroom in Dundee, and the world can be seeing your work."

Or, as Ty Montague, chief creative officer and co-president of JWT's New York office, contends: "It's gonna keep professional idea-makers on their toes. There will be more of a collaboration and conversation."

Mr. Montague says the effects can already be seen within his own agency, mainly around things like speed-to-market and cost of the work it does. It's also allowed for more experimentation.

#### 'Inexpensive rapid prototyping'

"We are forced to work faster and to try to spend less

money, and that's a positive thing," he says. "It changes the way we validate certain kinds of ideas, and it allows for a lot of inexpensive rapid prototyping."

As evidence, he points to JWT's recent JetBlue campaign, which was based on customer feelings and insight about the brand.

And, of course, marketers are intensely interested. "They perk up when you talk about this stuff," says Mr. Montague.

Whether and how the state of "perking up" becomes something more is the next big question for consumer control. Events like the explosive growth and sale of YouTube, along with the popularity of Lonelygirl15 meant that 2006 was, as *Time* noted in its widely reviled choice of "You" as Person of the Year, the year of consumer creativity. Just about every barrier to playing in the wide world of media, from creation to distribution, dropped to the ground.

The question for 2007 will be whether marketers and agencies find ways to harness that consumer-bred creativity -- so unpolished and unaccountable -- and deploy it in the service of brands.

#### Consumer-generated faux pas

And that stands as a pretty open-ended question given how short some early attempts have fallen. For every Diet Coke-Mentos clip that's grown organically into a viral craze, there are several marketer-orchestrated Chevy Tahoe or Wal-Mart social networks, to pick just two consumer-generated content faux pas. And you can be sure there will be more gimmicky, awkward attempts to cash in. Just wait for the Super Bowl.

But, at least nominally, big marketers are starting to think in the right direction. Even Coca-Cola Co., after it initially sulked about the Grobe-Voltz experiment, decided to incorporate the videos, and other user-generated footage, into its website. Meanwhile, Mentos marketer Perfetti van Melle USA just went happily crowing about that \$100 million of exposure it got for, uh, free.

Then there's Procter & Gamble Co. At the annual conference of the Association of National Advertisers

last October, P&G CEO A.G. Lafley <u>urged companies to</u> <u>"let qo"</u> of their brands. For those unfamiliar with P&G or marketing-conference protocol, this was the equivalent of a then-still-very-folky Bob Dylan plugging in an electric guitar at the Newport Jazz Festival in 1965. Others were already plugged in, but to have such a central figure make such a statement resonated deeply with the audience. The same could be said of Mr. Lafley showing an animated Pringles commercial made by a U.K. teen to an audience full of advertisers.

And you know what? The clip was pretty good.

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Alice Z. Cuneo contributed to this report.

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