

## Turning The Corner: Industry Reflections On 2011

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**LOS ANGELES**, December 16, 2011, A *SHOOT* Staff Report --- Reflecting on 2011 can bring both a sigh of relief and a rush of excitement, and the two feelings aren't mutually exclusive. Both are tied to the notion that after persevering, better things could be just around the corner—and that's not entirely due to looking at the industry landscape through rose-colored glasses.

Indeed surviving an economically challenged 2011, with all its setbacks, can be viewed as an accomplishment because in the media and advertising arena it positions you for what figures to be a better year in 2012, which will have several big-ticket media event dynamics working in its favor—the Summer Olympics, the U.S. presidential and congressional elections, and the European soccer championship. Even with continuing concerns over the European debt crisis and its potential domino impact on the U.S. and globally, the so-called quadrennial effect of the advertising industry benefitting every four years from such mega-events as the Olympics and national elections has caused expert economic prognosticators to be a bit more optimistic in their media buy projections.

ZenithOptimedia, for example, predicts a 4.7 percent increase in worldwide ad spending next year as compared to 2011. Also contributing to that upturn is the expected financial recovery in Asia as the Japanese and Thailand economies begin to rebound after enduring devastating natural disasters.

The Group M unit of WPP paints an even better picture, predicting a 6.4 percent increase from 2011 to '12 in global ad spending.

This holiday season's consumer spending levels are also generally regarded as a positive sign that the public at large has at least some confidence about the future.

### Marketing strides

Many also point to 2011 as a year when much of the industry turned the corner in terms of branding via different platforms, boding well for innovation now and in the future. When asked which trends or developments were most significant this year, Tanya LeSieur, director of integrated production at Saatchi & Saatchi LA, observed, "The new media and brand relationship is evolving significantly. Now it's not just about throwing a brand's label on new media content as a static logo or masthead. It's about marrying the core of both brands together so the brand experiences are intertwined.

"It's also about taking the interactive experience and making it physical, bringing together what could be considered an experiential event with interactivity," continued LeSieur. "Our London office executed this brilliantly with a live stunt that combined a live Angry Birds game with a T-Mobile smartphone."

As you'll see in the survey portion of this story, several of LeSieur's colleagues are excited over strides made by the marketing community in social media this year and are just as enthused for prospects in the mobile sector in 2012.

Yet with innovation and dynamics like social networking comes responsibility. While Facebook, for example, made gains in the ad/marketing sector this past year, it also was taken to task by the Federal Trade Commission for often misleading its users about the handling and sanctity of their personal information. An FTC complaint claimed that Facebook shared its users' personal info with third-party advertisers from Sept. 2008-May 2010 despite several public assurances from company officials that it wasn't passing such data along for marketing purposes.



Facebook and the FTC thus reached an agreement last month whereby the online social network will submit to government audits of its privacy practices every other year for the next two decades. Facebook also agreed to get explicit approval from its users—also known as "opting in"—before changing their privacy controls.

The fine line between benefitting consumers with targeted messages and respecting their privacy will likely be a continual navigating challenge. Marketers perceived as not being respectful as such face the prospect of a public backlash that can undermine even the most creatively inspired campaign. This is among the lessons learned from 2011 that carry import next year and well beyond.

### **A couple of queries**

To gain insight into where we've been in 2011 and what from this past year can help us in the future, *SHOOT* posed the following pair of survey questions to a cross-section of industry folk:

1) What do you regard as being the most important industry lesson or lessons learned by your company this past year?

2) What industry trends or developments were most significant in 2011?

Here's a sampling of the feedback we received:

### **Conor Brady, chief creative officer, Organic, San Francisco**

Lessons learned, trends & developments:

**HUNCH OR CRUNCH:** As we move into the era of big data with more and more to crunch, the real skill will be in what is the data telling us. Will we just use the data to replicate what we are already doing, but a little better—or will we use it to make an educated hunch on what will be the next big thing?

**MOBILE FIRST:** Big brands will adopt a mobile first marketing and design philosophy. Mobile will continue to grow into the platform that is the most useful and timely interaction with a brand for a consumer.

**RESPONSIVE DESIGN:** We are going to have to get smarter with how we approach user experience and marketing. As budgets shrink and the number of platforms we are expected to deliver on increases, we will have to adopt the design once and deploy many approach. This will more than ever require a close relationship between design and technology.

**OPTING OUT:** I believe a lot of us, especially the younger generation, is really struggling with "social openness" —that idea that your life and all aspects of it are just broadcast to everyone. The result being our social feeds are becoming more and more junked, with randomness and brands taking advantage of the openness. We have seen everything from the extremes of people holding farewell parties as they resign their Facebook accounts, to others limiting who is exposed to their social feed.

**BUDGET WARS:** Clients are really starting to embrace an all agency at once briefing model, but that has created an interesting scenario when the client steps back and allows the agencies to come together. As Traditional agencies say they do digital and agencies like ourselves shoot TV spots and print, it is becoming harder and harder to define who should lead, and who should own the budget.

**ARTISAN BRANDS:** At Cannes this year on the Design Jury, it was really interesting to see small brands and self-promotion pieces pick up Lions. Their attention to detail and their ability to use unique and interesting design solutions to make up for lack of budget presented an interesting rise of the craft and attention to detail.

### **Hilary Coate, executive producer on Chevrolet, Goodby, Silverstein & Partners, San Francisco**

1) Long gone are the days of a 6-12 week production schedule. Continuing to produce faster and cheaper yet maintaining a creative standard is expected. Way too many of our spots were produced in less than two weeks this year. Agencies must be nimble and resourceful. We are continually challenged to approach a project in innovative ways, but also know how to push it through in time. Efficiencies are topics of every production. More and more I see broadcast, digital and print combining resources to economize on jobs.

2) The scales began to tip more towards digital cameras this year, especially the Alexa camera. It became a true 35mm film rival. While other digital cameras have been successful in the past, this one has proved to capture a surprisingly rich image, with range in both color and clarity. More than 50% of our work this

year has been shot digitally, and the Alexa is often the camera of choice. For web content, almost 100%.

### **Clayton Condit, editor/partner, Splice Here®, Minneapolis**

1) In the current economic environment, partnerships with clients are key. There are so many choices today in terms of formats and tools that long-term growth with our clients is reliant on our ability to streamline and manage costs while preserving quality. Beyond building a great creative team, we have focused on offering an extremely efficient workflow so clients can have the best possible experience and the highest quality outcome. Post must be involved with production now—from pre-production planning to on-set supervision of visual effects and assuring a clean hand off of assets. With digital acquisition, the blurred line of who is responsible for what between production and post has actually been great for collaboration from our perspective.

2) Facility engineers are being supplemented or even replaced by IT and workflow experts. It's all about the format of the day, big storage and enough bandwidth to move a lot of data fast. Arguing film vs. digital acquisition is pointless. Digital cameras are here to stay, and film is still a great canvas. We don't care what you shoot. Everything becomes digital files with amazing workflow benefits and tools at our fingertips. We need to wrangle lots of data and be able to find it quickly. Our technical foundation is all about asset management now. Splice is building on our SAN infrastructure to do this in a custom manner for each client allowing local, remote and mobile access. This will free our creatives to do what they do best and create new layers of collaboration. Our artists continue to diversify their software packages and tools. It's no longer enough for a VFX artist, designer, or editor to run just one piece of software. In the New Year, Splice will continue to merge new technologies to solve ever-changing client needs.

### **Tom Duff, president, Optimus, Chicago**

1) Production/cost consultants and procurement folks have been in our lives for a while now, but in 2011, we saw a crescendo growth in not only their presence as just that, but more imbedded into the everyday lives and direct responsibilities of our agency production departments. It just feels like they're all over the place. So many players in so many roles in so many places: inside agencies, inside holding companies, inside advertisers, and of course, the 3rd party production/cost consultants themselves.

We have preferred supplier programs, volume discounts on top of regular discounts, extreme out of left field discounts on top of preferred/volume discounts, and a myriad of variations to that. And where are these lists coming from? The agencies? The advertisers? The production/cost consultants themselves? Who's calling the shots? We get the cost-conscious world we live in today, that's for sure, and are way up to the challenge of competing, collaborating and making all this work so we all win and the client gets great creative for their brands. And isn't that really the ultimate shared goal here?

But the key to all of this working centers around the agency producers and letting them do their jobs. They need to have the freedom to select the suppliers (it can work within a flexible preferred supplier program) and bid the job themselves, (do the cost review directly with the producer after they have done their own due diligence).

"Encroachment" for these responsibilities essentially handcuffs the agency producers, and ultimately makes it more difficult for them to be spending their efforts enriching the brands they are entrusted to help grow. This is their mission in life, they get it, let them do what they do best with the freedom they need.

### **Bob Greenberg, chairman/CEO/global chief creative officer, R/GA**

1) We're committed to change and evolution at R/GA. This year we announced plans for our next 9-year cycle, which is centered on developing the ability to really innovate and implement new products and services, which is the byproduct of our clients moving into a functionally integrated model. This is the idea of a brand being surrounded by a set of complimentary products and services e.g. Amazon, Apple, Nike, Google, etc.

R/GA's reorganization is already underway in preparation for its activation in 2013. We're really building on top of our existing departments and offerings.

2) Mobile payments and social integration were two key trends in 2011. These two areas will continue to

command more attention as consumers spend an increasing amount of time on these channels. More specifically, developments in areas such as voice-to-text (e.g. Apple's Siri) and voice-to-video began to heat up in 2011 and will undoubtedly continue in 2012. Video-to-video communication will also be a space to pay close attention to next year.

### **Stuart Harricks, creative director, Wieden+Kennedy Amsterdam**

1) Joining Wieden+Kennedy in the wake of some hugely successful campaigns for Heineken, Nike and Old Spice is quite a humbling experience for me. From my own learnings and observations, a walk away thought for the year would be that there's a growing confidence in what we all do and the getting over nerves in the dance with technology. Today, more than ever we're all so accustomed to everything changing at an incredible rate. Some companies develop plans that only look three months into the future. There grows a need to rise above the reliance on technology and back to the familiar challenges of a story. So no huge surprise here, just a realization. Audiences need to feel as though their time was well spent. The need to find something entertaining, useful, a lead to another thing or a worthy experience, all ever important during the daily time-crunch of life. And still there's plenty of room for some down right awe factor. Now the hard part, getting out there and making one of these, hmmm. 2) Campaigns that live through earned media have increased with popularity ten-fold over 2011. Proving that people really are the channel now more than ever. Facebook's new term of 'Subscribing to a friend' slides straight through our defensive radar without much debate. Campaigns live via what our friends are posting, rather than the formal front gates of a TV spot, a website or poster. But all media still plays a role in how we talk about things amongst each other.

Another fast growing area that interests me is mobile content. The on-handset channel continues to push the whole industry further into content generation, and welcomingly so. Now commuting won't be such a grind.

### **Mark Hunter, partner/chief creative officer, Deutsch LA**

1) 2011 had a point of no return feel to it. Like we'd moved beyond talking about change and started being it. For starters, the trend toward brand engagement solidified. People are watching television with their laptops for a reason; passive one-way communication is just no longer satisfying enough or immediate enough.

On the app front, usefulness replaced novelty. Provide me with a cool tool I need (like P&G's Sit-or-Squat app that uses geo-tracking to help you find a clean public toilet anywhere!) and I'll use it and share it with my friends.

Time-shifting of programming sped closer to ubiquity as Hulu, Netflix, Apple TV, Google TV, HBO GO etc. ensured nobody really watches TV the way they used to. Which means nobody really gets reached by ads the way they used to.

Branded entertainment also seemed to change gears in 2011. Last weekend I kept mistaking the new BMW commercial for the new Mission Impossible preview. Or was it the other way around?

2) Music companies seemed more willing than ever in 2011 to provide access to their stars as old models of money making become less reliable. That's not a bad thing.

The gaming industry reminded us of the weaponry it wields in the communications revolution as Modern Warfare 3 grossed a billion in two weeks and X-box and PS3 moved a step closer to making the cable box obsolete.

And last but far from least was the news that one of our own, Laura Lang, CEO of Digitas, was taking over at Time Inc., the granddaddy of the printed word. If that's no signal that tablets are taking over the world then nothing is.

What does this mean for agency folks? Nothing but good news from where I sit. It's always been about starting with an unignorable idea and it always will be. Once you've got that, you simply decide how to shape it and where to put it.

### **John Immesoete, executive creative director, MARC USA, Chicago.**

2) I think the most interesting trend of 2011 is the lack of one Big Trend—yet again. The Industry as a whole still seems to be trying to escape the Hell of the Big Holding Company model. While advances are clearly being made - more independents, hybrid shops, etc - we're still clearly in a Purgatory Phase. The work and the ad agency business climate seems to still reflect the bigger overall business climate—safe, boring, playing not to lose (and therefore losing a bit more everyday.) The Ad Business and the world at large is clearly crying out for bolder moves, more interesting work, faster-moving and more dynamic companies. We've been crawling towards solutions but we're clearly not there, maybe 2012 will provide a more interesting breakthrough. The Dark Ages didn't end one day and The Renaissance start the next, there was a grey area. That's the type of environment I think we're in right now, but clearly moving towards the Light.

**Barney Miller, partner/editor, Hooligan, New York**

1) Use the word "Why." Whenever you can! Last year I discovered Simon Sinek through Ted Talks. His book, "Start With Why," discusses business and personal careers. He's different from your typical "motivational speaker." He doesn't start with career improvement tricks or tips. He doesn't talk PR, reps and sales techniques to grow business. He simply says no matter what you do, if you want a satisfying and successful career, you'll first have to answer one question: "Why?" After running my own edit boutique Company X for eight years, and then deciding to join forces with Chinagraph to create Hooligan, I had to ask "why?" a lot these past 12 months. Whether I'm cutting new footage, talking to a client, sifting through dailies, sitting at a color correct session or launching a new company, answering "why" honestly to myself and others has helped me make the right choices. Every time. "Why" reminds me that our industry is run by people: editors, directors, producers, creatives — and that's especially important in our new economic reality. As long as the "why" is clear, everything else usually falls into place because you're clearly acting with purpose and not just trying to "get the job out the door" or "close the deal" (people can easily sense this). Not only will the people you work with, from clients to assistants, feel more confident in your abilities, but also they'll open up and share their "whys"—getting that response from colleagues is priceless (No MasterCard ad references intended).

At the risk of sounding a bit too new age-ish, answering "why" at every step makes for an environment that's less stressful and more conducive to creativity—and that helps me and my business, which helps our industry, which is a good thing, right?

**David B. Perry, executive VP, head of TV production, Saatchi & Saatchi New York**

1) The need to feed a lot more screens, without much more money, has us embracing a new aesthetic of production imperfection. The perfectionism of the last few decades has given way to small, fast-moving crews and less preciousness from creatives and producers. No more spending 3 hours lighting an interior. Not everything is perfectly backlit. Wardrobe has wrinkles. We don't shoot 25 takes on every set-up. We don't spend 8 hours in telecine, assuming we're still even shooting film. No more "magic hour" for perfect sunlight. People who swear by 35mm accept b-roll footage shot on a cel phone. We still need a director with vision. But he has a lot less to work with.

2) For 60 years you needed a newspaper to be a journalist or TV or radio show to be a broadcaster.

But social media let anyone publish or get on-air. Blogs, Video Blogs. YouTube, Twitter, Facebook, MySpace.

Now everybody is famous. There are so many famous people nowadays that you haven't heard of any of them.

**Tor Myhren, president/chief creative officer, Grey New York.**

1) A return to good, old-fashioned storytelling. We got all caught up in tools and platforms and technology for a while. Which is all great and useful and the tech can certainly help you tell the story, but it's not the story unto itself. The brand needs something people can fall in love with. Something people remember and want to be a part of. That's what strong brands have: a story. And our industry forgot about that for a minute.

2) Social media, obviously, was the biggest story of 2011. It's huge, and only getting bigger. How do brands live in that world? Do people want brands in that world? Is a Facebook "like" really worth anything? Does anybody care about my YouTube brand channel? What the hell is Foursquare and why does nobody use it outside of LA, SF and NY? How can I get Lady Gaga to Tweet about my product? Social media was the biggest story of 2011. Mobile will be the biggest story of 2012.

**Tiffany Rolfe, VP/executive creative director, Crispin Porter + Bogusky, Los Angeles**

1) How important a company's culture is and how hard it can be to clearly define it and replicate it. While we do work to make our clients successful and bring great ideas to life, moreover we work for and support each other, our co-workers and friends. It's what can drive us to be successful and push the work and our clients' success.

2) Invention became a magic word. Ideas that are so useful they become product, that are unique creations, that are long term platforms. The key is to get clients to understand the value in them and the commitment to them long term. And further, to clarify ours and their role and the partnership that may need to be innate to this type of work.

**Ethel Rubinstein, CEO, Stairway 9, New York**

1) Change as times may, the most important industry lesson learned this year underlines what we already know, the road to success is always under construction! Our storied past and evolving present provides the basis for staying creatively nimble and technologically grounded. With the addition of beauty/luxury design studio, Scarlett and Motive 3.0, our digital/interactive offering, our model of independent/interdependent companies has continued to be a trusted option for clients. Times change but the commitment and mission to respond effectively to industry evolution remains our core DNA.

**Michael Sagol, executive producer/managing partner, Caviar**

1) One word. Talent. Ok another word. Creators. We've found that agencies and clients are really expecting us to bring more to the table than in the past. With the technology advances in our industry in the last few years - the :30 spot, which once ruled our world, now is usually just one small component in a very expansive campaign. Because of this I've really had to search out a roster of talent that doesn't necessarily think within the constraints of the :30 commercial. These are creators. People who develop, write, create, cast, direct, sweat and bleed for their own projects. These are the people who know how to blow out a script, to take the campaign—dare I say the dreaded word—viral. Because they've done it on their own already. Without these creators we wouldn't have any of our most successful campaigns in the past year. And we wouldn't have people coming back.

2) More than half of our work last year was web based. Whereas a couple years ago the Microsite reigned supreme, the Facebook App successfully kicked it's micro-butt this year. We've found ourselves working as closely with interactive production companies as we do with VFX houses. It's been exciting and challenging - the instant gratification or sadness that comes with being able to see up-to-the-minute results on how many people have viewed your video really holds you accountable for the work.

**Lauren Schwartz, owner/executive producer, kaboom productions, San Francisco & L.A.**

1) We have been diversifying our offerings and projects for the last five years, but 2011 reflected a real shift from kaboom being a commercial production company that does "other work" to a true content company whose work reflects the "other" integrated with advertising. I would venture to say this is true for many other companies. In fact –there is not much out there these days that is truly and purely "traditional" in the sense that we knew it to be ten years ago.

Our feature film *Sironia* and, even more so, our TV pilot/series for Fox Sports, has really helped inform how we approach our spot work. For example, with our TV show we were able to create great documentary sports and travel content with a support crew of five. So the next time an agency approached us with a challenging budget that needed to deliver high production value we had a new way of thinking, and understood what was truly possible. How we execute a TV spot is not going to be the same as how we

approach a docu TV show, but we certainly were able to bring our knowledge from that medium to advertising projects and capitalize on the "best practices" from that experience.

We are storytellers, for brands, agencies and other partners. Having developed a director roster that is multi-faceted (director/editor, director/photographer, director/DP, director/writer, etc.) has really helped us traverse this new landscape, and I think it will prove effective in the years to come.

**Pelle Sjoenell, executive creative director, BBH LA**

1) We have entered the innovation economy with technology brands riding at the forefront, and our industry has a chance to ride along with them, creating a rare and glorious time for creativity. The difficulty arises in that we have to learn to approach technology in a unique way, continuously. There has been a lot of talk about what the perfect agency model for the future is. I think we have learned that there is no perfect model, unless it is a model that can constantly adapt and change.

2) It's about making more out of less. Like turning that small internal communication brief into something famous (which is actually ideal for anyone with creative ambition). I think ultimately we are at our best when we are problem solvers, so 'tis the season, so to speak.