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LUCY LIU

James Strohmeier
an artistic vision
for advertising.
The producers
are collecting
goes global

shots



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web 2.0, advertising nil

As he listens to the canaries in the advertising coal mine, our US columnist Jef Loeb hears mostly sour notes

The cause of truth, justice and the future of advertising took a couple of serious body blows this month as the Center for Media Research leaked two uncomfortable snapshots of the industry's most hallowed, but vulnerable, precincts. For the first time in 12,000 years of recorded human history, according to research from media investment powerhouse Veronis Suhler Stevenson, US consumers are spending less time in front of the telly. Although the scope of the estimated decline - about 0.5 percent - may seem trivial, an exercise in slightly fuzzy mathematics indicates it is not. The damage assessment begins with a key fact provided by Nick Talbert, account planner-cum-creative media strategist at San Francisco-based agency Mortar. He observes that stateside advertisers spend \$65.3 billion annually on domestic television. Considering that the per-unit cost of this spend is based on a delivered audience, the resulting 'monetisation' of the reduction is about \$326 million, equivalent to the US media billings from the country's 39th largest advertising account disappearing in a heartbeat. **And while that may not be quite the same thing as the industry's entire economic cliff sliding into the globally-warmed ocean, it's still unmistakably a troubling first sign of major erosion.** Of course, common sense might suggest this is the obvious consequence of having 500 channels

to offer and exactly nothing worth watching (unless you count Posh and Becks). But apparently that's not the case, at least according to the Veronis analysts who attribute the source of the retrograde motion to increasing consumer awareness that news, facts or gossip are far more efficiently obtained online. **Result: with entertainment values getting dumb and dumber, and specific information better found on broadband Internet, the long-predicted savaging of TV ratings is well under way.** (We pause here for a rousing chorus of "row, row, row your production and media budgets, your Lion and your Pencil dreams, your agency bonuses and your ample retirements, gently down the drain...") But it's not just North American voices we're hearing in that choir, mes amis, because hot on the heels of the above helping of humble pie comes a sneak peek at an IBM global study of consumer media habits, due to be published this autumn. Bearing the indigestion-inducing monicker of "The End of Advertising As We Know It," the news teasers promise that whether you are gainfully employed on London's Wardour Street, on the charming Herengracht in Amsterdam or on West Wacker Drive in Chicago, your horizons will also be darkened by its release. The gist of the findings are this: heavy media users around the world are reporting that they

are heavy users of digital media, which they use a lot more than traditional media. This, combined with what will doubtlessly be reams of other data comprehensible only to statisticians and other damned liars, has led IBM to declare that "despite natural lags among marketers, advertising revenues will follow consumers' habits..." Moreover, "to effectively respond to this power shift... advertising agencies (will go beyond) traditional creative roles to become brokers of consumer insights." If accurate, these predictions are laden with troublesome implications. They embrace the increasingly hard to argue with view that creativity must, in a digital world, become an increasingly distributed commodity. Ergo, the entire agency value proposition, not to mention the reflective agency structure, needs to change if ad shops and their corporate holding company masters are to survive. **At the same time, by presenting PCs and mobile devices as the consumers' new primary choice for receiving entertainment and information, the forecast highlights the many threats to the efficacy of marketing of any sort.** So it's welcome back to a future where media over-saturation and message overload are coupled with declining efficiencies and rising barriers to penetration. In fact, if we go from talking about the glass being half empty to counting the razor-sharp shards,



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there's also the issue of the narrowing ownership of the channels of distribution for information and entertainment. One analyst predicts that Google will eventually own 90 percent of the paid-for search market - hardly a formula for price-cutting. I've also been interested in watching TiVo, the supposed ad-skipper, teach agencies how to make ads that work during the supposed

skipping as a way to dip a beak into an additional advertising revenue stream. **So what if we all become account planners, jetting around the world cool hunting the latest trend? What's the worst that can happen - eating too many M&Ms in a focus group?** Actually, it could get a lot grimmer than that. Because while digital choice fuels changing media

habits, it's also creating a whole new set of strategic issues for marketers and their clients - including message overload, declining media efficiencies, ironically coupled with rising media prices and, of course, a narrowing ownership of the main channels of information distribution. **Jef Loeb is creative director at Branchford Creative San Francisco.**