



ART, COPY & CODE

The evolution of marketing and advertising
in the age of interactive technology.

August 16, 2012



I am so excited to be here. This is a topic I am passionate about - and one that I think is changing the world.

Image: Joshua Davis — computer generated artwork

Current reality – where are we now?

comScore Top 50 Properties (U.S.) January 2012

Total U.S. - Home, Work and University Locations

Rank	Property	Unique Visitors (000)	Rank	Property	Unique Visitors (000)
-	<i>Total Internet : Total Audience</i>	220,154			
1	Google Sites	187,368	11	CBS Interactive	81,631
2	Microsoft Sites	179,220	12	Apple Inc.	81,536
3	Yahoo! Sites	177,249	13	New York Times Digital	80,161
4	Facebook.com	163,505	14	Viacom Digital	76,254
5	Amazon Sites	109,997	15	eBay	71,554
6	AOL, Inc.	107,085	16	Federated Media Publishing	70,260
7	Ask Network	93,954	17	Demand Media	61,344
8	Glam Media	90,895	18	VEVO	59,000
9	Wikimedia Foundation Sites	88,527	19	Weather Channel, The	58,643
10	Turner Digital	84,041	20	craigslist, inc.	53,431

Source: comScore Media Metrix

Americans are spending more time online.

“How much time did you spend on the internet for something other than email in the last seven days?”

	May 2005 to September 2005	July 2008 to March 2009	July 2007 to November 2007	July 2010 to March 2011
<i>Base: Adults age 18+ with internet access</i>	8,156	8,383	9,692	9,967
More than 20 hours	8%	10%	13%	16%
15 - 20 hours	4%	5%	5%	6%
10 - 14 hours	7%	7%	10%	10%
5 - 9 hours	13%	15%	17%	17%

Source: Mintel/Experian Simmins NCS/NHCS Fall/Winter 2005, 2007-2011 Adult 6 Month POP

What does this really mean?

- **Your audience is on the Internet**
- **You have to be there**
- **Your customers expect it**

Big idea:

Technology = Creativity

Big Idea:

Technology will drive creativity

It is our single biggest driver of big advertising ideas.

We need IT departments to integrate MORE, to be our partners if we're going to be successful at selling our products and services to clients (grow our businesses).

Bigger purpose:

- Advertising influences culture
- Good advertising is driven by creativity
- Creative cultures grow and thrive
- We need smart technology to help us be better creatively

Google Project Re-brief

**In 1971, Harvey Gabor helped create
one of the most iconic ads in history.**

Awesome – current reality
Demonstrates the power of technology as an enabler of creativity – and also how important creative is in leveraging technology

Two disciplines with very different pasts come together.





IT

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IBM defines IT as:

Any device or instrument used for managing data can be referred to as IT.

This is a nice, general definition, and we more simple minded marketers can understand it, so that's the definition of IT that has framed my thinking for this presentation.

The only child of British poet Lord George Gordon Byron and Annabella Milkbanke (who was herself a proficient mathematician in an age when ladies just didn't do that sort of thing), Augusta Ada Byron showed an early flair for math and logical thought in what was to be a sadly short life.

Ada remains one of the few female pioneers of the 'computer age' and, as yet, the only woman to be honoured with a programming language bearing her name – ADA, a Pascal-based language developed in a US Department of Defence sponsored project in the 1970's.

Augusta Ada Byron, Countess of Lovelace, is best remembered today as the first computer-programmer, her development of a set of commands to repeat instructions in a 'loop' or 'sub-routine' becoming the basis for programming of computers that would have fulfilled even her wildest dreams

Phase 1: 100 years

1876



1919



1968



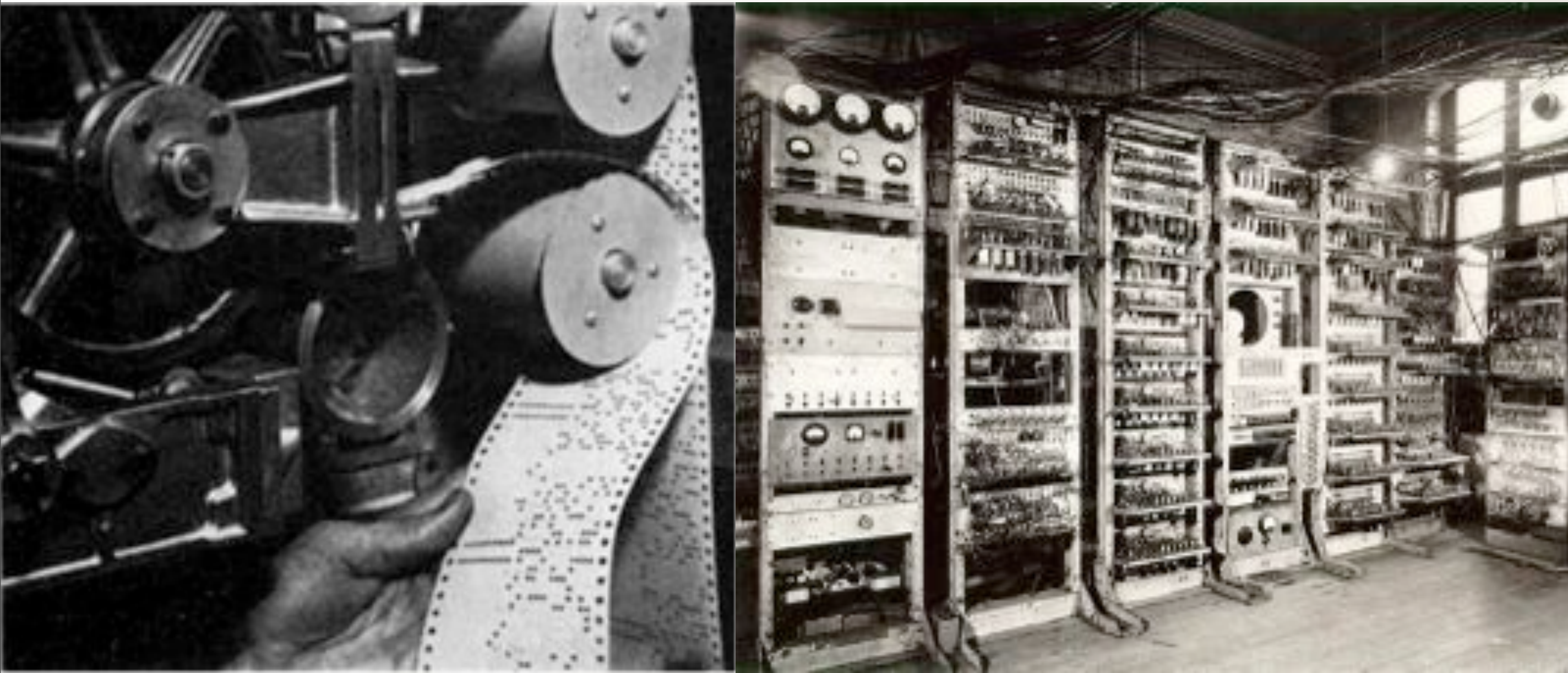
2012



The Electromechanical Age: 1840 – 1940.

Punctuated by long periods of slow change – some of it was incremental. Consider that it took almost 100 years before direct transatlantic calling was available in the US. So the pace of change was slow.

Phase 2: 120 years



The age of computing – from “electromechanical” in the 1880’s (characterized by punch cards and mechanical parts) –

In the early 1970’s, there was a dramatic development with the introduction of integrated circuits – instead of individual transistors. This leads the way for the introduction of disks and magnetic tape – and ultimately the kinds of operating systems we have today. It’s fundamental because it leads us to where we are today – which is a world full of data.

Phase 3



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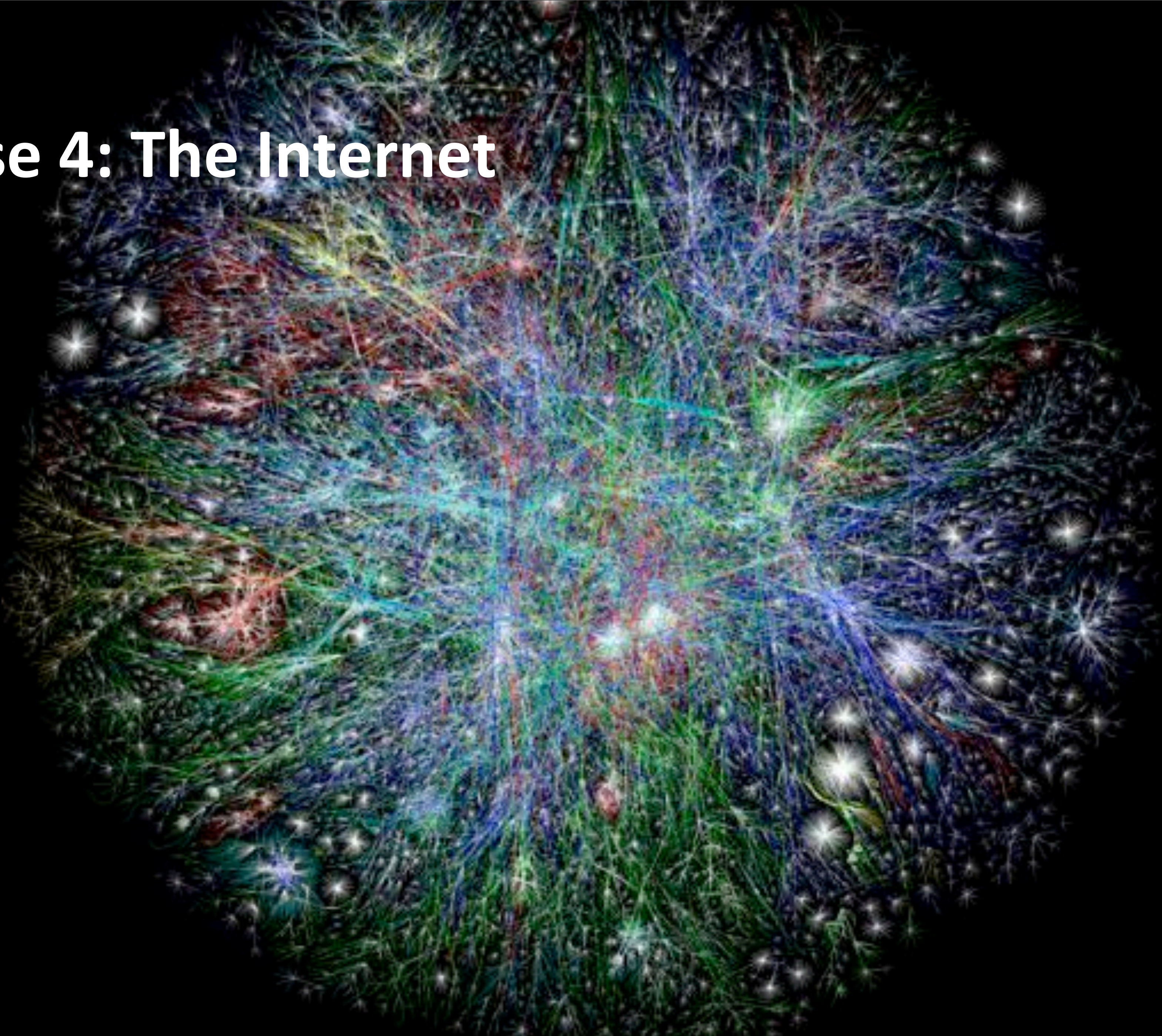
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You probably don't consider Bing Crosby when you thinking about IT, but you should. In all seriousness, Bing Crosby was an important figure in the evolution of art, copy – and code. He was the inspiration for IBM's engineers to start experimenting with magnetic tape. He is a kind of bridge connecting the IT world and the world of culture and entertainment.

Magnetic tape as a storage technology had first been used in Germany during World War Two. John Mullin, a US army member and audio engineer, retrieved some of the equipment used by the Germans and, after working to improve the technology himself, advertised it to Hollywood stars, including Crosby.

Crosby hoped to improve his performance by pre-recording his music shows and cutting down his hectic timetable of live broadcasts. Pre-recording on to disc was not an option at that time as disc recordings were of such poor sound quality. Crosby's season premier on 1 October 1947 was the first magnetic tape broadcast in the US. By 1952, IBM was able to announce the first magnetic tape storage unit, the IBM 726.

Phase 4: The Internet

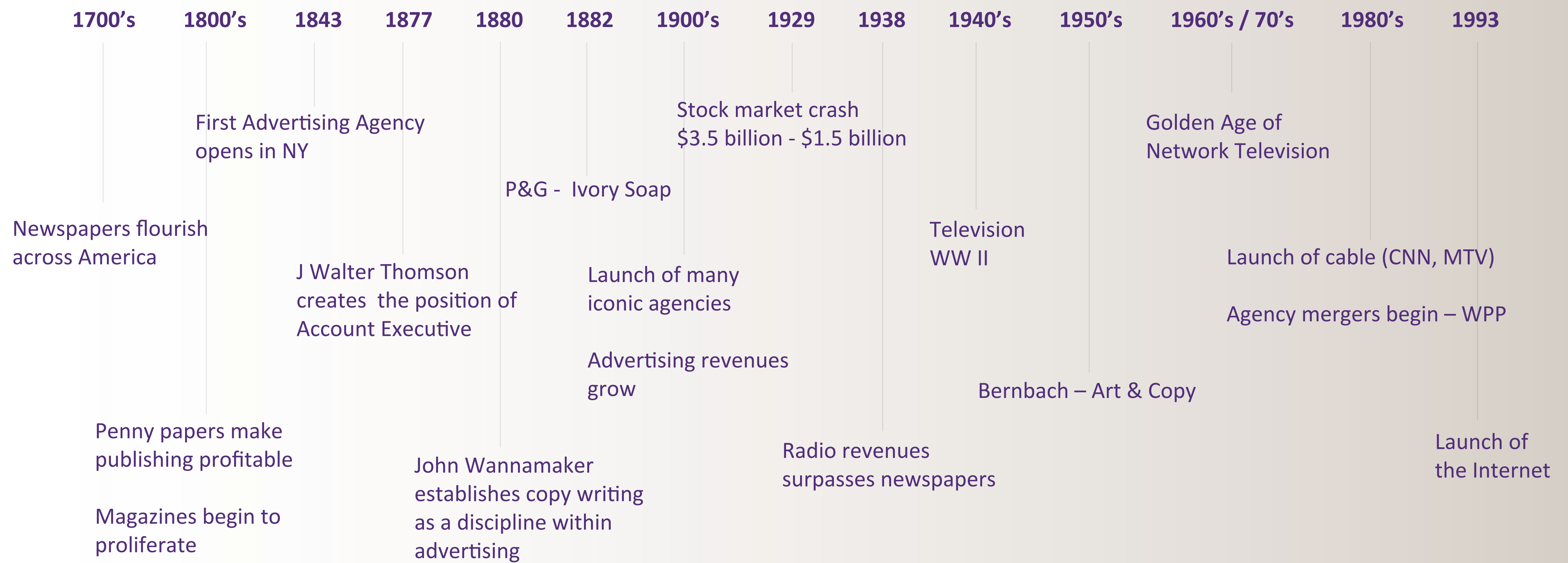


1704



Real estate ad for an Oyster Bay estate

Advertising Timeline



Kinda bland and boring compared to IT
 1843 - Valney Palmer launches the first ad agency in the US
 Ivory Soap - first national ad campaign - \$11,000
 1911 - launch of McCann - standard oil (NY)
 Key insights - change was primarily driven by process; revenue growth has come from consolidation/ acquisition (ad agencies and media companies)

Bernbach



“We in the communications field - in radio, in television, in magazines, in newspapers, in posters - have developed unprecedented skills in mass persuasion. You and I can no longer isolate our lives. It just won't work. What happens to society is going to affect us with ever-increasing rapidity...

The metabolism of the world has changed. New vehicles must carry ideas to it.”

A history of advertising that changed the history of advertising

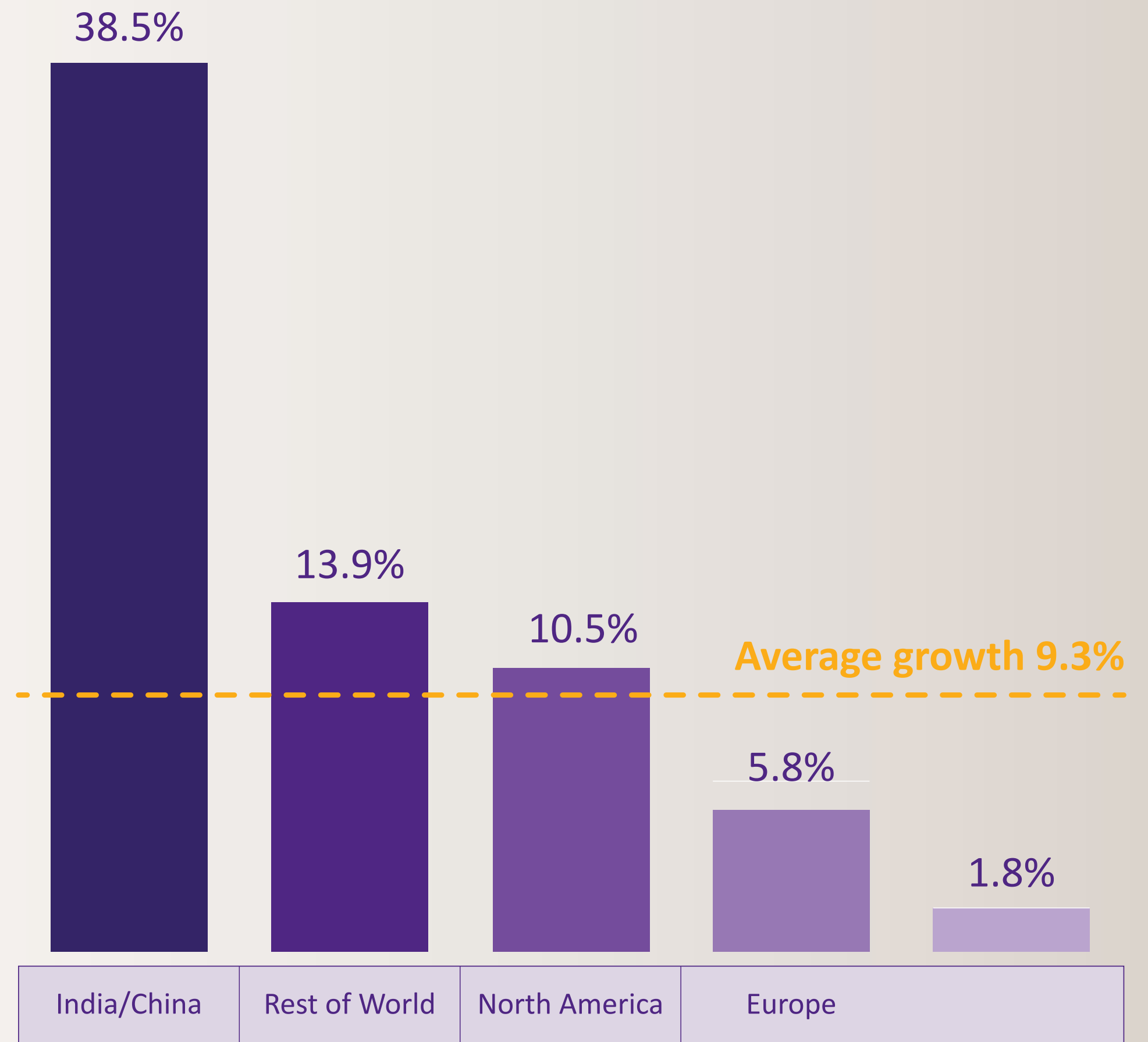
Really important innovation for bringing 2 key elements of advertising together – Art and Copy. For ever, there was an art department that focused on the visual elements of advertising, and a copy department, that wrote the copy or text. They didn't work together until Bill Bernbach brought the 2 depts together. Like many innovations, this was a very simple tweak – and it changed everything. Now, advertising agencies brought ideas to their clients that considered BOTH elements. And it worked. This fostered better creativity and engagement, and enabled the age of mass advertising (like Coke, and Wendy's iconic Where's the Beef)



The Question of Innovation

Change in R&D spending by region, 2009 to 2010

China and India, although they account for a small share of total R&D spending, had by far the fastest growth rate.



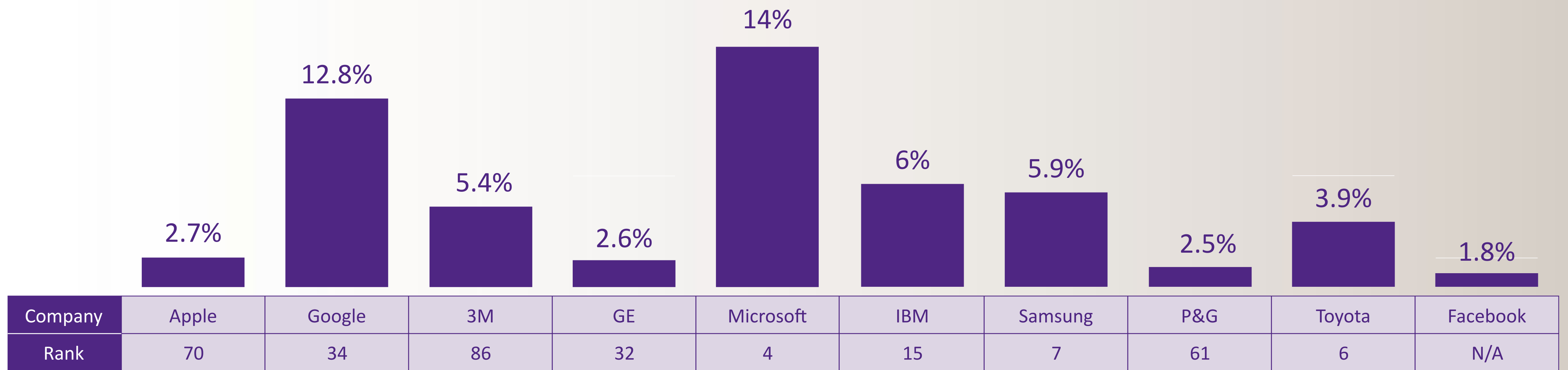
Source: Bloomberg data, Booz & Company

Key message: R&D is not the answer

The Question of Innovation

10 Most Innovative Companies

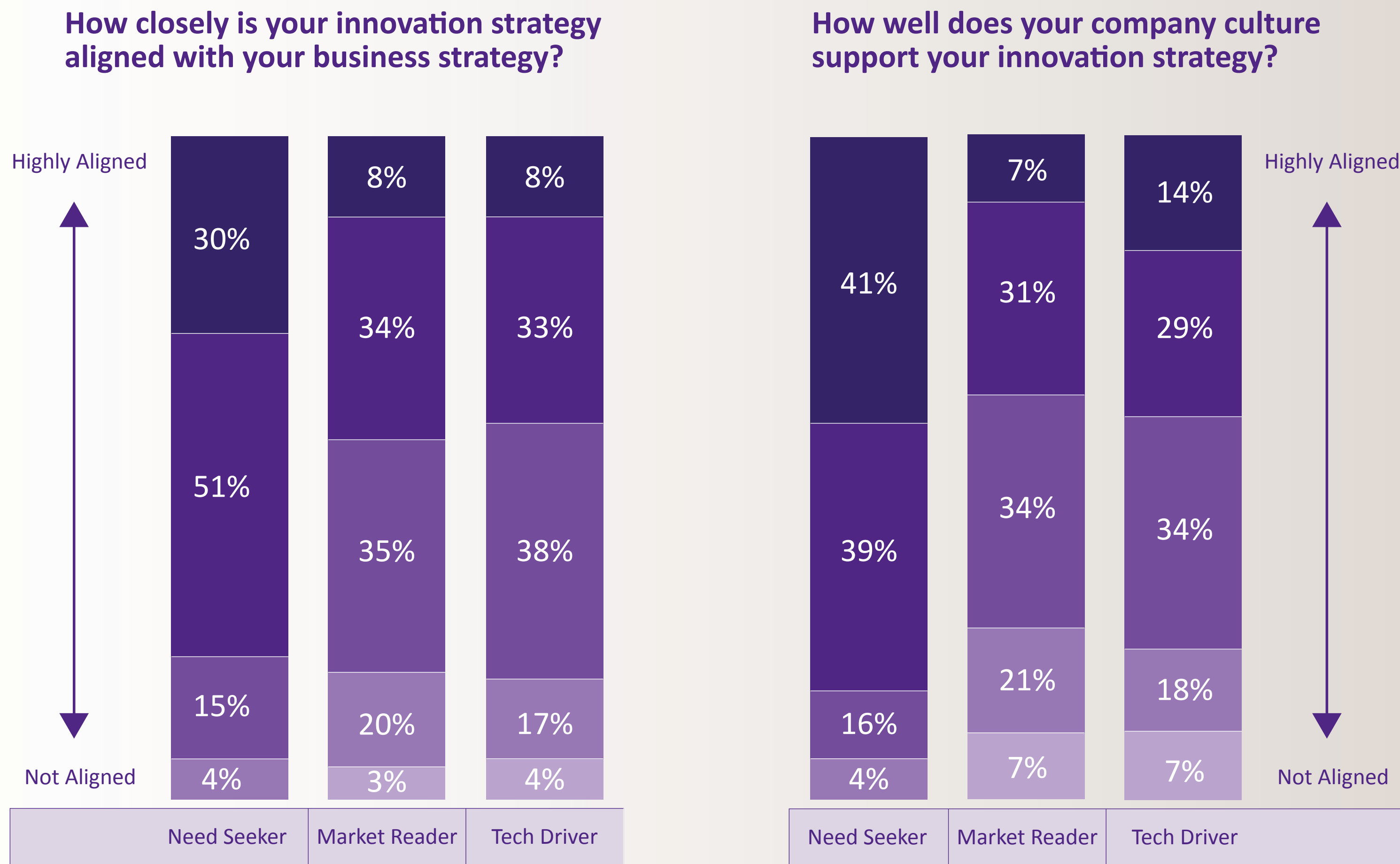
Innovation executives surveyed again chose Apple as most innovative.



Source: Bloomberg data, Booz & Company

Key message: R&D is not the answer

It's all about alignment with business goals and integration



Note: Sums may not total 100 due to rounding.
Source: Booz Company

Successful Tech Drivers can no longer depend solely on the ability of their researchers to develop ingenious products that consumers are dying to have. Now, in order to succeed, Tech Drivers must strike the proper balance between the pure R&D efforts that in the past led to high-tech breakthrough innovations, and the more market-oriented activities of their less tech-centered brethren. That's why the most successful Tech Drivers, like Google, have developed both the capabilities shared by all outperforming innovators, such as the ability to translate consumer and customer needs into product development and engagement with customers, and the capabilities specific to their own strategy: a deep understanding of emerging technologies and trends, and the capacity to manage the life cycle of their products and projects.



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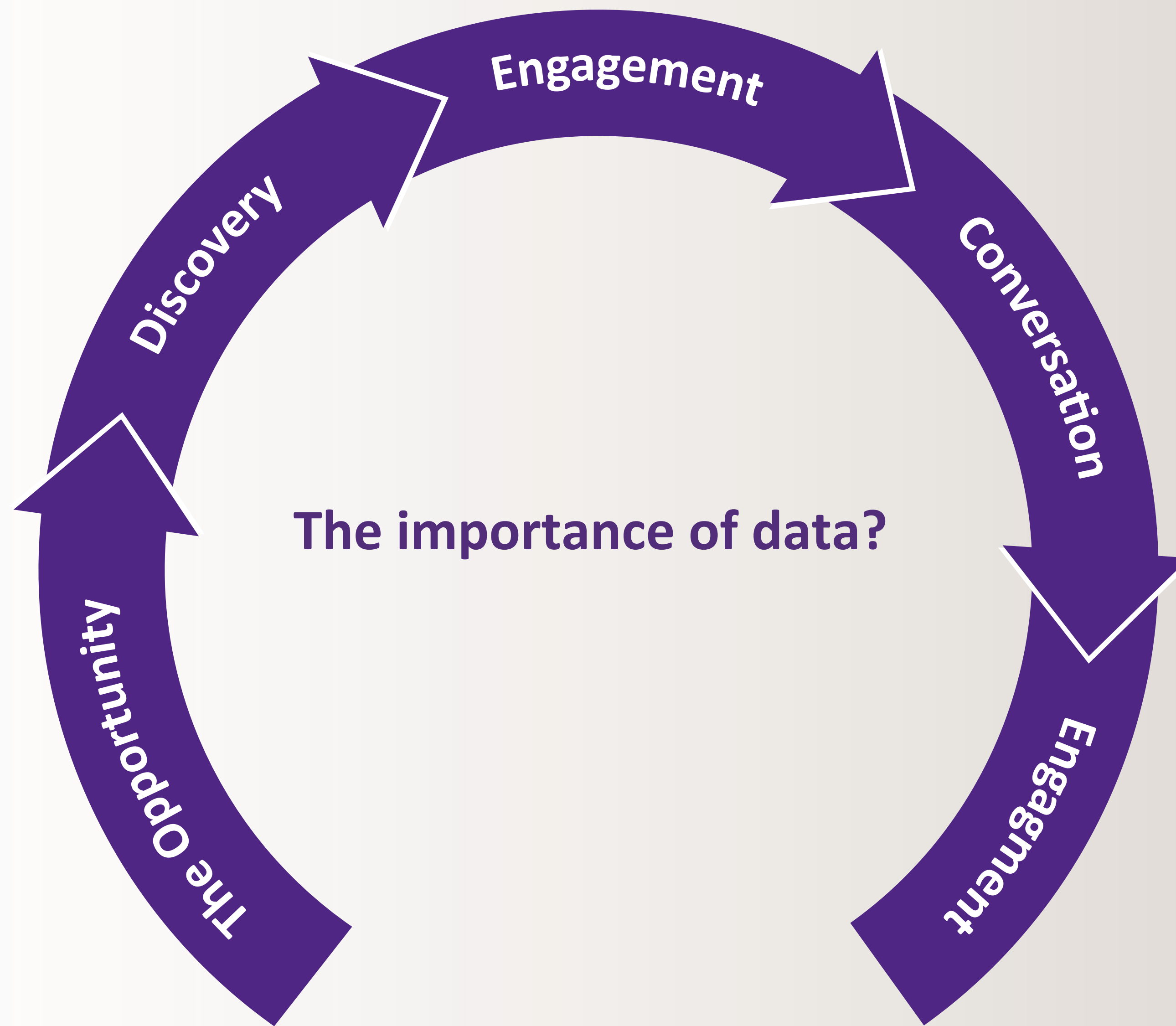
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What about data?

1.2 Zettabytes (1.3 trillion gigabytes) is now stored in cyberspace – which amounts to 339 miles of fully-loaded iPads stacked to the sky.





Hal Varian: Google's chief economist says executives in wired organizations need a sharper understanding of how technology empowers innovation.

Technology makes advertising measurable. There is more data available now to marketers than ever before.

Industry sectors that benefit

Telecommunications

Waste Management Finance and Insurance

Wholesale **IT** Health Care

Government **Travel and Tourism**

Retail Real Estate

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Source: comScore Media Metrix

Social Media: Story Telling





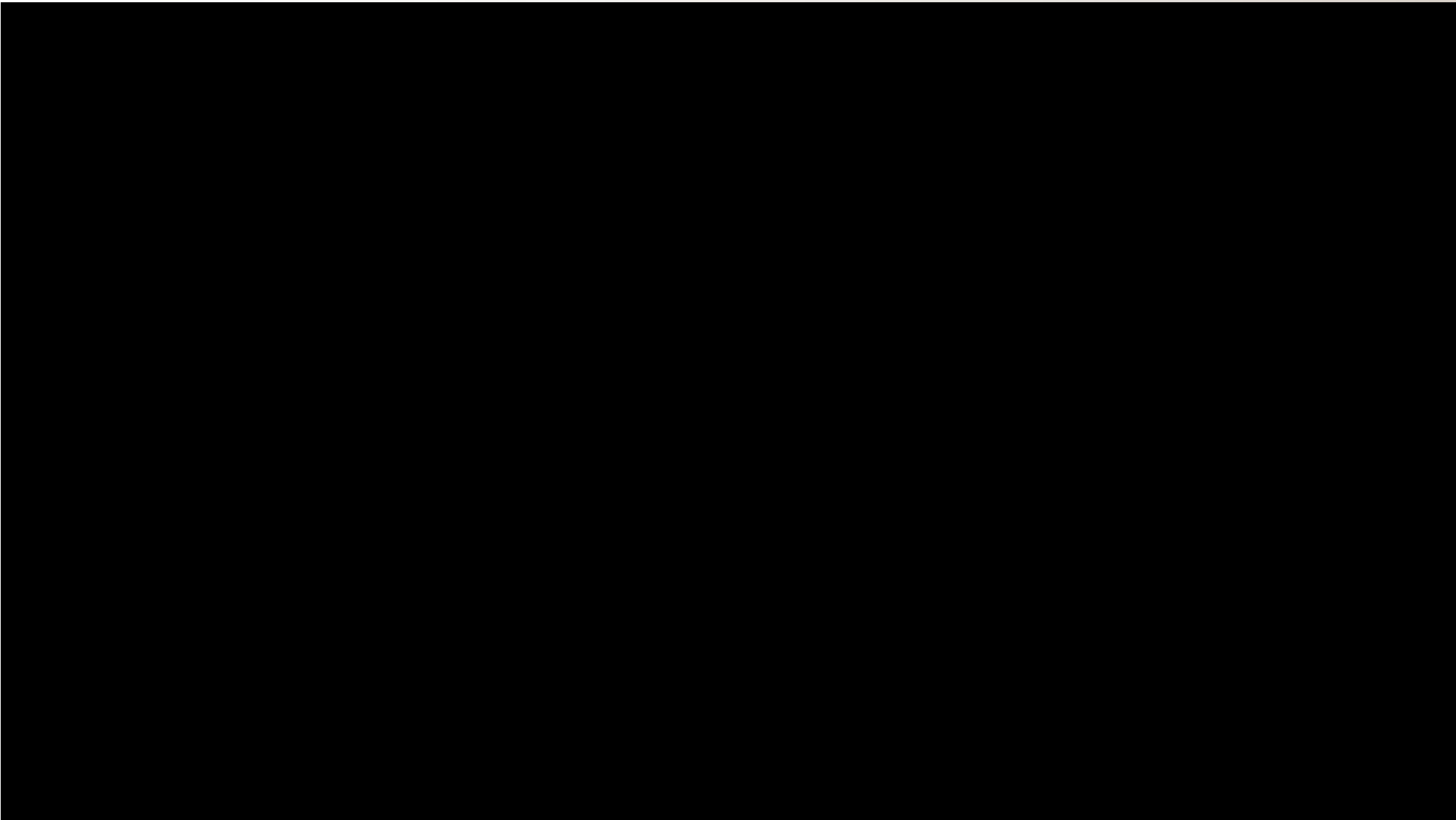
University Of Waterloo's Critical Media Lab and Buttermine Farms in Brant, Ontario

12 cows - each fitted with RFID tags

Marcel O'Gorman - coordinator from the University

Canned tweets - including poetry from Virgil!!

The tweeting herd was outfitted with RFID tags. When a heifer approaches a milking pen with a laser-guided automatic milking system (see an example in the vid below), the RFID tag lets a linked computer record the time and volume of the milking, as well as how long it took and the time per teat. The cow is only milked if she's judged to be ready according to her lactation cycle



What does alignment look like?

Everyone knows what business you're in and who the buyer is.

And the best Need Seekers have put together a winning set of capabilities, including the judicious use of technology, a disciplined approach to product development, and the ability to generate deep insights directly from regular contact with end-users of their product.

But what really sets the best Need Seekers apart is their ability to execute on their strategy — to combine all these elements into a coherent whole. As we have seen, the innovation strategy that Need Seekers follow is significantly more aligned than either of the other models, on average, and their culture is most likely to support their innovation efforts. Such companies are more profitable and boast higher enterprise value

Creating Internal Alignment: Top 5 to Answer

- 1. Who is your audience?**
- 2. What do they expect from you?**
- 3. How are they changing, and where are they?**
- 4. What technologies are available to help me engage them?**
- 5. How can my agency help me?**

But to succeed, you need to be balanced in terms of focusing on the customer and understanding the market. There is a lot of great technology we can work on, and no shortage of technical challenges. But we need to choose the areas where, if we make a contribution, the customer and business value that can result

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