

ADWEEK

APRIL 16, 2018



THE PRIVACY POLICE

HOW CHIEF PRIVACY OFFICERS ARE KEEPING BRANDS' HANDS OFF CONSUMERS' PERSONAL DATA. BY MARTY SWANT

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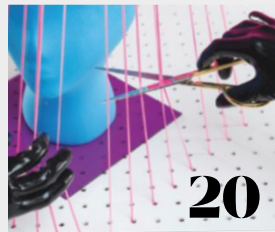
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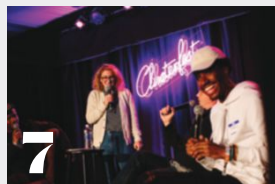
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Omaha, Neb.-based Bailey Lauerman

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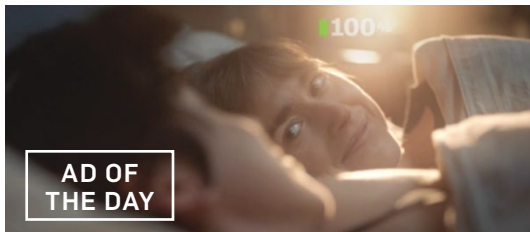
Upfront

TOP STORY

ZUCK ON CAPITOL HILL

FACEBOOK'S SCANDAL MOVES TO WASHINGTON. BY MARTY SWANT

On Wednesday, Facebook CEO Mark Zuckerberg spent several hours with members of the U.S. House of Representatives answering questions about his company after Tuesday's five-hour grilling by members of the Senate. Some members of Congress took a more antagonistic approach to their questions about user privacy—and Facebook's ability or inability to censor content. During the hearing, Zuckerberg confirmed that his own data was also sold to the firm, adding he's not against all regulation, nor does he consider Facebook to be a media company. Zuckerberg's testimony before Congress comes nearly a month after Facebook banned the British data firm Cambridge Analytica after it allegedly improperly accessed the data of as many as 87 million users.



AD OF THE DAY

Ikea

For parents, sleep is the world's most precious resource. But many forces seem aligned to deny it to you, from the capricious sleep schedules of children to your mind's litany of self-doubts and unfinished tasks. In Ikea's newest ad out of Amsterdam, agency Havas Lemz and production house Czar Amsterdam create a beautiful and calming meditation on good sleep. The visuals tell the story of a same-sex couple catching what sleep they can while their toddler is down, and we see the house magically tidying itself as the moms' internal batteries recharge. —David Griner



BIG NUMBER

17

NETWORKS UNDER DISCOVERY'S NEW UNIFIED UPFRONT.

MEDIA

FUSION FOR SALE?

After bulking up nearly two years ago on Gawker Media assets for its Fusion Media Group, reports from Vanity Fair's The Hive blog say Univision may be eyeing their sale. The news comes the same week that the Spanish-language broadcaster laid off more than 150 people, and Gizmodo Media Group editor in chief Raju Narisetti stepped down. Last month, Univision laid off 20 staffers. —Sammy Nickalls

MOOD BOARD The Week in Emojis



'MAYOCHUP' WILL HEINZ KETCHUP AND MAYO LOVERS GET THEIR WISH? A POLL WILL DECIDE.



DEADPOOL PLUGS THE DEVOUR FROZEN-FOOD BRAND IN A NEW SPOT.



ADIDAS MADE EARTH DAY SOCCER JERSEYS FROM "UP-CYCLED" OCEAN PLASTIC.



COVER: SKY PIE STUDIO; RETOUCHING: BLACK MAGIC STUDIO; THIS PAGE: TOP STORY: GETTY IMAGES

Trending



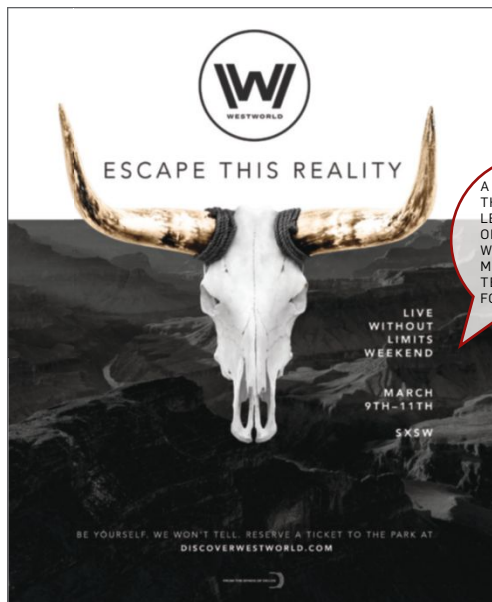
BRAND ACTIVATION

Marketing That's Out Of This World

INSIDE HBO AND KILTER FILMS' IMMERSIVE CAMPAIGN FOR WESTWORLD, SEASON 2.
BY KRISTINA MONLLOS

Last week, ahead of the Season 2 premiere of Westworld, creators Lisa Joy and Jonathan Nolan participated in an Ask Me Anything chat on Reddit, where they set forth a curious proposition: If fans agreed, they would release a video spoiling all of the twists and turns of the upcoming season. Hours later, a video was released but, as some expected, it was an

FANS TOOK SELFIES WITH CAST MEMBER JAMES MARSDEN AT THE SXSW WESTWORLD EXPERIENCE.



A POSTER FOR THE EXPERIENCE LED FANS TO ONE OF THE MANY WEBSITES THE MARKETING TEAM CREATED FOR THE SHOW.



THE WESTWORLD CAST ATTENDED THE SXSW SWEETWATER EXPERIENCE OUTSIDE AUSTIN, TEXAS.

elaborate prank, a Rickroll tailor-made for spoiler-obsessed Reddit fans that featured Evan Rachel Wood, who plays Dolores on the HBO show, singing Rick Astley's "Never Gonna Give You Up."

"As someone who spends time on Reddit regularly, I saw this as a way to have fun with a community that I love," Nolan explained.

Reaction to the video was mixed—Reddit fans seemed to love it; critics questioned

it—but it quickly garnered nearly half a million views on YouTube. The video is just one example of the effort that has gone into a massive, multipronged marketing campaign for the show's second season that HBO and Kilter Films, the production company behind Westworld, kicked off last July at San Diego Comic-Con. It continued with HBO's first 30-second Super Bowl ad in 20 years and then in March with an immersive activation recreating the show's fictional town of Sweetwater at South by Southwest.

Noreen O'Toole, co-producer, Kilter Films, said marketing for the show provides "a unique creative platform."

"We're telling stories that don't necessarily exist episodically, but they are absolutely a part of the mythology, and they are part of the 360 [-degree] Westworld," she said.

The point, of course, isn't just to build out the sprawling world of the show, but to get more people to tune in. "Over 13 million viewers per episode, it was the most-watched first season of an HBO original series ever, so a great starting point but certainly a challenge given what will be an almost 18-month gap between seasons," said Zach Enterlin, evp of program marketing at HBO. "So strategically, we felt we needed to eventize the return of the series."

The strategy seems to be working. The Super Bowl ad scored over 21 million views, according to Tubular Labs, while the SXSW experience garnered more than 100 million social impressions, according to HBO.

"With any film or series, you're always leaving stuff on the cutting-room floor," Nolan said. "So the marketing is a perfect opportunity to keep detailing, embellishing and building your universe. When it's done right, it feels like a win-win for the creators and the audience."

In keeping with the show's ethos, there's more to the marketing than it seems. Much of it features hidden messages, providing more opportunities for engagement and leading savvy fans to find new content. The Super Bowl spot, for instance, included a hidden code that led fans to the website DelosDestinations.com, where they could see another ad, this one from the perspective of the corporation that runs Westworld. The discovery of the hidden ad quickly scored the No. 1 spot on Reddit's homepage internationally that day.

The companies took a similar approach to launching the Season 2 artwork. Cast mem-

bers tweeted links instructing Twitter users to ask a bot on DiscoverWestworld.com to “find the key.” That led fans to the poster for Season 2 that had an additional hidden code to find yet another video, “Find the Door.” When the poster was released as an outdoor ad, it included another code that if found would lead fans to DelosIncorporated.com, the Delos Corp.’s intranet.

“The challenge with any of these sorts of things when you’re talking about transmedia, when you’re talking about a VR experience, a website, an installation, is that you have to generate all that content,” Nolan said. “The script for the installation at SXSW is almost as long as the script for the second season.”

For the show’s premiere on April 22, HBO and Kilter are partnering with Snapchat for Westworld-themed lenses—a world lens and a selfie lens—that includes “a bit of new tech from Snapchat,” according to Sabrina Caluori, svp of digital media and marketing at HBO.

‘The marketing is a perfect opportunity to keep detailing, embellishing and building your universe.’

Jonathan Nolan, co-creator of Westworld

The selfie lens will let users include their name, a first for Snapchat, Caluori said. The companies are also working with Quartz’s Bot Studio to create a Facebook chatbot.

“Because Westworld is exploring the intersection of technology and humanity in the material of the core story world, that creates a very interesting canvas for us to extend into the digital world,” said Caluori.

HBO declined to specify how much the massive marketing push costs, but Enterlin said “it was worth every penny,” and that “the show is big and cinematic and lends itself to big ideas, and hopefully consumers are feeling that bigness out in the marketplace.” Meanwhile, a Season 3 renewal for the show has not yet been announced.

“We’ve joked that the eventual growth of the show would be Season 5 isn’t a series—it’s a theme park,” said Nolan. “By that point, we would just make the damn park.”

KRISTINA MONLLOS IS A SENIOR EDITOR FOR ADWEEK, WHERE SHE SPECIALIZES IN COVERING BRANDS, MARKETING INNOVATION, CONSUMER TRENDS AND POP CULTURE. @KRISTINAMONLLOS

JONATHAN NOLAN

WESTWORLD CO-CREATOR
ON HBO’S MARKETING PUSH
BY KRISTINA MONLLOS

Few creators have had as much of a hand in creating immersive marketing experiences as Westworld’s **Jonathan Nolan**. Adweek caught up with Nolan, who co-created the show with Lisa Joy, ahead of the Season 2 premiere to find out just how involved he is and what he thinks about a Westworld theme park.

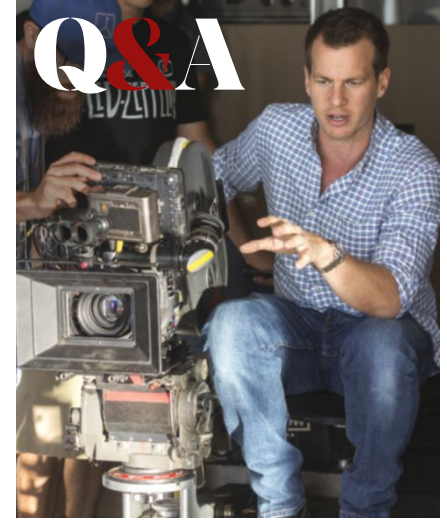
The marketing of Season 2 has been insane—Comic-Con, Super Bowl, SXSW. How involved are you in marketing conversations?

I’ve been very interested in this side of things from the very beginning. My dad was in advertising and marketing. My brother [Christopher] and I grew up thinking of advertising as its own form of storytelling. With Westworld, Lisa and I knew from the very beginning that it would be one of these projects that really lent itself to this approach. Within the terms of the show, you’re talking about building a consumer-facing theme park that would have to market its services to the customers anyway.

Considering the show beyond a traditional narrative and building it out via websites and experiences seems extremely time-consuming and intense.

The content has to be completely in line and canonical with the universe that we’re building. Increasingly these days, when you have 500 shows on the air, you need to be noisy to reach people. But you don’t want to be noisy in a cynical way. You want to be noisy in a way that complements the stories you’re trying to tell.

You directed the 30-second Super Bowl spot, which was HBO’s first Super Bowl ad in 20 years. What was that like?



They didn’t tell me that until we’d shot the piece, which was good. It kept the anxiety down. That was the first ad that I had directed as a broadcast commercial. We wanted to do something for Westworld that really played in the same water as the rest of the spots. ... We wanted to riff on the long tradition of Super Bowl spots with something that opened with the first 15 or 20 seconds that feels like one of these spots that capitalizes on Americana and nostalgia to position the audience emotionally to get them to buy something. We wanted to take that and radically subvert it halfway through the spot.

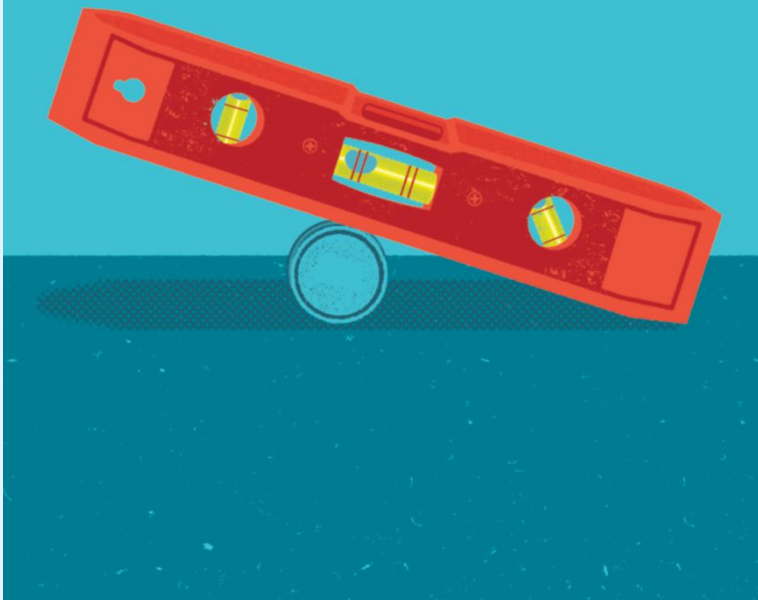
What about the Westworld park? You guys built the Westworld town, Sweetwater, just outside of Austin for South by Southwest. What was that experience like?

[HBO] is just as ambitious as we are with our show, and they don’t have 60 shows a year. So you really get their undivided attention. They’re in it with you. So the conversations started last year. The dream for me, totally ironically, is let’s turn this show into a park. The high-water mark when I was a kid was when your thing hits on a certain level, then it becomes a theme park. Here, we’re doing a show about a theme park, so the irony is delicious, beautiful and rich.

So will you create a real Westworld park? Are there plans, like HBO’s much darker Disney World?

It’s not even a question of whether I want it or not. I think the show lays out a number of good reasons why that might not be such a great idea. ... If we’re not making Westworld [the park], someone is going to make it. Hopefully the engineers will do as much quality assurance as possible.

ANALYTICS



HOW TO CUT THE BIAS

TIPS TO AVOID DATA-DRIVEN SNAFUS THAT CAN PUT BRANDS AT RISK. **BY LISA LACY**

Problems with data bias are well-documented, from an image recognition algorithm that identified black users as gorillas to language translation services that referred to engineers as male and nurses as female.

And just as bias found its way into these data sets, so, too, can it sometimes be found in the models marketers use to make predictions about their customers.

Alex Andrade-Walz, head of marketing at location intelligence company Spatially, said segmentation via predictive analytics results in a stereotype of an ideal customer that may have higher conversion and retention rates and greater lifetime value. But, by focusing on these regular customers, brands risk not appealing to other market segments.

"For example, a recruiting firm that

specializes in tech placements likely works with more men than women," Andrade-Walz said. "If gender is allowed into the predictive algorithm, it may lead this firm to only advertise to male candidates given a higher historic placement rate."

Divya Menon, founder at branding and marketing consultancy Bad Brain, noted when data scientists use data that reflects systemic issues that discriminate against genders, races or religions, these forecasts amplify the issues.

Let's say a real estate company decides to predict housing values based on the predominant race of the neighborhood. This correlation might exist, said Pete Meyers, marketing scientist at Moz, a software company, but it ignores gentrification, socioeconomic factors and the

inherent racism built into the ways many neighborhoods were developed in the first place.

"By choosing this data point and ignoring others, you would start to make race-based predictions that further disadvantage people," Meyers said. "You've built your own bias into the system."

And, Meyers said, it can be even more subtle with machine learning in which systems can be biased toward the specific knowledge of the person who built them.

Ikechi Okoronkwo, director of marketing sciences at media and marketing services company Mindshare, said bias comes from data scientists inadvertently allowing their own assumptions to influence the output—or an analytical approach that is one-dimensional.

For instance, a data scientist might conclude a brand should target an older demographic because age appears to correlate with purchase probability, Andrade-Walz said. "However, age may just be a red herring: Income could be

the factor that's tied to conversion and it just so happens that older people typically have more disposable income," he added.

Nevertheless, it is possible to eliminate bias from data models.

"Those of us who work within strategy, especially at a level where we are working with statistical analysis, have a real opportunity to change the way brands see consumers by constantly challenging biases and being cognizant of the world around us and the context within which we are seeing data," Menon said.

This starts with data scientists being aware biases can be mirrored in predictive models and building mechanisms to safeguard against them, said David Zwickerhill, director of analytics at advertising agency GSD&M. Companies must also be willing to make changes even if some models have worked in the past, he added. In addition, data scientists need to be transparent about assumptions so stakeholders can provide feedback. For instance, "if you believe that TV spend is going to perform more strongly based on previous campaigns, explain that hypothesis upfront to your clients and teams so that the other stakeholders can chime in with other viewpoints to consider," Okoronkwo said.

Okoronkwo added another common misstep is not being upfront about other limitations in methodology, pointing to how predictive models have some degree of error, inherent bias and assumptions that fill gaps in data. Transparency, on the other hand, enables data scientists to work with clients to identify new data sources or to challenge assumptions. "Properly managed predictive analytics uses a system where the model can take on new inputs and learn as time passes," he added.

Okoronkwo said it is also important to use different approaches for measurement and predictions and to have a culture that questions assumptions and tests if there are outputs that could conflict with initial findings.

"It's all part of the scientific method. It's good to have a hypothesis of what you think you'll see in the future—the key is to then test that hypothesis in multiple ways," he said. "You want to gather as much data as possible and test many different options of explanatory variables."

BEST PRACTICES

DO

Gather a wide range of data and run multiple tests.

Include as much data as possible.

Be transparent about your hypothesis, variables and gaps.

Pay attention to outliers to see if there has been a mistake in data processing.

Make sure you're clear about the steps involved in analysis.

DON'T

Only use data that supports your hypothesis, such as building a model that only includes one variable or a single group of variables.

Ask leading questions.

Ask "Can we just try it?" if you don't have enough data or a sufficient sampling size.

Run the same model repeatedly.

Assume data scientists only need knowledge of marketing analytics.

LISA LACY IS A TECH REPORTER FOR ADWEEK, FOCUSING ON ECOMMERCE. @LISALACY

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TELEVISION

A Different Kind of Live TV

NETS ARE LAUNCHING FESTIVALS TO REACH FANS AND BRANDS.

BY JASON LYNCH

Viacom has largely backed away from throwing mammoth upfront events, but during the rest of the year, the company has embraced them like never before for flagship networks BET, Comedy Central, MTV, Nickelodeon, Nick Jr. and Paramount Network. “Building on the success of our international events business, every flagship brand now will have a live event in the U.S.,” Viacom CEO Bob Bakish said during an earnings call in February.

So, Comedy Central is holding its second annual Clusterfest from June 1-3 in San Francisco, Nickelodeon SlimeFest makes its U.S. debut on June 9 and 10 in Chicago, and the BET Experience will return to Los Angeles from June 21-24.

And while Viacom may be leading the charge, other networks are now planning events of their own. Adult Swim will hold its first Adult Swim Festival Oct. 6-7 in downtown L.A., while former Scripps chief programming, content and brand officer Kathleen Finch, whose Food Network became presenting sponsor of the Wine and Food Festivals in New York and Miami’s South Beach in 2007 with Cooking Channel joining as co-presenting sponsor in 2015, said to expect expansion in the live events space now that Discovery and Scripps have merged. “All of us think that it’s a business that’s valuable and a great way to touch an audience,” said Finch, who is now chief lifestyle brands officer for the combined Discovery Inc. “There are a lot of conversations going on.”

More networks than ever are heading into the upfront with live events and festivals that provide a new revenue stream while offering brands a new way to reach consumers.

“There is incredible emotional equity value that resonates when their consumers get to touch our different brands, and that’s an incredible value to be associated with as



BET EXPERIENCE



COMEDY CENTRAL CLUSTERFEST



NICKELODEON SLIMEFEST

‘Experiential is coming into a new renaissance.’

David Cohen, president, North America, Magna Global

a brand sponsoring that,” said Sean Moran, head of marketing and partner solutions, Viacom. “The other thing that a lot of brands are finding out is you need to be having that interaction with your consumer in person at times.” Ideally, that interaction prompts consumers to share their experiences, causing “a unique ripple effect.”

So far, Viacom hasn’t had trouble luring brands to its events. While the sponsors for this year’s festivals are still under wraps, last year’s Clusterfest drew the likes of Booking.com, MillerCoors, Papa John’s, Pepsi and Unilever.

Network festivals aren’t the right fit for every brand, though. These events “have been hit or miss for advertisers throughout the years,” said David Campanelli, svp, director of national broadcast for Horizon Media. “You are helping support something that people

are passionate about in a very direct way. The challenge is logistically; it’s such a different animal than buying a 30-second spot in the upfront. Some clients don’t have the resources to activate on the ground like that.”

Then again, they might not have a choice. Network-centric live events are only going to become more prevalent. “Experiential is coming into a new renaissance,” said David Cohen, president, North America, Magna Global. With consumers exposed to thousands of advertising messages each day, “you don’t want to be lost in that sea. You want to be able to connect, and I think experiential does that.”

Beyond helping consumers connect with brands, live events are also key to strengthening—or reestablishing—bonds between fans and networks, bonds that are vital for media companies trying to keep audiences from straying to other outlets. MTV president Chris McCarthy, who has spent the past year and a half resuscitating the brand, is reviving Spring Break on MTV next year for the first time in a decade. “Where we probably went awry is when we let go of those events in the U.S.,” he said. “So it feels great to go back.”

JASON LYNCH IS ADWEEK’S SENIOR EDITOR FOR TELEVISION, COVERING TRENDS, TECHNOLOGY, PERSONALITIES AND PROGRAMMING ACROSS BROADCAST, CABLE AND STREAMING VIDEO. @JASONLYNCH



OPINION

Privacy and the Art Of Value Exchange

CUSTOMERS WILL SHARE DATA MORE FREELY IF BRANDS CAN HELP PREDICT WHAT'S AROUND THE CORNER ON THEIR JOURNEY. **BY MICHAEL DILL**

It was Benjamin Franklin who sparked the debate between freedom and security. Back then, it was a robust conversation among our Founding Fathers as they contemplated the laws and direction of this new land.

Today, it's an even more appropriate discussion as we consider placing surveillance on every street corner in order to keep our citizens safer. After all this time, Franklin's question remains: What level of freedom are we willing to forego in exchange for safety?

A similar debate is affecting marketers and consumers today. The tension between a marketer's escalating quest for the precision of personal data is in stark contrast to the individual's desire for personal privacy. Aside from the risk of data breaches, people are simply not

comfortable with their information being used to sell them products they haven't asked for.

As marketers, we seek the Holy Grail of one-to-one marketing with more intimate and personal dialogue instead of the mass media choices on which we've historically relied. For brands seeking more relevancy, agencies looking to demonstrate cutting-edge tools and tech and organizations trying to drive growth with fewer resources, this new frontier of precision marketing is compelling. But to consumers, it's not always welcome.

At the center of this debate is one key measure: value.

For consumers, what value is worth giving up their personal information? For marketers, what value are they willing to "pay" to

acquire it? For some brands, the value exchange is clear. For others, it's hard to rationalize. Yet, nearly all manufacturer and service organizations are jumping into this arena with both feet.

Luxury hotels will ensure your specific brand of sparkling water is chilled and ready in your room well before check in. The value of personalization is at the center of this experience. The hotel knows its guests, and therefore makes them feel important, special and welcome. Likely, this is an experience that's well worth providing some tidbits of data and preferences.

With other situations, the value is convenience. The new Amazon Go stores may enable you to purchase without waiting in line, but the price for that convenience is having hundreds of in-store cameras take your picture thousands of times in order to record what you place in your cart. This level of retail surveillance may be worth it if the value of the convenience is big enough. Though the question remains: Where is that data stored, and how else is it being used to profile people and retarget messaging?

A value that is earning unprecedented levels of personal data access is prediction. Turns out, people will give up a lot of information to know what's around the bend. If you're willing to provide deep, personal levels of individual data, family history and good and bad behaviors, you can get a fairly accurate prediction of your future health. For some, gaining an early understanding of their likelihood for

dementia, cancer or heart disease is well worth relinquishing the highest levels of information.

What if this personal health data is offered to the world, allowing the comparison and profiling of millions of people with similar conditions to predict more effective treatments?

A valuable and noble endeavor, but what if that health data is also used to sell you a variety of products intended to treat your ailment? Or, if it was shared with your insurance company, triggering increased rates? This clearly raises a question of ethics and intent as well as value.

These may be the areas of value exchange we face today, but the real challenge is what's just around the corner. Where the data hits the fan is in the new generation of tools and technology such as machine learning, artificial intelligence, digital assistants and smart homes.

When machine learning capabilities meet the massive spectrum of personal data gathered by millions of devices in people's everyday lives, we've reached the next transformational stage of data. Consider our TVs. One brand of smart TV has a prompt that states, "Please be aware that if your spoken words include personal or other sensitive information, that information will be among the data captured and transmitted to a third party."

Imagine watching TV, and during an ad break, you say to your spouse, "Boy, that new Honda really looks sharp. We should think about a new car." Within five minutes, there's an ad for that car in your social feeds and more frequent Honda spots on your TV. This would be followed by a direct mail piece and perhaps even a cold call from the local Honda dealer as if following up on a hunch. This same level of data is being collected by digital assistants, connected cars, email and social content and purchase behavior.

Ultimately, data proliferation is a good thing, and frankly many of us bought into it long ago when we first entered a credit card on our phone, provided our email for 15 percent off or took one of those social media quizzes that was never really about predicting our horoscope.

Data makes marketers smarter, sharper and more effective, whether we use it at the granular level or not. It is changing the way we advertise and the way we buy. But it all comes down to a digitalized version of Franklin's question: What does a person get for sharing data, the price a brand will pay to get it and the intent and ethics behind the exchange?



Specs

Claim to fame

Michael Dill is CEO of Match Marketing Group, a data-driven experience agency (also owned by Adweek parent Beringer Capital).

Prior to Match, Dill was the founder of Circle One, acquired by Match in 2013.

Base

New York

Twitter @theMichaelDill

Cord? What Cord?

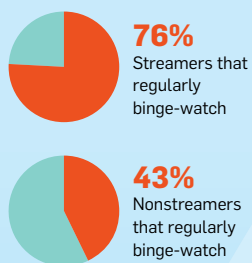
HOW STREAMING AND BINGING HAVE PUT VIEWERS IN THE DRIVER'S SEAT. **BY SAMMY NICKALLS**

It's no secret that streaming services from Netflix to YouTube have been causing trouble for traditional networks, but new data shows that they've been morphing the way we think about television as we know it, from cable subscriptions to binge-watching. Market research company GfK MRI found that about 62 percent of the population regularly binge-watches TV, with a whopping 76 percent of streamers regularly bingeing compared with 43 percent of nonstreamers. And while traditional TV service is by no means dead, 25 percent of binge-watchers are now completely cordless. "Video entertainment is an anytime, anywhere experience," said Amy Hunt, vp of TVideo Media Sales at GfK MRI. "Streaming services have put the viewer in the content driver's seat now more than ever—and disrupted a marketplace that seemed unshakable a generation ago."

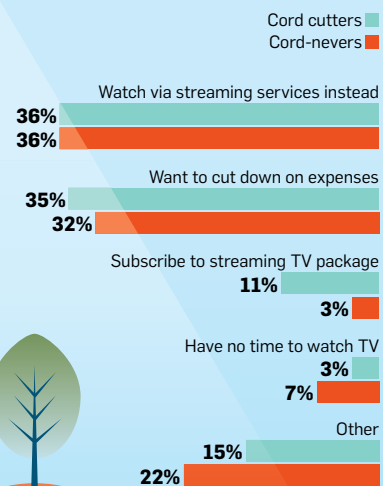
Most popular streaming services:



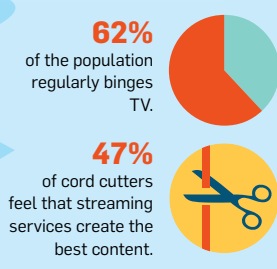
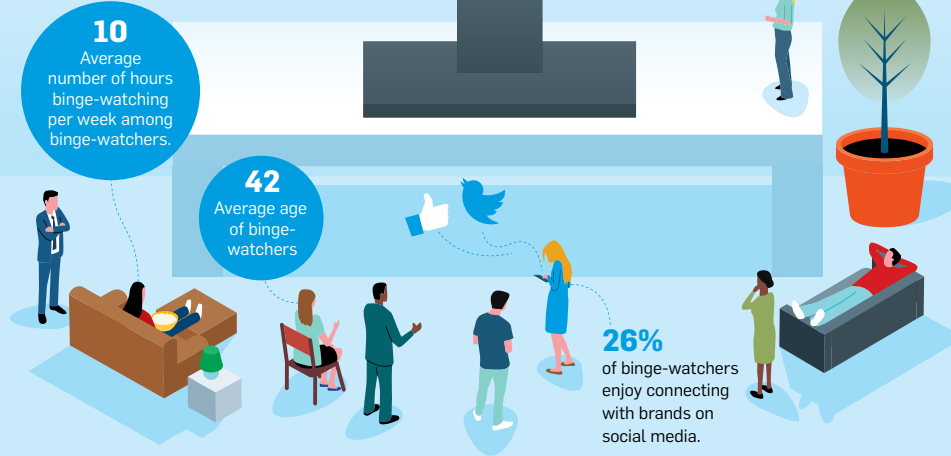
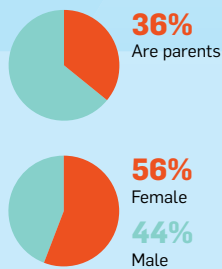
The relationship between streaming and bingeing



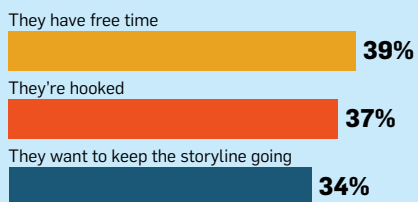
Why cordless viewers rejected the cord



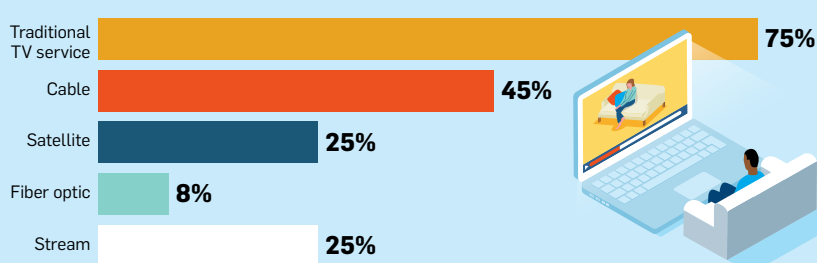
A portrait of the average binge-watcher



Why people binge



How binge-watchers watch TV

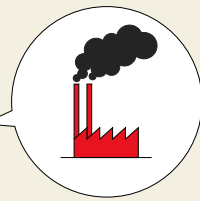
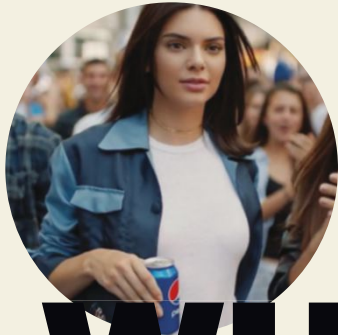




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- ✓ Excellent references
- ✓ Future Media Plan of the Year winner
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WHAT'S YOUR PURPOSE?

“Efforts and courage are not enough without purpose and direction.”

I've always loved this quote from John F. Kennedy about drive. It transcends the tactic of hard work and the emotion of bravery to the higher strategic plane of purpose and direction—knowing who you are and where you want to go.

In this our sixth Digital Transformation Playbook in partnership with Accenture Interactive, we are tackling the hefty theme of brand purpose in a constantly shifting and fragmented media and marketing landscape.

There has been no shortage of effort in addressing this issue and increasingly—and refreshingly so for the reporters and editors at Adweek—bravery in the face of change is now more commonly seen among the bullshit than two years ago.

Sill brand purpose and direction are massively complex concepts for marketers to grasp, much less evangelize and deploy as strategy and process.

In his column (page 17), Brian Whipple, global CEO of Accenture Interactive, suggests that our focus on innovation should pivot away from iteration for iteration's sake—I agree, vacuum-enabled shoes are a bit much—and use technology to refine brand purpose along the customer journey rather than gadgetize it.

The regular Playbook infographic by Adweek story desk editor Erik Wander has become a great visualized trove of meaningful transformation insights, and this edition (page 12), focused on brand purpose, doesn't disappoint. First consider the fact that 75 percent of global consumers expect brands to contribute to their well-being and quality of life. Then consider that stat with a millennial or Gen Z filter. According to a 2017 Cone Communications CSR study, 89 percent of Gen Z consumers would buy from a company supporting social and



environmental issues over one that doesn't. When these younger consumers enter the economy in full, purpose-driven CSR won't just be good business sense, it will be a survival imperative.

Cue Conner Blakley, the 18-year-old founder of marketing firm YouthLogic, which advises clients like Mark Cuban, Johnson & Johnson and the NHL on how best to reach young consumers. In a Q&A with Adweek technology editor Josh Sternberg (page 13), Blakley offers a blunt assessment of which companies get it and which ones don't. I won't ruin the reveal here.

One of the trickier elements of brand purpose is that in order to stand firmly for something, you are more than likely taking a stance against something. Trickier still is doing so in this highly polarized political and socially activated climate. Regular contributor Dan Tynan examines this marketing dynamic in his feature (page 14).

“Traditional brands can no longer sit on their hands and allow well-scripted corporate statements to shape who they are,” Tynan quotes Tripp Donnelly, CEO of digital reputation management firm REQ. “They have to be dynamic and understand they're talking to multiple generations of people.”

Finally, in this issue's Winners' Playbook (page 18), Tynan offers up four suggestions for marketers to hew to as they evolve their purpose profile. Under the “Be Good—It's Good for Business” headline, I particularly liked Tynan's paraphrase of Jamie Gutfreund, global CMO of digital agency Wunderman, who said brands can no longer count on customers remaining loyal. Instead, brands need to be loyal to their customers.

Or in other words—back to JFK with sincerest apologies—ask not what your consumers can do for you, but what you can do for your customers.

UPCOMING PROGRAMMING

4/16

Yeah, That's Probably an Ad podcast

4/30

Digital Transformation Newsletter



James Cooper
James Cooper
 editorial director
 @jcoopernyc

BRAND PURPOSE

WHAT CONSUMERS EXPECT OF MARKETERS WHEN IT COMES TO ISSUES THEY CARE ABOUT. **BY ERIK WANDER**

There's a good reason marketers and the C-suite alike continue to focus so determinedly on brand purpose—it's important to consumers. According to a new study, 75 percent of global consumers expect brands to contribute to their well-being and quality of life. And purpose is an especially important consideration when marketing to millennials and Gen Zers, who factor in companies' positions and efforts on social and environmental issues when deciding what to buy and where to work.

"The boardroom is prioritizing brand purpose, as businesses are keen to play a bigger, more fulfilling and more relevant role in their audiences' lives," said Hannah Matthews, managing partner at Karmarama. "Making brands meaningful and rebuilding trust with consumers can equate to significant success for businesses. Those that focus purely on short-term transactions, ignoring this drive toward empathy and purpose in business, could lose out in the long run."

Consumers care that brands care

Global consumers ...

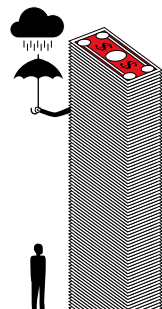
75% expect brands to contribute to our well-being and quality of life.

Source: Havas Meaningful Brands 2017

75%

agree companies can increase profits while improving economic and social conditions in their community.

Source: 2017 Edelman Trust Barometer



U.S. consumers ...

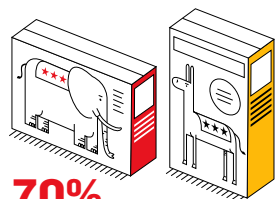
70%

believe companies should take actions to improve issues outside their everyday business operations.

Source: 2017 Cone Communications CSR Study

84%

believe businesses have a responsibility to spur social change.



70%

think corporations should stand up for what they believe politically.

Source: 2016 Global Strategy Group

Causes U.S. consumers want companies to care about

Job growth **94%**

Racial equality **87%**

Women's rights **84%**

Cost of higher education **81%**

Immigration **78%**

Climate change **76%**

Gun control **65%**

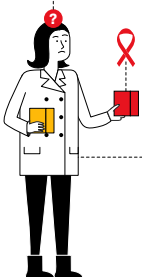
Source: 2017 Cone Communications CSR Study

How brand purpose affects what people buy

U.S. consumers ...

89% are likely to switch to brands they associate with causes.

80% would support issues by buying from socially conscious online retailers.



83% of consumers factor in brands' values when considering a purchase.



76% would refuse to buy from a company that supports issues contrary to their beliefs.

66% of consumers would pay more for products from more socially responsible companies.



Source: 2016 Global Strategy Group; Nielsen 2015 - The Sustainability Imperative

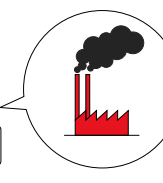
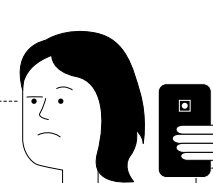
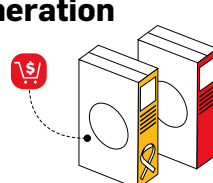
Importance of brand purpose by generation



75% of millennials would take a pay cut to work for a socially responsible company.

76% consider a company's social and environmental commitments when deciding where to work.

Source: 2016 Cone Communications Millennial Employee Engagement Study



89% of Gen Z consumers would buy from a company supporting social and environmental issues over one that doesn't.

92% would switch brands because of it.

65% pay attention to a company's CSR efforts when deciding what to buy.

Source: 2017 Cone Gen Z CSR Study: How to Speak Z

■ Millennial consumers ■ U.S. consumers

Hopeful business will drive social and environmental change **71%** **63%**

Seek out responsible products **85%** **79%**

Source: 2017 Cone Communications CSR Study; Barkley/Futurecast, Gen Z Attitudes and Beliefs Survey, September 2016

More likely to hold companies accountable for results of CSR efforts **88%** **82%**

Expectations of brands to support issues they believe in

■ Millennial consumers ■ Gen Z consumers ■ Gen X consumers ■ Boomers

62% **60%** **53%** **50%**

Connor Blakley is 18 and already knows more about marketing than most marketers twice his age.

Blakley started his first company when he was 14, helping small and midsize firms navigate social media. Over the last four years, as he has built his marketing company, YouthLogic, he has worked with individuals like Mark Cuban and brands like Johnson & Johnson, the NHL, NPD Group and Sprint, advising them on how to message the youth market.

“A lot of brands understand they don’t know what they don’t know, and they’re willing to learn from someone who is as entrenched and is as good at it as me,” he said.

So what kind of work do you do?

We help big companies better ingrain themselves in youth culture. That can mean everything from just top-line, high-level marketing branding strategy to influencer marketing to micro-social media tactics to analyzing and interpreting data on behalf of these brands. Companies come to us with so many different things because there’s a problem to solve, and we solve problems.

What problems are you seeing in the marketplace in how brands are trying to talk to your generation?

There’s a lack of understanding of relevancy, and when I say that I mean they’re talking about things that they think are relevant to achieve authenticity. At the end of the day, they’re trying to achieve both of those things to become cool, and they just don’t understand relevancy at all. So they end up looking inauthentic.

What’s the typical brand approach to marketing to your peers, your age group? What do they do where you’re like, “You know what, you’ve got to stop this.”

They take the data at face value, and then when they analyze the data and implement that into their campaigns, it gets misconstrued and misunderstood.

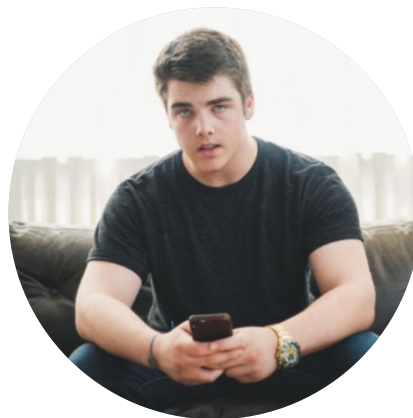
What brands are marketing to Gen Z well? Wendy’s is killing it.

How?

They put out a Spotify playlist of songs. It’s called “We Beefin?” The names of the songs, “Twitter Fingers,” “Holding It Down,” “Rest in Grease.” Like all songs that culturally make sense; the names are funny. Look at what the influencers are using and the lingo at which they use them; it’s freaking phenomenal.

Q&A

Connor Blakley



THE TEEN MARKETER SCHOOLS BRANDS ON GEN Z AUTHENTICITY. BY JOSH STERNBERG



Which companies are bad at marketing to Gen Z?

Under Armour is screwed. They don’t understand anything about culture and how to integrate it into their marketing strategy. They think they understand influencers and they think they understand content—creating content around the influencers—when they don’t. Under Armour is now the least cool company. Under Armour is losing teenage customers at a rapid pace, which is actually the main reason for their decline in overall sales.

‘[Brands] just don’t understand relevancy at all. So they end up looking inauthentic.’

What about the idea that convenience trumps social goodness for a brand to market to your generation? Is there any truth in that?

Yeah, for sure. Convenience trumps social good any day. I think our generation [talks] a lot of shit when it comes to: we’re not going to do this; we’re going to march. When it comes down to it, no one wants to give up the convenience for something that doesn’t actually matter to them.

Like everyone saying they’re going to get rid of Facebook because of the Cambridge Analytica stuff. I mean, none of us go on Facebook anyway.

You guys are not on Facebook?

Oh, no. Not at all. The only reason we’re talking on Facebook is for college stuff, to help us figure out what frat we want to rush or what our family is up to.

Where should brands be?

YouTube and Instagram.

Why?

Because that’s where we are.

So to that end: you get to choose one platform and only one platform to use. Which is it?

Instagram. It’s where I get the most engagement. Instagram is the place to create a more perfect version of yourself, which is basically the goal of social media for young people.

When Brands Take a Stand

MARKETERS ARE UNDER PRESSURE TO BE TRANSPARENT ABOUT WHAT THEY BELIEVE IN—AND RISK ALIENATING CUSTOMERS WHO DISAGREE. **BY DAN TYNAN**

Some brands do everything they can to avoid political controversy. Cards Against Humanity is not one of them. Last November, the maker of the crude-yet-hilarious

party game announced it was raising \$2.2 million to buy a small plot of land on the U.S.-Mexican border to prevent a wall from being built on it, then dared the Trump administration to sue them over it.

This was not the first foray into national politics for the popular card game. In 2016 co-founder Max Temkin created a Super PAC called the Nuisance Committee, which purchased billboard ads written in Arabic saying, “Donald Trump, he can’t read this, but he is afraid of it.”

Before the election, the company created custom 15-card add-on packs for both Hillary Clinton and Donald Trump, asked fans to vote with their wallets for the candidate of their choice, and then donated all of the proceeds—more than \$550,000—to Clinton’s campaign.

Taking a sharply pointed political stance is built into the DNA of the company, which was founded and is still owned by a squad of eight comedy-writing friends from the Chicago area.

“We don’t have investors, a board or shareholders,” says Temkin. “We’re accountable to ourselves. We get to choose our customers through what we do. And if there are some out there who aren’t happy that we stood up for the rights of immigrants and refugees, we’d rather they left us alone.”

Few brands have the freedom—or the chutzpah—Cards Against Humanity does. But nearly all are feeling the pressure to take stronger social, environmental and political stances, especially from the youngest consumers to flex their marketing might, Generation Z. How nimbly brands navigate that minefield is crucial to their future survival.



REAL CHUTZPAH

GOOD

Cards Against Humanity created custom presidential-election card packs and then donated all of the proceeds to Clinton.

BAD

The poster child for inauthenticity remains Pepsi’s now-infamous Kendall Jenner TV spot.



THE NEW DIGITAL

The pressure to step up is driven in part by the rise of direct-to-consumer brands that see social activism as part of their primary mission. For example, with Warby Parker’s Buy a Pair, Give a Pair or Toms’ One for One shoe programs, people in developing nations receive a free pair of glasses or footwear every time someone makes a purchase.

But firms are also feeling the heat from social media-driven movements like #MeToo, #TimesUp and #BoycottNRA, which demand that brands pick a side—and do it quickly.

“Traditional brands can no longer sit on their hands and allow well-scripted corporate statements to shape who they are,” says Tripp Donnelly, CEO of digital reputation management firm REQ. “They have to be dynamic and understand they’re talking to multiple generations of people.”

The increase in brand social awareness has given rise to ad agencies that specialize in purpose-driven clients. One such agency, School in Boulder, Colo., operates with an ethos of #GiveaShit, continually working on campaigns that help fund projects for impoverished children around the world.

School founder and CEO Max Lenderman says having a clear purpose gives brands a distinct market advantage, and those that fail to recognize this will be left behind.

“Purpose is the new digital,” he says. “Brands you wouldn’t normally consider purposeful realize they have a role to play. And their customers are recognizing that this is kind of great.”

THE MIDDLE PATH

Many brands play it safe by steering a middle path, sticking to issues important to their constituents and close to their core values. But even then, they run risks.

When the Trump administration announced plans to open up Big Ears National Monument and other public lands to oil and mining interests last December, outdoor brands like Patagonia, REI and North Face publicly opposed the move.

Alex Thompson, REI’s vp of brand stewardship and impact, admits there was some risk in taking such a public stance, but says the response from its members was overwhelmingly positive.

“REI believes strongly that public lands are a nonpartisan issue and loved by people of all demographics, regardless of party,” he says. “When the Department of the Interior called for public comment, we felt it was our role as a 17-million-member co-op to engage constructively in the conversation. That’s not to say everybody was necessarily on our side, but we think it was appropriate to follow through on our values.”

Similarly, Whirlpool’s Care Counts

program is solidly in line with the company's family-centric values. Over the last two years, Whirlpool has donated commercial-grade washers and dryers to schools in poor neighborhoods, so students whose families can't afford laundry machines can show up to class in clean clothes. The result: a dramatic increase in attendance—from 82 percent to 91 percent during the 2016-17 school year—by high-risk students in cities from Baltimore to Los Angeles.

The Care Counts program is part of a larger portfolio of corporate responsibility projects at Whirlpool Corp., which includes support for Boys and Girls Clubs and Habitat for Humanity. But the company remains resolutely nonpartisan, notes Deborah O'Connor, director of global corporate reputation and community relations.

"We're not a political organization," she says. "We sell products to make everybody's lives easier."

Conversely, brands that stray too far from their comfort zones, or attempt to shamelessly appropriate social or cultural movements, tend to pay the price.

The poster child for inauthenticity remains Pepsi's Kendall Jenner TV ad, in which the model/influencer joins a peaceful protest march, then manages to quell a potential riot by handing a cop a can of soda.

Pepsi quickly pulled the ad after being accused of trying to commercialize the Black Lives Matter movement.

"That was a poorly executed campaign where both sides tried too hard," says Tiffany Zhong, CEO of Zebra Intelligence, a SaaS platform that connects brands to teens for research and marketing purposes. "It wasn't related to Kendall's brand, and Pepsi hadn't branded itself as caring about Black Lives Matter or social issues. They were just trying to latch onto a quick trend."

Z MARKS THE SPOT

Still, the time when brands can sit on the fence and steer clear of controversy is rapidly coming to an end. The reason? Generation Z.

The first generation to grow up with smartphones in their hands accounts for some 25 percent of the U.S. population, making Gen Z larger than boomers or millennials. Though many are not yet able to legally buy alcohol, they still wield \$44 billion in annual purchasing power, according to the National Retail Federation.

Gen Z also has different needs and expectations, says Jamie Gutfreund, global CMO of digital agency Wunderman. They are "venture consumers" who require a lot more information from brands before they're willing to risk an investment.

"If I'm a member of Gen Z and I'm seen on Instagram wearing a shirt from a company

that's considered 'unfriendly or bad,' I'm going to pay a price for it socially," Gutfreund says. "So I will be extra selective in terms of the brands I support."

Research conducted by Wunderman shows that nearly three-quarters of Gen Z believe they can change the world, but 85 percent put more trust in private companies than government. And nearly 90 percent say they're only loyal to brands that share their values.

Yet, there's a paradox at play here. For this generation of consumers, brand loyalty is tenuous and fleeting. The most politically woke,

"If a brand doesn't take a stand, or partners with an influencer who's taking a stand, people are just not going to see you," says marketing consultant Cynthia Johnson. "To build a real brand that attracts Gen Z, you will absolutely have to speak up."

It's a tightrope for many risk-averse American corporations, which often have difficulty responding to issues at the speed of the internet, notes Mark Ray, principal and chief creative officer at Portland, Ore.-based North, a purpose-based ad agency.

"American business culture is realizing that it doesn't have the time or expertise to

WHAT DOES GEN Z THINK?

WE ASKED FOUR YOUNG MARKETING CONSULTANTS ABOUT HOW GEN Z RELATES TO BRANDS AND WHAT MAKES IT DIFFERENT THAN OTHER GENERATIONS.



"Gen Z really cares about products and companies that are **value-driven** and have a strong, authentic mission. That's the key."

TIFFANY ZHONG, 21



"I honestly don't think there's much brand loyalty among Generation Z. I've seen friends go from one brand to another. It's all about which one is **innovating the fastest.**"

DEEP PATEL, 19



"Social media has been the best way for Gen Z to make a statement. When brands use social media to connect with people that's huge, but it only works if they're coming from an **authentic place.**"

MEHAK VOHRA, 21



"There are a lot of brands still trying to stay 'politically correct.' If you stay **right down the middle** on everything, nobody's going to care."

JESSE KAY, 17

socially responsible, innovative companies in the world are never more than one click away from losing their customers to a competitor.

"Everyone says they're super loyal until they find something better," says Connor Blakley, an 18-year-old Gen Z marketing consultant. "And then they jump ship."

TABLE STAKES

This means asking brands to take risks without any guarantee of reward. Yet those are the table stakes moving forward. Those who fail to be transparent about their values and beliefs will become invisible.

figure this out," he says. "They need help navigating it from a smart PR person or ad agency that's paying attention."

Ultimately it comes down to figuring out what your brand's values truly are, then articulating them loudly and often.

"If you have a clear idea what you're about, and you're willing to take a stand, your customers will respect you and things will work out," says Cards Against Humanity's Temkin. "If you're constantly making every decision on a piecemeal basis, or trying out activism as the buzzword for 2018, people will see through it."

MASTERS OF THEIR DOMAIN

WHY DIGITAL BRANDS ARE KILLING IT IN ECOMMERCE. BY LAUREN JOHNSON

For decades, the retail industry stood strong. Retailers emerged fairly unscathed during the first wave of the internet in the '90s because consumers still by and large chose to shop in physical stores staffed with employees that strived to provide customer service. So, it was business as usual with a small number of wary execs cautiously eyeing the growing shift toward ecommerce.

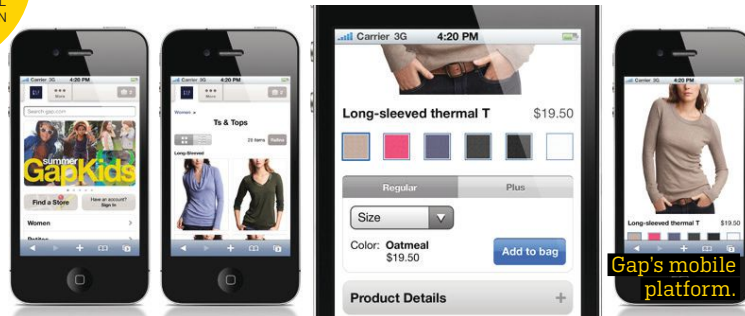
Those days are long gone thanks to Amazon and the latest tsunami of technology that makes it convenient for consumers to shop from anywhere via ecommerce sites and mobile apps. A quick glance through recent headlines shows why retailers are hustling to embrace ecommerce and become more digitally minded businesses: Toys R Us plans to close 800 stores this year as it likely begins to phase out its U.S. operations; Best Buy will shutter all 250 of its small retail sites that sell mobile phones; and Foot Locker plans to shut down 110 stores to focus on high-performing locations.

THE INDEX

A MONTHLY DEEP DIVE INTO HOW INDUSTRIES NAVIGATE DIGITAL TRANSFORMATION



Everlane in NYC.



Gap's mobile platform.

These recent moves aren't just a shift to ecommerce. Publicly held brands also have to position themselves as cutting edge for investors to compete alongside Amazon, Alibaba and other ecommerce giants.

"The challenge to traditional retail is approaching innovation in the right way," said Matt Kaden, managing director of MMG Advisors, a retail financial advisory service firm. "It's not just the Amazon effect, it's dealing with Wall Street—they don't have the rope that an Amazon has to not deliver profitability and continue to see your stock price increase."

Wall Street aside, ecommerce only makes up 10 percent of retail sales and is on track to account for \$526 billion of \$5.3 trillion in total retail sales this year, according to data in a new report from eMarketer and Accenture. Specifically, 39.6 percent of those transactions will take place on a smartphone. And in terms of top retail categories, 19.7 percent of apparel and accessories sales are expected to flow through ecommerce this year, up significantly from ecommerce sales from categories like health and personal care (6.8 percent) and food and beverage (2.8 percent).

Because ecommerce only

makes up a sliver of transactions, digital retailers that have mastered data and analytics, like Everlane, Walmart-owned Bonobos and Amazon, are now setting up physical stores that encourage consumers to stroll through and touch products. Clothing retailer Everlane, for instance, has showrooms in New York and San Francisco where shoppers can buy shoes, bags and jackets as well as make returns. The catch: Cash isn't accepted at the shops and all sales must be made using debit or credit cards.

"Digital brands have been experts at getting in front of a consumer, understanding them, capturing data, messaging to their consumer, but it's an expensive endeavor," Kaden said. "It's increasingly expensive to acquire customers through Facebook, Instagram, Google or retargeting—these companies have been relying upon raising a lot of money at high valuations but not necessarily building sustainable businesses."

Retailers also are experimenting with virtual reality, chatbots and augmented reality as new ways to show off products. But unlike other retail categories, like consumer packaged goods, there's a larger onus on retail to make sure those tests prove worthwhile for consumers and are not overly gimmicky.

DIGITAL DATA

\$526b

Total ecommerce sales for 2018

\$5.3t

Total retail sales for 2018

19.7%

Percentage of apparel and accessories sales from ecommerce this year

2.8%

Percentage of food and beverage sales from ecommerce this year

\$3b

Gap's digital and online business in 2017, up 30% from 2016

SOURCES: EMARKETER AND ACCENTURE; GAP

"It has to either lead to a sell-through or provide the retailer or brand data that will eventually lead to the sale and to do it in a way that's not sales-y—there's a Catch-22 there," Kaden said.

THE DIGITAL STORE OF THE FUTURE

Forty-nine-year-old Gap is one example of how traditional retail is evolving to put more of a focus on ecommerce. **Digital allows the brand to analyze data and see how consumers shop while physical stores can boost digital sales with customer service,** said Noam Paransky, svp of digital at Gap Inc.

During Gap's recent earnings for the fourth quarter, Gap said that its digital and online business reached more than \$3 billion in sales in 2017, increasing digital revenue 30 percent year over year.

The retailer is currently piloting a program on Old Navy's site that asks consumers to answer a few questions about themselves to find the best fit on an item. Gap Inc. also uses past purchase behavior to recommend products.

Other areas Gap is investing in: mobile point-of-sale systems in more than 1,000 stores that allow staffers to find items online and check shoppers out around stores via smartphones, and tracking digital browsing on the website to in-store visits for shoppers who have created an online account.

"There's a healthy percentage of online sessions and in-store transactions where customers are self-identified that we're able to stitch that data and gain a greater understanding of that behavior," Paransky said.

Welcome to the Purpose-Based Digital Economy

WINNING BRANDS WILL CREATE MEANINGFUL CUSTOMER EXPERIENCES. **BY BRIAN WHIPPLE**

This year, as I was walking the floor at CES, I was struck by many of the innovations that I encountered. Toasters that tweet. Smart fridges that talk to your TV. Shoes that vacuum. While some of these technologies are amusing, and others are interesting, it gave me pause to think—is it meaningful enough?

Innovation has spurred many dramatic advances and there's a lot to be excited about. But, even as a consumer, I'm dying to see more ground-breaking change. I know I'm not alone. We don't need more noise or extra gadgets. What we do need, however, is a refinement of our relationship with technology and to reorient around purpose.

It seems to me that now is the time to stop and ask ourselves: Has this wave of digital transformation given rise to experiences that actually improve lives? How can we ensure that we're not just innovating for innovation's sake, but creating experiences that make lives better, more efficient and more meaningful?

Brand purpose beyond CSR

The Association of National Advertisers has identified "brand purpose" as one of the key CMO actions required to drive growth. It defines brand purpose as "the intersection of a brand's core consumer strategy with societal well-being" and states that it is "critical to maintaining and enhancing brand relevancy."

Brand purpose transcends the concept of corporate social responsibility (CSR). While CSR is an important expression of an organization's core values, purpose-built experiences must be founded upon the brand's value proposition and primary functions. The blunt fact is that a customer whose needs are left unfulfilled from poor service or neglected brand promises will not likely be impressed with humanitarian or social responsibility efforts.

Breaking through the permission barrier

So, why aren't more brands igniting this shift to creating purpose-driven experiences?

The technology is there. The economic environment has created adequate capital for change. Creative minds across the media and marketing ecosystems have the right ideas. It's not because change is impossible or cost prohibitive. It's because, as a whole, we operate in a permission-based culture.

Top businesses may have a great idea to reinvent experiences but, by the time the organization is aligned—from marketing to IT to financial—and all necessary permissions have been granted, the momentum for measured risk-taking may have passed. Important ideas are becoming outdated faster than they can be actioned because of extensive short-term risk management.

Leadership teams must have the strength to work collaboratively to redefine their customers' experiences, and eventually lead change for whole industries. I encourage everybody to push through the permission barrier, and to ensure alignment around the creation of meaningful customer experiences.

Reorienting around purpose

At Accenture Interactive, we're committed to creating experiences that improve people's lives—from shopper to patient, student to retiree, oil rig worker to lawyer. By automating the repetitive, we give people their time back. By knowing each person as an individual, our clients can communicate with and serve them in ways that reflect their expectations. By being transparent, sharing beliefs



Bio

Brian Whipple is the global CEO of Accenture Interactive, the world's largest digital marketing agency, and is responsible for the company's full scope of work across design and innovation, marketing, content and commerce. He was named to the Adweek Power List in 2017.

Base Boston

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and aligning branded communication with product experiences, our clients ensure messaging is authentic and promises are kept.

Each year, I host an event called DigitalWorld, where Accenture Interactive employees and many others are invited to explore how technology can improve the world. We bring together colleagues from across the globe to brainstorm and create tech-driven solutions for some of society's most pressing challenges—from human health and environmental causes to disaster relief. One such innovation was the creation of an IoT, voice-enabled virtual assistant to aid the 47 million people in the world who are living with dementia. By connecting caregivers and families with dementia sufferers, the virtual assistant facilitates better and more personalized care while saving time and money.

Creating meaningful experiences doesn't necessarily mean changing the world; it can range from the noble to the entertaining to the downright mundane. What's important is working in partnership with clients to reinvent experiences that make everyday lives better, more productive, more efficient.

It's our responsibility—and opportunity. Because, what's more, companies that strive to bring more meaning and purpose to the experiences they create are destined to reap big business benefits in the form of loyalty, positive word of mouth, increased revenue and sustained success.

Let's give ourselves the permission to pursue that purpose together.



'Leadership teams must have the strength to work collaboratively to redefine their customers' experiences, and eventually lead change for whole industries.'

WINNERS' PLAYBOOK

BRANDS OFTEN FIND THAT WHEN THEY AIM TO DO GOOD, THEY ALSO END UP DOING WELL. HERE ARE FOUR RULES TO KEEP IN MIND.

BY DAN TYNAN



KNOW YOUR CUSTOMERS

Before you take a potentially controversial or divisive stance, you need to know who your customers are and what's important to them. Many companies fail to do a thorough audit of their customer base, says Tripp Donnelly, CEO of digital reputation management firm REQ. Those that do are often surprised by what they find.

"We often see companies living with old assumptions about who their customers are," he says. "Many like to say they're 'a data-driven organization' and then not actually look at the data. They need to have a definitive understanding of who their clients are, especially if they're going to make a highly politicized or activist statement."

GET THE BOSS ON BOARD

When brands are forced to take a stand and be transparent about their values, the message has to come from the top.

"You can't put the burden on your social media manager to tell the world how you feel about the Parkland students," says Mark Ray, principal and chief creative officer of North, a purpose-based ad agency in Portland, Ore. "You need the CEO to decide the company's stance on the Parkland movement."

In most cases, says Ray, the CEO knows what position he or she wants the company to take, but usually needs help navigating around potential landmines and making sure the message is accurate and unambiguous.

WALK THE WALK (AND TALK ABOUT IT)

It's not enough to put out the right statements or endorse the right issues. Brands need to also put their money where their messages are and take real action, says Max Lenderman, CEO of purpose-driven ad agency School. But it's also important to highlight these efforts.

"One of the things we try to do at School is to commercialize corporate social responsibility," he says. "There are millions of dollars being devoted by large corporations to their corporate responsibility efforts that never see the light of day."

BE GOOD—IT'S GOOD FOR BUSINESS

Brands can no longer count on customers remaining loyal. Instead, brands need to be loyal to their customers, says Jamie Gutfreund, global CMO at digital agency Wunderman. A big part of that is providing service to the community and the world at large, then trusting that people will recognize that and want to do business with you.

"Being in service to your customer means being a good company," she says. "It means supporting social causes that have nothing to do with sales. It's not a question of 'I'm supporting a social cause because I want to create loyalty.' You do it because it's the right thing to do."



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DATA IN THE TIME OF THE CHIEF PRIVACY OFFICER

MORE PERSONAL DATA, MORE HACKS AND
MORE TECH CHALLENGES HAVE MADE THE CPO
INDISPENSABLE TO COMPANIES. **BY MARTY SWANT**



INTO THE BREACH

DATA THEFTS HAVE GROWN BIGGER AND MORE SOPHISTICATED OVER TIME.

SIZE OF CIRCLE REPRESENTS SIZE OF DATA BREACH

2008

1.1 MILLION Social Security numbers were stolen when **RBS WorldPay's** data systems were breached.

2010

A data theft of **2.2 MILLION** **Honda** owners exposed their names, email addresses and in some instances vehicle identification numbers.

2011

Chinese hackers breached the computer systems of the **U.S. Chamber of Commerce**, accessing the personal information of **3 MILLION** members.

2012

A data breach exposed the email and passwords of **117 MILLION** **LinkedIn** users.

2013

A cyberattack on **Target's** gateway server accessed the credit card information of **70 MILLION** customers. The retailer agreed to pay \$18.5 million to settle an investigation by attorneys general in 47 states.

2014

Hackers gained access to **eBay's** employee log-in credentials and stole encrypted passwords and other information of **145 MILLION** of the ecommerce giant's users.

2015

80 MILLION records, including names, addresses and Social Security numbers were stolen from healthcare giant **Anthem**. The company agreed to pay a \$115 million settlement.

2015

The personal information of **32 MILLION** users of the affair website **Ashley Madison** was stolen.

2016

Malicious actors pilfered **57 MILLION** **Uber** rider accounts, forcing the ride-share company to pay a \$100,000 ransom.

2014

After **Home Depot's** payment data systems were breached, affecting **56 MILLION** credit card accounts, the company agreed to pay \$19.5 million in compensation.

2018

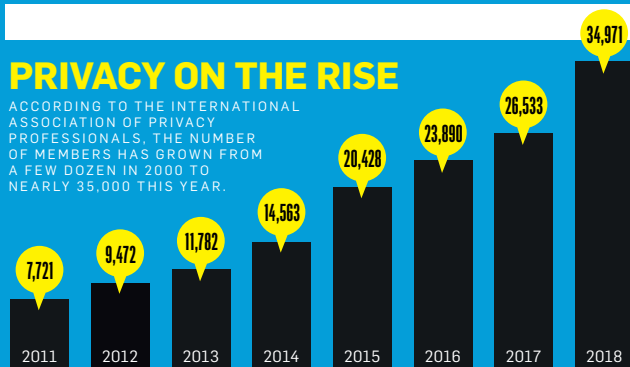
150 MILLION users of **Under Armour's** MyFitnessPal app had their user names, email addresses and hashed passwords stolen.

2017

Hackers broke into the systems of credit reporting agency **Equifax**, making off with the personal data of **145.4 MILLION** Americans.

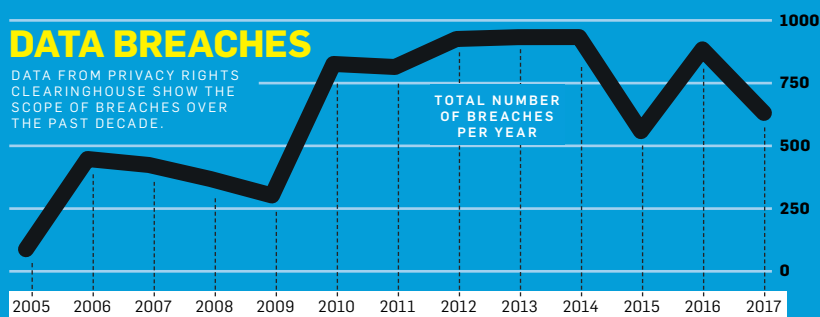
PRIVACY ON THE RISE

ACCORDING TO THE INTERNATIONAL ASSOCIATION OF PRIVACY PROFESSIONALS, THE NUMBER OF MEMBERS HAS GROWN FROM A FEW DOZEN IN 2000 TO NEARLY 35,000 THIS YEAR.



DATA BREACHES

DATA FROM PRIVACY RIGHTS CLEARINGHOUSE SHOW THE SCOPE OF BREACHES OVER THE PAST DECADE.





the annals of data privacy scandals, Facebook's current debacle is fairly monumental. After allegations surfaced last month that British data company Cambridge Analytica improperly accessed the private data from 87 million (at last count) of its users to target voters on behalf of the 2016 Trump presidential campaign, the fallout was swift.

In the span of just 10 days, the company's stock took a nosedive, wiping out nearly \$70 billion of its market cap. Several state attorneys general threatened to sue. The Federal Trade Commission opened an investigation and lawmakers in both Washington, D.C., and the United Kingdom demanded that Mark Zuckerberg, Facebook's founder and CEO, appear for questioning. (He testified before Congress last week.) The company itself revealed additional gaffes, including registering the text and call histories of android users. By the time Zuckerberg launched his high-profile apology tour, a full-blown boycott movement, #DeleteFacebook, was well underway—with everyone from Tesla founder Elon Musk to comedian Jim Carrey calling on others to scrap the app.

While Facebook's ongoing privacy fiasco thrust it into a massive reputation crisis—not to mention the crosshairs of lawmakers and regulatory agencies—it also laid bare the murky, ever-changing world of data privacy, where consumers' trust and personal information vie with the business interests of companies and organizations.

Enter the chief privacy officer. Once a marginal player among a handful of companies, increasingly businesses are deploying gatekeeping CPOs tasked with not only

setting privacy strategy, but also protecting customers' interests—while navigating the shifting landscape of regulatory compliance. According to the recent PwC 2018 Global State of Information Security survey, 79 percent of institutions worth \$10 billion or more have installed a privacy executive; while those worth between \$15 billion and \$25 billion say 81 percent have. Indeed, the International Association of Privacy Professionals (IAPP), a nonprofit group focused on privacy, saw its membership jump 40 percent to 35,000 this year from 25,000 in 2017—a giant leap from the few dozen members it had in 2000.

“Security is protecting companies from the world,” says Richard Purcell, who served as Microsoft's first CPO from 2000 to 20003 before founding the consulting firm Corporate Privacy Group. “Privacy is all about protecting the world from the companies.”

How organizations collect and use data has become one of the most important issues of our time. In part, that is because the amount of data produced—from social media to financial transactions—is astound-

Since 2005, the Privacy Rights Clearinghouse, an advocacy organization, has logged approximately 8,000 data breaches exposing 10.3 billion records.

Like hurricanes and superstorms, such attacks are occurring with alarming frequency. In March, Under Armour announced that as many as 150 million users might have had data stolen from its MyFitnessPal app. Earlier this month, Lord & Taylor and Saks Fifth Avenue reported data breaches that potentially exposed as many as 5 million credit card accounts. In April, Panera Bread disclosed a data breach of its website. By some estimates, the number of those who had their credit cards data stolen is as high as 37 million customers.

“Breaches have become the third guarantee in life after death and taxes,” says Credit.com co-founder Adam Levin, who now runs the security firm CyberScout.

Then there are the financial, legal and reputational costs associated with these breaches. Javelin Strategy & Research reported that last year a record 16.7 million Americans were the victims of identity theft—up 8 percent from 2016 and totaling

79% of companies worth \$10 billion or more say their organization has a privacy executive in place.

ing. According to market intelligence firm IDC, by 2025, consumers are expected to generate around 180 zettabytes (in layman's terms: one zettabyte is equal to 250 billion DVDs). What's more, as IBM noted, in 2013, 90 percent of the world's data flow was created in just the previous two years.

With all that data sloshing around, companies are under ever-increasing pressure to safeguard the privacy of the information that they manage. And all of this data is vulnerable, as the number of large-scale breaches, cyberattacks, identity theft and fraud in recent years has demonstrated.

\$16.8 billion in losses. Last year, the news that 3 billion Yahoo user accounts were compromised in 2013 nearly derailed Verizon's planned \$4.8 billion acquisition of the company's core business, ultimately slashing \$350 million off the purchase price. Equifax took a major PR hit and its CEO Richard Smith was forced to resign after the credit reporting agency disclosed last year that hackers broke into its systems and pilfered the personal information of some 145.4 million Americans.

One of the biggest worries a company now faces, says J. Trevor Hughes, IAPP's CEO, “is that you become the privacy pariah of the month.”

Now, entering the picture: tough new regulations aimed at providing consumers more control and better protections over their private information. The European Union's General Data Protection Regulation (GDPR), which goes into effect May 25,

By 2025, consumers are expected to produce 180 zettabytes of data.

ONE ZETTABYTE = 250 BILLION DVDS

marks the most significant shift in data privacy in over 20 years. The landmark law compels organizations to adhere to a strict set of provisions concerning why and how they collect personal information or face steep financial penalties. That includes any American company that manages EU citizens' data. Just how big of a deal is this? At last month's IAAP conference, where over 4,000 privacy professionals convened, GDPR was the biggest topic of conversation.

2017 set a record for data breaches recorded, up 20% from 2015.

"Most businesses don't have the time or budget to take stock of what they have," says Groupon global privacy counsel Jeanne Sheahan. "This is a very unique time in history to get your house in order."

Indeed, U.S. lawmakers are proposing new regulatory frameworks. Last month, Rep. Bobby Rush (D-Ill.) introduced the Data Accountability and Trust Act that would create a national standard for privacy and data protections. In California, a groundbreaking ballot initiative, the California Consumer Privacy Act, is coming up for a vote in November that would require large companies to disclose the types of data they collect from consumers. During Zuckerberg's congressional testimony last week, a pair of U.S. Senators presented a new bill aimed at further consumer data protections.

The idea of a CPO is not necessarily a new one. Data broker Acxiom's first C-suite privacy pro, Jennifer Barrett Glasgow, began leading the company's compliance initiatives in 1991. What is new is that companies, whether by choice or regulation, are now obliged to make privacy a central tenet of their businesses. As PwC's survey noted, "For CEOs and boards, the existential question is less about the future of privacy and more about the future of their own organization."

Unlike a chief security officer—whose main role is to protect a company's physical assets and intellectual property—the role of chief privacy officer requires a skill set that is part lawyer, engineer, businessperson, marketer and customer relations specialist. A CPO must weigh the risks and agendas between protecting consumers' information

CPO VS. CSO

A company's chief security officer and chief privacy officer must work closely together to ensure data is collected and protected. Here's a lineup of their singular roles.

CHIEF PRIVACY OFFICER

Drafts internal policies and programs for making sure consumer data is only used in ways agreed to by a user.

Ensures that a company is compliant with privacy laws at state, national and international levels.

Handles day-to-day privacy issues while communicating with marketing, engineering and business teams about the important of privacy.

Works on minimizing the amount of user data needed at any given time while creating ways to make sure the information is transparent to users that want to know about their data. That might also include auditing apps from which data is collected to make sure they are secure and comply with privacy laws.

CHIEF SECURITY OFFICER

Builds systems that prevent external actors from accessing sensitive data about consumers.

Manages response teams when there is an attempted or successful infiltration while communicating with legal and communications teams.

Conducts occasional tests within the company to make sure employees understand security risks while making sure external defenses for both physical and digital data are operating properly.

while assessing how that information can be used to a business's advantage. In short, they must understand what happens with every single user's personal information—from the architecture of how it's collected and where it comes from to how it's used and where it goes.

Doug Miller, CPO of Oath—the Verizon subsidiary that includes recently acquired AOL and Yahoo—says there's been a "palpable, cultural shift" in how the company views privacy. Miller, who was with AOL before the company's merger, now oversees hundreds of systems and databases while regularly communicating with the company's CTO, CMO and his Verizon CPO counterpart about how emerging tech such as AI, smart cities and other innovations could help or hurt their privacy efforts.

For companies—especially ad- and mar-tech firms that have spent billions on building databases to microtarget consumers' interests online—the new privacy landscape is nothing less than a front-burner issue.

Alisa Bergman, who became Adobe's CPO last year, says her prior experience with three law firms focused on privacy taught her the need to educate companies and government officials on how privacy can play out. Now, she spends much of her time drafting policies while also working with engineers to bake in privacy tools earlier on in the process—a concept

Fortune 1000 companies are estimated to spend some \$2.4 billion managing privacy.

known in the industry as "privacy by design."

In February, Demandbase, an account-based marketing firm, hired its first CPO, Fatima Khan. According to Khan, the first thing she did was conduct a risk assessment of the firm's privacy tools, including a gap analysis to see where it might have vulnerabilities in its platforms. Khan and her team discovered there was a need for Demandbase to better understand data subject rights, leading her to hire a project manager focused specifically on that task.

This brave new world for the CPO can also mean mitigating tensions between a company's business considerations and its legal ones, which don't always align. In 2013, OpenX, a

programmatic advertising company, decided to remove unverifiable inventory found in its exchange, as part of a broader crackdown on bad actors. While the move improved overall privacy measures, it drove revenue down by 25 to 30 percent. That in turn forced the company to cut its growth rate to 30 percent rather than hit its projected 40 to 50 percent.

“It was not a happy board meeting after we took that action,” says OpenX CPO Douglas McPherson. “But we felt like that was important for the long-term brand and the company we were building.”

At the moment, a number of companies have begun taking steps to deal with both upcoming regulations and greater scrutiny by investing in technology and tools aimed at better protecting data. In the wake of its current scandal, Facebook announced it will make it simpler for users to examine and change some of the data it tracks about them. This includes a central hub in its app set-

32% of surveyed companies say they started a GDPR assessment as of spring 2017.

tings that contains existing tools for users to review and, if desired, delete traces of their activity such as past posts and search terms. Earlier this year, Amazon offered improved data encryption on its cloud storage service.

The question remains, however, are these changes enough? In other words, as the data grows so too do the challenges. Will companies and their CPOs ever be able to keep track of it all—let alone protect it all?

At this time, trust, business and privacy remain locked in a long-term struggle. How it all shakes out remains to be seen. As Sen. John Kennedy (R-La.) said during last week’s Senate Commerce and Judiciary Committee hearings with Zuckerberg: “Our promised digital utopia, we have discovered, has minefields.”

MARTY SWANT IS A TECHNOLOGY STAFF WRITER FOR ADWEEK, WHERE HE SPECIALIZES IN DIGITAL MARKETING TRENDS, SOCIAL PLATFORMS, AD TECH AND EMERGING TECH. @MARTYSWANT

Q&A WITH HARRIET PEARSON

In 2000, Harriet Pearson became IBM’s first chief privacy officer, becoming part of the vanguard of early CPOs that set the groundwork for how corporations approach privacy. An expert on corporate data privacy and cybersecurity, Pearson is currently a partner at the Washington, D.C., law firm Hogan Lovells, focusing on cyber and data risk management, governance and compliance. She spoke with Adweek about her thoughts on the most critical issues facing companies today.



GDPR

First, a company that is doing business in Europe or is targeting or addressing individuals in Europe as part of its business operations needs to put in place a compliance plan for GDPR. That’s clearly occupying many organizations now. Second, GDPR is actually an opportunity for companies to put in place a global company-wide privacy compliance program. Because if you’re going to go to the effort of figuring out how to comply with European privacy law that’s comprehensive and has significant fines and penalties associated with noncompliance, you might as well mature and put in place a program across your whole organization. And I’m seeing probably more than half of the companies that I work with are using GDPR as a reason to re-look at and mature and refine their overall privacy compliance program. We’re seeing a lot of new privacy officers and leaders being hired or promoted.

BREACH PREPAREDNESS AND RESPONSE

How am I prepared for the inevitable? I think being vigilant on some of the newer issues that have emerged is important for companies. That includes if you’re a publicly held company and you have an incident, you must be mindful about what the Securities and Exchange Commission has said needs to be in place. The company must disclose the incident to investors or provide information about cyber risk to investors. There is also the risk of insider trading; those who might have information about an incident that is significant must also be addressed. Is there sufficient technical insight in the organization to investigate those kinds of incidents?

DIGITALIZATION

In the market advertising space, everything is digital, everything is big data, and there is increasingly the use of AI. What do we do? How do we chart a course forward? How do we plan for privacy in these new areas where we’re tapping more data and need to have privacy plans in place? So, that goes back to U.S. privacy law, global compliance and thinking about new-edge issues.



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PICTURED: MEMBERS OF MARVEL STUDIOS' AVENGERS ALONG WITH CANCER FIGHTERS DR. PHIL SHARP AND AMERICAN AIRLINES TEAM MEMBER, SHANDRA FITZPATRICK.



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BROADCAST LOCALLY THINK GLOBALLY

TV AFFILIATES ARE LIVESTREAMING THEIR WAY INTO THE DIGITAL FUTURE. **BY A.J. KATZ**

When the 2018 Major League Soccer season kicked off last month, Real Salt Lake fans didn't have to fly down to Toyota Field in Frisco, Texas, to watch the Claret and Cobalt play its Western Conference rival FC Dallas. They didn't have to turn on their televisions to watch the match either. Instead, RSL's avid followers could download Salt Lake City NBC affiliate KSL-TV's new app, RSL on KSL, and livestream the game on the digital device of their choice.

The KSL-Real Salt Lake deal marks the first time a professional American sports team has partnered with a local broadcast station on a local-only over-the-top deal. In February 2018, KSL-TV, owned by Bonneville International Corp., the Church of Jesus Christ of Latter-day Saints for-profit broadcasting arm, struck a three-year deal with Real Salt Lake. The agreement includes livestream coverage of RSL's affiliated teams, such as the Utah Royals FC, part of the National Women's Soccer League. The free, ad-supported app will carry more than 90 live games and video-on-demand content like pre-game shows on the station's own OTT platform; it does not require a cable or satellite subscription. Current availability is in the following regions: Utah, Phoenix, Las Vegas, Reno, Nev., and Boise, Idaho.

The deal is a savvy nod to changing habits—as audiences are increasingly preferring to view content and live sporting events on their smartphones and tablets. It also provides a potential blueprint for local broadcasters looking to reach people who are abandoning traditional TV sofa viewing.

"Real Salt Lake originally approached us about a more traditional media partnership," says Tanya Vea, vp and general manager of Bonneville Salt Lake City. "But I didn't really have anything to offer them from a broadcast standpoint. We don't have a secondary channel, but we had just launched the app."

According to Vea, RSL immediately saw the potential in forging a nontraditional media partnership. Since its launch, the app has drawn roughly 30,000 to 50,000 OTT views for each two-hour game. By comparison, Real Salt Lake averages

about 20,000 fans at its home games.

"Going over-the-top opens our content up to a much broader audience," says Vea. "As a local broadcaster, that's our goal." At the same time, she notes, the station hit an over-the-air advertising ceiling and felt it could afford to experiment with new ways of earning ad revenue.

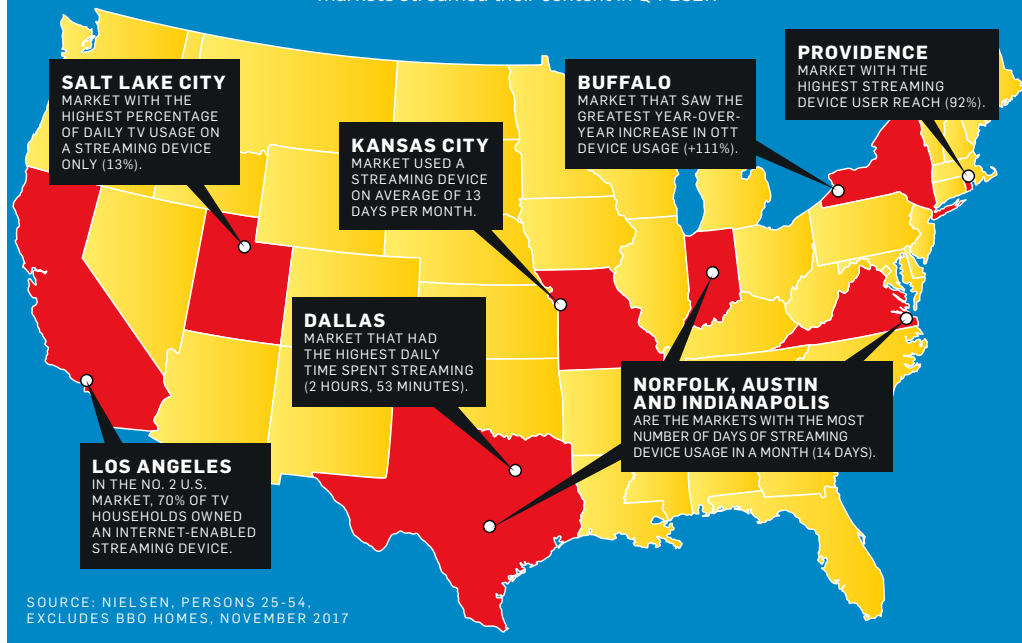
"From a growth standpoint, I don't need this additional screen to bring in significant revenue right now because we have the infrastructure, as far as content goes," she says. "We're just using it

in a different space, and we're able to generate new revenue off of it."

The ability to offer a secondary content distribution platform for locally produced content to capture audience, advertiser revenue and to extend their brands makes OTT an attractive proposition. "As affiliation agreements get more troublesome and expensive, says Brad Ward, CEO of TownNews.com, an Illinois-based digital media and online publishing company, "development of OTT channels give you an opportunity to build your local content and work

Living the Stream

A snapshot of how TV viewers from different markets streamed their content in Q4 2017.



on getting back to a 24/7 channel without network participation." TownNews.com worked on KSL's OTT app as well as those at a number of local stations across the country and Ward says, "This is just smart to be ready for what the future might hold, and these livestreams specifically, once fully developed, can be offered to the cable companies."

Indeed, according to a recent report by the Video Advertising Bureau, national usage has tripled to nearly 15 million OTT-only households since 2013. Nielsen Media Research reports that 62.5 percent of U.S. TV households (74 million) now have at least one digital streaming service, an internet-enabled video game console or an internet-enabled smart TV. That's up from 53 percent penetration in 2016. While streaming behavior varies by household type and market, last December, according to Nielsen, streaming usage increased on average by 30 percent over 2016.

In addition to the KSL-Salt Lake deal, YouTube TV recently brokered an exclusive English-language pact with the Los Angeles Football Club to stream 18 games, and another agreement to stream all Seattle Sounders FC matches, including exclusive streaming rights to the club's 21 regionally televised contests on a dedicated Sounders FC YouTube TV channel. In addition, Chicago Fire signed a three-year deal with the new streaming service ESPN+, which launched April 12.

Beyond sports, a number of stations have started to supplement their broadcasts with a variety of digital partnerships and offerings. KGMB-TV in Honolulu now runs a digital-only "snackable" newscast. According to a recent report by the Knight Foundation, Atlanta's WXIA-TV has published investigative, episodic video stories on its website, before airing them on TV. In Tyler, Texas, KLTU-TV livestreams its content all day, in tandem with its traditional broadcasts.

While some local broadcasters deliver their content over-the-top via their own OTT app, a number of ad-supported news aggregator services are cropping up, allowing users to access local news broadcasts and other content from TV stations across the country.

For instance, NewsON, a 3-year-old, multi-platform OTT service livestreams local newscasts from 167 stations in 112 markets. With NewsON, based in Atlanta, roughly 83 percent of the country can livestream at least one station in a designated media market via the free, ad-supported service. NewsON generates income from both consumer-facing advertising and also monthly fees from TV station affiliates.

Local stations have a lot of options on how they want to roll out their content. NewsON CEO Louis Gump says a number of local station groups are quite aggressive in how they roll out content on OTT, while others appear to have more of a wait-and-see attitude. But Gump feels it's only a matter of time before all station groups have an OTT offering.

For media buyers with a background in ad tech, OTT looks to be a good bet.

Matt Bayer, svp of Advanced TV at Cadreon, the ad-tech unit of IPG Mediabrands, says audience-driven television is part of how he goes to market, but his approach on behalf of his clients is more "screen agnostic." In other words, it makes more sense to gravitate toward whichever channel is more ideal to attract the audience the client is targeting. Whether



SCRIPTED TV

Sinclair Broadcast Group entered the wider cultural conversation late last month when the sports and media commentary site Deadspin published a viral video showing dozens of anchors at Sinclair-owned local stations around the country reading what appears to be the same, scripted anti-mainstream media message on-air.

Sinclair's must-run promo includes a warning about fake news from other media outlets, a promise to report fairly and accurately and a request that viewers go to the station's website and comment "if you believe our coverage is unfair."

The broadcaster's controversial promotional campaign was roundly criticized. But the promos also received praise, including from President Donald Trump, who tweeted that Sinclair is "far superior" to CNN and NBC.

For their part, Sinclair executives have pushed back, saying that it is their critics who are politically motivated. Last week, in an internal memo, Sinclair CEO Chris Ripley told employees that "as an organization it is important that we do not let extremists on any side of the political fence bully us because they do not like what they hear or see."

Paul Hardart, marketing professor at NYU's Stern School of Business, says these must-runs are getting into the realm of native advertising. It's not necessarily bad if Sinclair wants to send out must-runs, he says, but it should be clear where it's coming from, and marked as commentary.

"It's less an issue of what the content is, and one can argue that it's innocuous or not innocuous," said Hardart. "I think the real issue is using local anchors and personalities who have spent their careers building trust among their communities, and they're reciting something that isn't necessarily their views."

This saga comes at a pivotal time for the company, which is still waiting on regulatory approval from the Justice Department and the Federal Communications Commission for a \$3.9 billion deal to buy Tribune Media.

The addition of Tribune would allow Sinclair, which presently owns or operates 193 stations primarily in small and medium-size markets, to expand its national footprint by owning roughly 230 local stations, including stations in the nation's top seven markets.

When asked about the status of the proposed deal in March, Sinclair CRO Rob Weisbord said, "It's still alive. We're waiting on the government to make their decisions. We are cautiously optimistic that something will be closed in the second quarter, but it's all in the hands of the Department of Justice right now."

it's national or local, the channel could be linear, or it could be digital. That said, Bayer sees potential for value in OTT on the local level.

"We think the virtual MVPDs, like Sling TV and DirecTV Now, are ushering in an era of addressability that is unprecedented," he says. "Now, will that translate to local television? Probably when local gets their subs up and then you can start building really big audiences on the local level."

Raycom Media, the Montgomery, Ala.-based broadcasting company, which owns and/or operates 65 TV stations in 44 markets in 20 states, sees OTT as a tremendous opportunity. All 45 of the company's news-producing stations have launched their own app.

"Most of our programming is news programming," says Joe Fiveash, Raycom's svp of digital media and strategy, "and we are building out more and more programming to put on OTT. The things that station in Utah is doing with soccer, for instance, is what everyone ought to be doing."

Raycom stations air local news on weekdays and sports and lifestyle content on weekends, including The Southern Weekend, which is original Raycom lifestyle content for mobile, social, desktop and OTT that can also be re-edited and turned into a TV program. Raycom has been introducing native advertising to it.

"We're deep into thinking about what else we can do, who we can partner with, what other content can we put on there because it's looking like a great platform," says Fiveash. "The length of view is incredible. The number of ad opportunities in a streaming context are significant, and we're seeing a lot more streaming usage than VOD usage, which is exciting."

Maryland-based Sinclair Broadcast Group is another station group that is putting more effort into working with local advertisers in the OTT space. America's largest TV station owner, which came under fire recently for its controversial on-air promos during newscasts, announced last month it is making connected TV and OTT advertising available to local companies across its 193 local TV stations through a new partnership with Tru Optik, a data management platform that facilitates ads for connected TV platforms and measures OTT viewing.

"As we get into not only OTT, but also addressable TV, we knew we needed a data source," explains Sinclair chief revenue officer Rob Weisbord. "We believe in getting a legitimate ROI for our advertising clients, and we want to find the right audience for the advertiser and not just serve up impressions."

As more and more TV viewing takes place over the internet, and local linear TV ratings continue to decline, it will be even more important for stations to get involved in the digital space. OTT revenue may be supplemental for some local broadcasters in 2018, but based on the trends, that revenue stream may start to rise sharply in the coming year. If your go-to local station hasn't arrived on the device of your choice, you might not have long to wait.

"OTT is not going to be OTT as we presently know it five years from now," says Fiveash. "It's just going to be television."

A. J. KATZ IS A STAFF WRITER FOR ADWEEK, WHERE HE SPECIALIZES IN COVERING MEDIA PERSONALITIES, TELEVISION RATINGS AND PROGRAMMING. HE IS CO-EDITOR OF ADWEEK'S TVNEWSER BLOG COVERING THE NATIONAL NEWS INDUSTRY. @AJKATZTV

She
Runs
It.

CHANGING THE GAME

Creative disruption. Digital transformation. Today's groundbreaking brands and organizations are driven by visionaries, inventors and game changers. Each year, She Runs It honors the true catalysts of innovation with the Changing the Game Awards. These are the women who are making bold moves and reinventing the rules of marketing. They're transforming brands, remaking organizations and developing new approaches to business. This year's honorees will be saluted at a special She Runs It luncheon at Gotham Hall in New York on April 18. Learn more about—and be inspired by—their achievements over the following pages.

BRAINWAVE CHANGING THE WAY A PRODUCT IS MARKETED

Marissa Solis VP & GM PepsiCo

It used to be that if you wanted to find a Frito-Lay product, you'd go to the chip aisle. But today you can get Cheetos dust on your fingers when you're picking up fast food or enjoying a movie thanks to the novelty mashups

that Solis promoted as head of marketing of the company's away-from-home segment. Her group catapulted Burger King's Mac n' Cheetos—which is exactly what it sounds like—into the public consciousness. The comfort food in a finger-friendly, crunchy crust (and its follow-ups Cheetos Chicken Fries and Flamin' Hot Mac n' Cheetos) has garnered billions of media impressions thanks to appearances on *The Today Show*, *Good Morning America* and *The Late Show*...plus tons of buzz on the fast food



communities of YouTube, Instagram and Snapchat.

Clearly, Solis thinks outside the bag. Go to Regal Cinemas and you can have Cheetos Popcorn. Head to the local 7-Eleven and you can pick up Doritos Loaded (also now available the supermarket freezer). They're the kinds of activations that people just can't help talking about. And now Solis is taking her innovative approach to the PepsiCo's North American beverage business, where she's moved over to lead Hispanic strategy.

Amy Baker EVP, Ad Sales A+E Networks

For over three decades, Lifetime has served women viewers, but, with Baker leading the charge, the A+E network has recently upped its game with a series of research reports examining the key issues impacting womanhood today. The 2017 study—"One Woman's Empowerment Is Another Woman's Burden"—was based on two years of proprietary research, with Baker and her team uncovering what captures the hearts, minds and dollars of contemporary women.

As more brands market to women, these kinds of insights have become indispensable, as it is increasingly obvious that the forces shaping women's identity are complex and rapidly changing. A follow-up "Women and Money" study covered the societal expectations and cultural contexts that come into play with money, including what money means to women socially,



in banking, saving, budgeting, investing and retirement planning.

Last year, Baker launched the SheReports Newsletter for Lifetime, providing of-the-moment content on emerging trends and commentary for agency and brand marketing decision makers. The ANA's #SeeHer has a regular feature highlighting interviews with ad executives where they look at a topical issue as it relates to female consumers. It has become a must-read for those who want to understand what it means to market to women today.

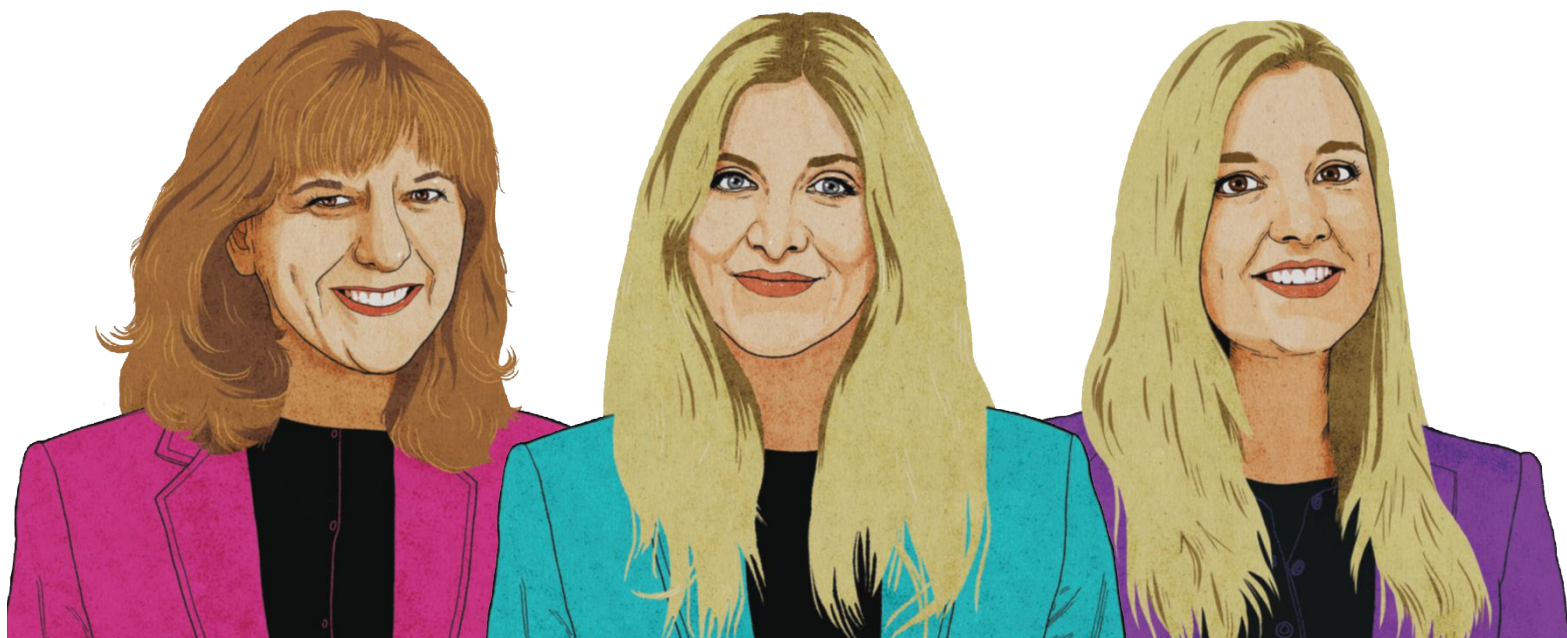
SHE RUNS IT

SHE RUNS IT

SHE RUNS IT

Congratulations to our founder and CEO, Kristin Dolan, and every women honored by She Runs It with a Changing the Game Award for transforming their companies and the industry.

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5IVE™



Ann Rubin
VP, Corporate Marketing
IBM

IBM may not be top of mind when it comes to couture, but thanks to Rubin's leadership, the two may forever be intertwined. In 2016 she and her team partnered with high-fashion house Marchesa to design a "cognitive" dress for the Met Gala's "Man X Machina"-themed-evening. Worn by supermodel Karolina Kurkova and fabricated using IBM Watson APIs, the dress changed color based on what people tweeted about the event.

Rubin's content activations have been critical to showing the human side of IBM's Watson AI. For example, last year's "Art with Watson" program teamed artists with Watson to use data to discover and illuminate the unknown essence of six notable individuals: Charles Darwin, Eleanor Roosevelt, Nikola Tesla, Paul Rand, Josephine Baker and Thomas J. Watson. And at this month's Masters, Watson created personalized highlights. Says Rubin, "We see this as an invitation to our clients and partners to work together to put smart to work to transform any industry from healthcare to retail to education to energy by applying Watson, cloud, blockchain and security to change their industry and the world."

Ivonne Kinser
Head of Digital
Avocados from Mexico

Few things go better with a Super Bowl Party than guacamole—that's a given and one of the reasons that Avocados from Mexico has advertised during the big game for the last four years. But it's the digital extension of that campaign—under Kinser's leadership—that has supercharged its impact. Consider this: The recent Avocado Secrets activation included a gamified consumer experience with 17 functional apps, 100,000 brand influencers and an extensive social and media campaign. The result? It was the number one digital Super Bowl campaign on search.

The big game isn't AFM's only high-profile effort. Kinser also masterminded a strategy that let the humble fruit amplify the impact of its float in Macy's Thanksgiving Day Parade. In "Avotracker," a virtual float journeyed from Michoacán, Mexico to NYC, making six different stops along the way; the more consumers tweeted the #AvosToNYC hashtag, the faster the float moved through the U.S. And at SXSW in Austin, Texas, a giant Avomatic avocado vending machine used AI to capture consumers' facial cues and serve them customized avocado-based dishes, generating 1.6 billion social impressions in two weeks.

Colleen Hotchkiss
EVP & Managing Director
Zenith USA

To Hotchkiss, the name CoverGirl has far broader meaning than it may imply, something that became evident when she oversaw the media execution and amplification of "The First Male CoverGirl" campaign for last year's launch of So Lashy mascara. Aimed at the emerging Gen Z market, it featured 17-year-old makeup artist and social media star James Charles as a CoverGirl spokesman. A first for mass cosmetics, the campaign reached 62 million consumers within one hour of launch and drove a 225 percent sales lift over CoverGirl's previous mascara launch, not to mention coverage that resulted in more than two billion media impressions.

Hotchkiss has been an indispensable part of Zenith's beauty and luxury portfolio, whether it's an attention-grabbing experiential execution for a top fragrance brand or overseeing U.S. business for the global Coty account. She's assembled a top team and is dedicated to inspiring the next generation of talent both in the agency and across Publicis Groupe as an active member of Viva Women, its group dedicated to empowering women through mentoring, professional development and work-life integration.

CONGRATULATIONS
KRISTIN DOLAN

ON BEING HONORED AS A
SHE RUNS IT
'CHANGING THE GAME'
WINNER

THE MADISON SQUARE GARDEN COMPANY
APPLAUDS OUR BOARD MEMBER,
KRISTIN DOLAN, FOUNDER & CEO, 605,
FOR BEING AN INNOVATOR IN USING
AUDIENCE MEASUREMENT AND ANALYTICS
TO CREATE A NEW VISION FOR THE
MEDIA AND ENTERTAINMENT INDUSTRIES.



**THE
MADISON SQUARE GARDEN
COMPANY**

PARADIGM SHIFT CHANGING THE WAY A CUSTOMER SEGMENT OR TARGET AUDIENCE IS APPROACHED

Annah Zafrani
SVP Integrated Marketing
Universal Pictures

There's nothing really new about big movie partnerships with TV networks, but Zafrani and Universal have really set the bar for creating links that get results. Some things seem obvious—what could be more natural than pairing the Jurassic World blockbuster with Animal Planet's Monster Week? Others? Maybe not quite so intuitive. For example, what do you do for an animated movie about a talent competition for animals like 2016's Sing? Zafrani and her team set up 450 custom elements across 14 networks to extend the movie's reach in ways you might never have imagined. Sure, there were stunts on Cartoon Network, Nick and Disney.

But ESPN? A promo featured NFL stars like Aaron Rogers performing some of their go-to karaoke numbers. Or WWE? The first movie integration featured special spots for Raw and Smackdown. By targeting every type of viewer, Zafrani and team helped Sing become a global success.

The truth is, movie companies require big opening weekends and Zafrani has had to reinvent ways to market Universal's movies to consumers. By leveraging movie talent and custom creative, she's been able to come up with stunts that not only boost recall but get fans excited to head to the theater. That's something standard commercials often can't do.



Goli Sheikholeslami
President & CEO
Chicago Public Media

At Chicago Public Media, Sheikholeslami is marrying the best of the old guard with the transformative aspects of digital innovation, leading the public media company's transition from a broadcast radio service to a digital on-demand news and entertainment hub. Under her watch, Chicago's NPR station WBEZ has achieved enviable audience and membership growth of 35 percent in just three years, and is expanding its capacity to create and distribute high-quality, in-depth journalism, innovative podcasts and original programming for all of its platforms.

Sheikholeslami is that rare executive with a combination of traditional news media experience and digital innovation. When she was at The Washington Post, she led the successful integration of digital operations with the company's traditional print publication while maintaining the highest of journalistic standards. She was also chief product officer at health information platform Everyday Health. You'll also find Sheikholeslami on the boards of NPR, Patreon, a start-up that powers membership businesses for creators, and DHI Group, Inc., a provider of data, insights and employment connections through specialized services for professional communities.



Lisa Beshara
SVP, Client Business Partner
J3

Skincare users are a notoriously fickle bunch, but Beshara has found ways to leverage data, smart targeting and innovative creative to enhance personalization and create new levels of lifetime loyalty. Working with a variety of Johnson & Johnson brands (J3's sole "client"), she's taken a digital-first approach to ensuring relevance. For Aveeno, Beshara and team mined shopper loyalty card data to create an audience segmentation plan. That was combined with ads served based on real-world triggers like UV index, wake-up/bedtime routines, retailer locations, and other contextual issues. The campaign won the Best Use of Data award at the Festival of Media.

But Beshara isn't just about lotions and potions. Last September she and her team oversaw the first digitally led campaign for Neutrogena's Light Therapy Mask, a tough sell since consumers saw using light to treat acne as "weird" and "intimidating." The campaign addressed this head on, having people take selfies wearing the mask, using co-branded influencer content and testimonials and building out how-to videos to tell the story. The result: increases in recall and a jump in product awareness.

Congrats, Ivonne!

We're proud of you.

SHE RUNS IT
**2018 Changing
the Game Award**
BRAINWAVE CATEGORY

IVONNE KINSER
HEAD OF DIGITAL AT AVOCADOS FROM MEXICO



**She
Runs
It.**

Kristin Dolan
Founder & CEO
605

From her years of experience at Cablevision, Dolan learned the value of the data and analytics that cable set-top boxes can provide. So when Cablevision was sold to Altice a few years back, the one-time COO founded a VC fund with then-husband James Dolan (the company's CEO) to invest in data, analytics and technology. Dolan Family Ventures set the stage for the launch of 605, which focuses on TV media measurement and analytics. After all, shifting viewing habits and new means of delivering programming mean there are major gaps in the way TV media is measured. 605 aims to fill those gaps for both marketers and programmers so they can understand the true impact of their TV advertising investments.

Dolan is widely respected as someone whose insight and experience can inform strategy and help companies execute their plans, and she sits on the boards of Wendy's, Revlon, AMC Networks and Madison Square Garden. Plus, she's won an Emmy for outstanding achievement in interactive television programming.



Christine Pantoya
SVP, Direct-to-Consumer
& Mobile Strategy
NBA



AMY BAKER

EXECUTIVE VP AD SALES, A+E NETWORKS

TALENTED, PASSIONATE PARTNER AND GAME CHANGER

Congratulations on being named a
She Runs It, Changing the Game Winner,
from all your friends at Horizon.

horizonmedia

People love to talk basketball. On social channels. On their phone. Everywhere in the world. That's why Pantoya is always thinking about what can be done to increase the thrill of what's happening on the court via every person's mobile device. After all, the NBA is all about global expansion (a third of the players in the league now have international backgrounds) and mobile is crucial to reaching new markets. "We found that 70 percent of conversations on Twitter during the finals were relative to NBA," she says. "After the finals, there's the draft, and people using technology means the conversation continues. We also drafted our first Indian player last year, and this meant huge engagement in India. And so basketball is becoming a year-round season."

Pantoya has overseen key partnerships with mobile providers like Verizon in the U.S. and Vivo in Brazil, making it more seamless for fans who can watch NBA League Pass on their phones. She and her team have also introduced dedicated apps for things like mobile ticketing and even parking. And under her watch, NBA also became the first league to broadcast a whole game in VR. "We are looking to put consumers in the center," she says. "And they can then create their own personal experience."

Maureen Polo SVP of Brand Studio Fullscreen

When brands want to reach the social-first generation, they turn to Fullscreen, which has one of the largest networks of influencers and content creators. But when they need something truly engaging, they tap into Polo and her brand studio to come up with creative ways to tell stories that maximize the impact of social platforms. So for AT&T, they came up with Guilty Party, a show about cyberbullying that featured a collective of young digital stars that already had a following of nearly 40 million fans. Told through weekly episodes and daily character vlogs, the show ran on the series' Facebook, Twitter and Instagram accounts and later on AT&T's DirecTV Now streaming service.

Polo has also helped Mattel and Fullscreen rethink content for younger kids with Fullscreen Family, a massive collection of family-focused, brand-safe channels for third-party advertisers on YouTube and other digital platforms. So Fullscreen creators can now, for instance, make social-first content for Hot Wheels fans that can run across the toy's Instagram, Facebook and YouTube channels.



GAME CHANGER. INNOVATOR. AGENT OF TRANSFORMATION.

BOLD WOMEN

Rewrite the Rules

TO A MORE BEAUTIFUL WORLD.

Congratulations, **Lisa**.

Thank you for being a role model and inspiration to us all at Johnson & Johnson.

2018 Changing the Game Winner – Paradigm Shift

LISA BESHARA

J3, SVP, Client Business Partner



NO APOLOGIES CREATING WHOLE NEW BUSINESS MODELS, INDUSTRIES, OR MARKETPLACE OPPORTUNITIES

Sarah Miyazawa LaFleur
 Founder & CEO
 MM.LaFleur



Miyako Nakamura
 Cofounder &
 Creative Director
 MM.LaFleur



Whoever thought the nothing-to-wear-to-work blues could be cured with a bento box? That's the solution from market disruptor MM.LaFleur, which delivers curated collections of office-appropriate wear in a "Bento" of wardrobe staples that might include dresses, separates, knits or accessories. It's the brainchild of Miyazawa LaFleur, a former senior manager of the luxe goods portfolio of a private equity firm, and

Nakamura, who held top design spots with Zac Posen and Jason Wu.

MM.LaFleur has taken the direct-to-consumer model and applied it to the rules of workwear. Its styles are simple, beautifully made and meticulously fabricated. But the true genius of MM.LaFleur is that it not only helps customers figure out what to wear but also allows women who've shied away from the unforgiving department store mirror

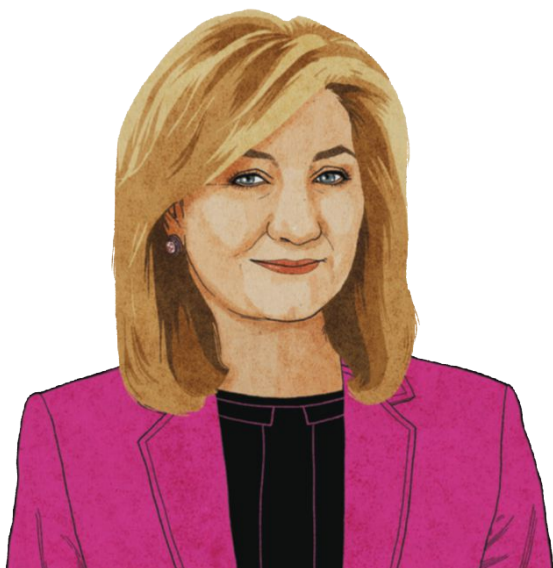
to try styles on in the privacy of their own home. And it is working. Some 40 percent of first-time customers return within 12 weeks to make another purchase. The brand is now expanding from digital to brick-and-mortar, with showrooms in Chicago, New York City and Washington D.C., and pop-ups in six cities. Clearly consumers have been hungering for someone to take the work out of finding work clothes.

Diane deCordova
 COO & Cofounder
 Parsec Media



Few issues are as important to digital advertisers today as attention. Just because an ad gets served doesn't mean it's getting seen. And engagement? That's another issue altogether. But deCordova believes she has the answer—shifting the standard in mobile media from impression-based CPMs to engagement-based Cost Per Second. Her company, Parsec, offers what it calls "politely interruptive" ad formats, giving viewers control over what they see (e.g., skippable video) and letting advertisers pay only for the time the ad is engaged with. After all, time spent is the best proxy for the consumer's attention. This format also ensures that only those people who are likely to view an ad get served the ad. A number of media properties—including Hearst, Forbes, Politico and Time Inc.—have made time-based inventory available.

DeCordova is no stranger to the challenges of digital engagement. Before founding Parsec, deCordova led the launch of Google BrandLab, its workshop for marketers that is well known for pioneering the most engaging ad formats. She was also a part of Google's video sales efforts, coming on board after YouTube acquired Next New Networks (providing branded entertainment programming on YouTube), where she was sales SVP.



Monica C. Smith
Founder & CEO
Marketsmith, Inc.

It's no secret that ad tech has been largely male-dominated, but that hasn't stopped Smith from sweeping fearlessly through with a one-of-a-kind, results-driven business model that marries creativity and technology. Her company's proprietary software-as-a-service platform, i.Predictus, encompasses multitouch analytics and sales attribution, media mix modeling and data visualization. Boasting a 93 percent accuracy rate, i.Predictus has earned four U.S. patents and has successfully optimized more than \$1 billion in advertising expenditures for Marketsmith's clients.

Smith is a big believer in breaking down barriers. Her agency makeup is 54 percent women, 34 percent millennial and 25 percent minority. She also gives back with a vengeance. Her One More Smith effort is a permanent home and sanctuary for hard-to-place animals, many with disabilities, that has housed thousands since its inception in 2004. Bring Dinner Home, an annual Thanksgiving event she started, serves nutritious holiday dinners to hundreds of impoverished families of school children at the Camden Street Elementary School in Newark. Monica and her team also provide the families with warm coats, books and grocery store gift cards.

Six brand platforms.
Countless Lions, Pencils, Effies.
Hundreds of friends at one very grateful agency.

Ann Rubin, you've really changed the game.

QUANTUM LEAP

CHANGING THE WAY AN ORGANIZATION IS ALIGNED TO PROACTIVELY MEET NEW CHALLENGES



Danielle Lee
Global Head, Partner Solutions
Spotify

You can't get more personal than someone's musical preferences, and Lee has led Spotify's people-based marketing initiative, which aims to uncover the streaming habits that are unique to the new way of listening. After all, listening to music is an emotional experience, and while data may seem the antithesis of this, it can also reveal context, the building block for personalized marketing and reaching people at the proverbial right time at the right time with the right message.

Some of Lee's more innovative initiatives include launching the first audio self-serve platform, Spotify Ad Studio, to allow brands of all sizes to tap into the power of Spotify. The Branded Moments campaign, a native mobile video solution for brands to connect and engage with consumers in real-time moments, was launched with brand partners including Gatorade, Bose and Bacardi, and its personalized approach helped drive strong brand affinity. Lee also was integral to Understanding People Through Music, an exhaustive study that analyzed the listening habits of over 100 million people. The findings have been heralded as music to both marketers and users' ears.

Julie Veloz Ott
VP, Learning Development
IPG Media Brands

Typically Learning and Development is not considered the most charismatic department of an agency. But instead of keeping the division in the shadows of human resources, Veloz Ott has moved it into IPG Media Brands' spotlight. And given that data is her thing, it's no surprise Veloz Ott's "numbers" are on the rise. Within six months of taking charge of the group, Veloz Ott shifted its perception among IPGMB employees, with the vast majority feeling like their growth and development was being supported through learning initiatives. In fact, all the organization's L&D programs now have a score of 4.35 or higher out of 5.0.

And while many companies focus their learning efforts on their employees, Veloz Ott has taken a broader approach. Certainly, using advanced learning technologies to ensure effective professional education has been central. But she's also aware that keeping IPGMB's clients in the know can be an extremely valuable differentiator and smooth communications between the agency and clients—something she's done with the launch of client media academies.

And then there's her commitment to diversity and challenging the status quo. Veloz Ott cofounded ROAR, IPGMB's diversity and inclusion employee resource group, and through the group started Futures Academy for underserved NYC high school students.

FEARLESS VOICES

**Susan Chira
&
Catrin Einhorn**
The New York Times

This year, Changing the Game adds a new honor for women who use their voices, talent and tools to break through the enduring silence, creating a path for action and change. Called

Fearless Voices, it will salute Susan Chira and Catrin Einhorn, reporters for The New York Times. Their coverage of gender bias and harassment at two Ford Motor Company plants in Chicago shined a light on the plight of blue-collar women in manufacturing industries that had long been the preserve of men. The article posed a critical question for today's corporations: Why is it so hard to change a culture of harassment?

AMC NETWORKS CONGRATULATES

KRISTIN DOLAN



AND THIS YEAR'S
CHANGING THE GAME
AWARD WINNERS

AMC
NETWORKS

amc

BBC
AMERICA

IFC

SUNDANCE TV

WE

amc

STUDIOS

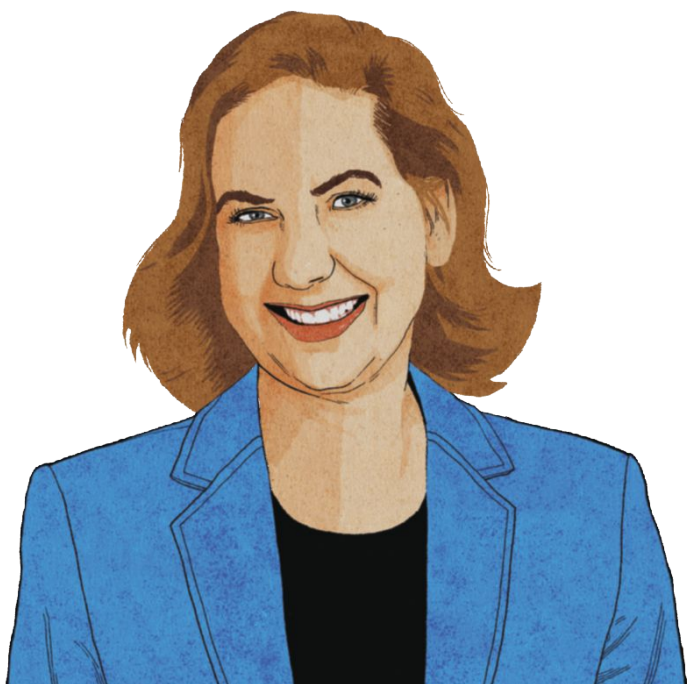
IFC Films

s/n

SUNDANCE NOW

SHUDDER

AMC NETWORKS
INTERNATIONAL



Lynn Power
Former CEO
JWT New York

When she graduated college with a double major in English and criminal justice, Power was looking for an agency career. Except that agency was the FBI. But now, with an industry pedigree including Ogilvy, BBDO and McCann Erickson, in addition to JWT, it's pretty clear Power ended up making the right agency choice. And her experience driving JWT New York's transformation serves as ample evidence.

Power joined JWT during some rough times. The shop had gone through three global CEOs, five NY office leads and six CCOs in eight years. Clearly the organization needed a new direction. Power didn't simply put new management in place, but set in motion a new management style that got rid of legacy hierarchy (she refused to have an assistant) to make JWT more nimble. That agility was necessary to improve creativity, up the quality of work, firm up existing client relationships and win new ones. All this rethinking has paid off. Client satisfaction scores shot up. New business closed. And creativity bloomed—under her watch, the agency won seven Cannels Lions in 2016 and 12 last year. Power left JWT New York in February “to pursue an entrepreneurial opportunity,” according to an agency statement.



CONGRATULATIONS

MAUREEN POLO

FROM YOUR FRIENDS, COLLEAGUES

AND BRAND PARTNERS

**MAUREEN IS A GAME-CHANGER
BECAUSE SHE IS...**

“A bold leader who isn't constrained by traditional thinking... pushing herself and those around to think bigger and bolder. Most importantly, she leads by lifting other women up with her.

REBECCA DUKE - SENIOR BRAND MANAGER
MALTESERS® MARS WRIGLEY CONFECTIONERY US

“Consistent in her innovative approach to helping brands reach new consumers in creative, transformative new ways. She's a collaborative partner and lots of fun to work with in the process.

JAY SETHI - VICE PRESIDENT
SMIRNOFF & NURTURE BRANDS PORTFOLIO DIAGEO

“A pioneer and a courageous leader. She's always pushing the boundaries of what's possible and inspires everyone around her to innovate with every project.

KATRINA CRAIGWELL - VICE PRESIDENT
BRAND + REVENUE MARKETING - GE DIGITAL



Solange Claudio
President
Moxie

It's pretty hard to toe the line when it comes to achieving a more diverse workplace, but Claudio has done just that at Moxie. In her first year, she elevated two women, upping the agency's female leadership to six. And she didn't stop there. Within Moxie, she created and now leads Amelia, an offshoot of Publicis Groupe's VivaWomen program, which places a premium on promoting women in data and technology. Claudio has also spearheaded efforts to attract and retain more multicultural talent. Programs such as ADPR Academy, MAIP Internship, the Mosaic Career Fair and others help that multicultural pipeline.

Driving a culture of innovation has been a key part of Claudio's success at Moxie. Not only has she created a state-of-the-art campus for the Atlanta agency, but its FutureX Lab maker space has become an epicenter for modern marketing solutions in the area. And Moxie's FutureX Live Conference has become a showcase for the latest thinking on the promise and possibilities of emerging technologies like AR/VR, mixed reality and brain-computer interfaces. It's little wonder that Moxie is regularly listed as one of the best places to work in Atlanta.

IT'S ONE THING TO CHANGE THE GAME,
IT'S ANOTHER TO **REVOLUTIONIZE IT.**



JULIE VELOZ

QUANTUM LEAP GAME CHANGER



LISA BESHARA

PARADIGM SHIFT GAME CHANGER



ON THE ORIGINS OF BRANDS AND THE PEOPLE WHO BUILD THEM

Perspective

THE NAME

Most people think Act II is a theater reference, and the company's fine with that. But really, Act II is simply a riff on Act I, the name the brand first bore in 1981.

Act II Popcorn

HOW A TINY COMPANY FROM EDINA, MINN., GAVE AMERICA THE PERFECT SNACK FOR SCREEN-TIME MUNCHING.

BY ROBERT KLARA



THE FLAVOR

While Act II is a brisk seller in Latin America because of its spicy varieties, Americans like the taste of butter—and

Act II sells five different kinds of it.

THE GOODS

Microwaves are exceptionally good at exciting the water molecules inside of popcorn kernels, which pop at 347 degrees Fahrenheit.



Sixteen years ago last month, hard-core movie fans from all over the Twin Cities flocked to the historic Heights Theater, tucking into its 398 plush seats for one of the odder events in cinema history. It was called PopFest, and it wound up breaking the Guinness World Record for continuous movie watching. While many people showed up, only 12 made it to the bitter end, watching 28 feature films for a total of 53 hours and 22 minutes.

Fortunately for these stalwarts, there was an incentive: free popcorn—a total of 585 pounds of it—provided courtesy of Act II.

PopFest was sponsored by Act II's parent ConAgra, which cooked up the campaign to plug a product that, arguably, needed little promotion, then or today. With a microwave oven in the kitchens of more than 80 percent of American homes, most everyone has munched on microwave popcorn at one time or another. And, especially for the value-conscious among us, Act II—which sells for \$3.98 for a 12-pack box—is the go-to brand of that popcorn.

Act II is not the leader in the segment. Nor is it growing as it did in years past. Act II's boast is legacy. First appearing on store shelves 37 years ago, the brand pioneered an entirely new category, and helped change the way Americans snack in front of the many screens they watch.

Act II's story actually begins decades before the brand did. In 1945, Raytheon engineer Percy Spencer was standing in front of a bank of magnetron tubes when he noticed that the candy bar in his pocket was melting. Curious, Spencer placed some popcorn kernels in the path of the microwaves. They popped.

The engineer patented his process in 1949, but microwave ovens—expensive monsters initially produced for institutional cooking—would not begin taking over home kitchens until the 1970s, when Amana's "Radarange" became the first brand to teach Americans how to nuke their food.

Meanwhile, sensing an opportunity, a company called Golden Valley Microwave Foods arrived on the scene in 1978. Its food engineers cooked up a slew of products, including a microwavable popcorn called Act I. Rolled out in 1981, Act I—the first product of its kind—contained real butter, so it had to be sold in refrigerated cases. In 1984, Act II appeared as a fully shelf-stable product, albeit one with artificial flavors to mimic the taste and color of butter.

Golden Valley prospered. By 1989 its sales hit \$141 million, most of it fueled by Act II, which had grown 41 percent the prior year. ConAgra snapped the company up in 1991, and has made Act II ever since.

"Act II is the best-value popcorn, especially among people who like the flavor of butter," said ConAgra communications manager Dan Skinner. "Our three most popular flavors are butter, butter and butter." (Act II actually sells five butter flavors, including Xtreme Butter and Movie Theater Butter.)

Even so, the steam is largely out of the bag. According to Euromonitor, Act II's sales for 2017 were \$92.3 million—a kernel of what they were in the 1980s. Consumer tastes have evolved to favor snacks with pronounceable ingredients. But that's not to say that Act II, and microwave popcorn in general, has lost its audience—and certainly not with young people.

"If you go to college campuses, kids have microwave ovens in the dorm rooms," said snack food industry veteran and New England Consulting Group CEO Gary Stibel. "And they aren't using them to refresh their shoes."

ACT II

Fast Facts

1981 Act I hits store shelves.

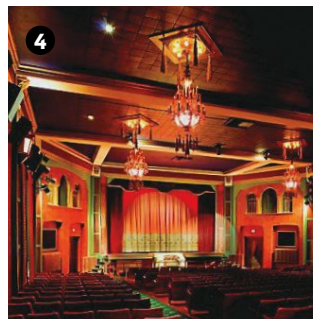
1984 Act II takes its place.

1991 ConAgra acquires Act II.

17m Quarts of popcorn eaten yearly



Kernel of truth While popcorn made its American debut in 1621 at the first Thanksgiving (1), microwave popcorn would require the efforts of Raytheon engineer Percy Spencer (2), who patented electromagnetic cooking after the war (3). A pioneering brand in the segment, Act II (initially Act I) has remained a popular brand, in part from innovative marketing like the movie marathon it held at the Heights Theater (4) in 2002.



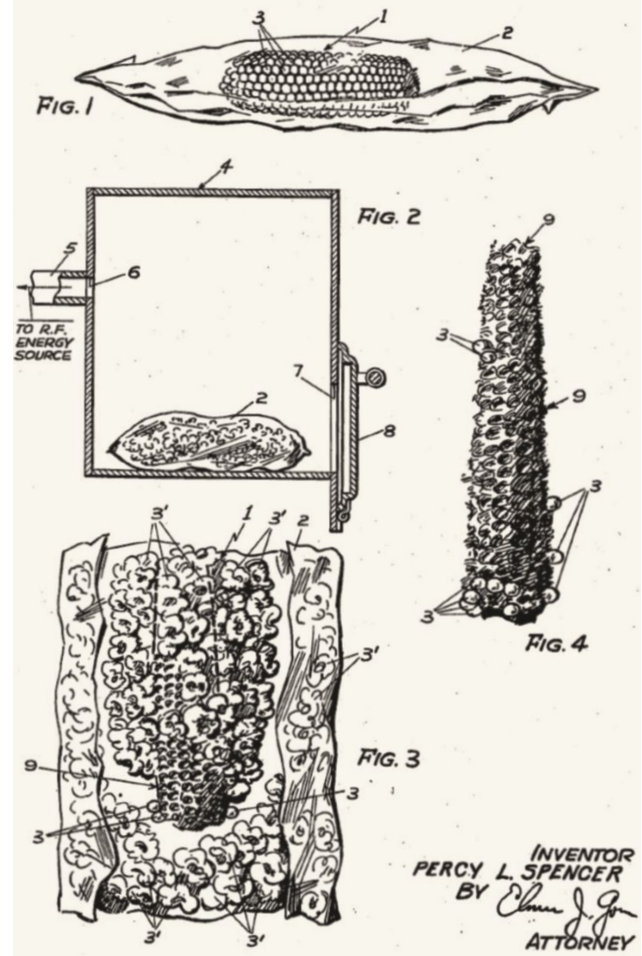
Aug. 30, 1949.

P. L. SPENCER

2,480,679

PREPARED FOOD ARTICLE AND METHOD OF PREPARING

Filed March 29, 1947



Chemical reaction Microwave popcorn brands suffered a heavy PR blow a decade ago when news reports surfaced of plant workers contracting lung ailments after working with diacetyl, the goopy yellow chemical that provides that oh-so-important buttery flavor. Stung by the controversy, the major popcorn brands raced to drop the ingredient. Act II banished the chemical in 2008, and the ingredient label still reads "No Added Diacetyl."

PARTNER

Carol Goll

ICM'S GLOBAL BRANDED ENTERTAINMENT CHIEF IS A MARKETING MATCHMAKER TO THE STARS. **BY A.J. KATZ**



Carol Goll has a passion for products—and she really loves cars. That passion is what landed her a highly successful tenure at Mercedes-Benz USA, a company she called home for 13 years. Goll was the company's general manager of brand marketing until her departure in 2007. Under her leadership, MB USA became a powerhouse luxury lifestyle brand.

"The things that I did there were new—partnerships with celebrities, partnerships with the entertainment industry and the fashion industry," said Goll. "It was helping to create the aspirational quality of why you would buy

a luxury product, or a luxury car."

Goll is now partner and head of global branded entertainment at ICM Partners after moving to the Hollywood talent agency a decade ago. In her current role, Goll structures deals and builds brands for A-list talent in film, TV, sports and music. She also founded ICM's corporate representation business.

But Goll, who is from Detroit, didn't totally leave her love of cars in the dust. She considers 2011's two-minute Chrysler Super Bowl commercial—featuring fellow Michigan native Eminem—to be her most significant deal while at ICM.

She's also proud of the work Tide did with *Stranger Things* star David Harbour on 2018's Super Bowl spot. Goll was instrumental in connecting Tide with the actor.

"I thought that content was very clever and compelling," said Goll. "I also like how they broke it up throughout the game, how they used media and did things outside of the box."

Goll is acutely aware of the changing ways people are consuming content. Social media mobile platforms, for example, are ideal for branded entertainment and endorsement opportunities.

"The engagement factor the artist has with the

brand is important because everything is physically in the palm of your hand," said Goll. She explained that this tactile element makes people "feel connected to an artist" rather than the distance of TV screens and commercials.

Like many forms of media, branded entertainment is evolving, and Goll is ready for a challenge. "I love talking to artists and understanding what their passions are, and then going out and looking for the right brand partnerships," she said. "Creating something from the ground up is a passion for an artist, and it's really rewarding."

Curriculum Vitae

Partner, head of global branded entertainment, ICM Partners
2008-present

General manager, brand marketing, Mercedes-Benz USA
1994-2007

Job Profile

Goll is partner and head of global branded entertainment at ICM. In her role, she structures deals and builds brands for A-list talent in film, TV, sports and music. Goll also founded ICM's corporate representation business, which provides strategic entertainment marketing counsel and development of campaigns for high-end luxury, automotive and fashion brands.

How She Got the Gig

Goll worked with ICM when she was at Mercedes, and when she heard it was looking to fill a global branding spot, she reached out through "networking with industry friends" to get a meeting with ICM Partners founding partner Chris Silbermann. "After several interviews with the team, I landed the position and moved from New York to L.A. for my dream," she said.

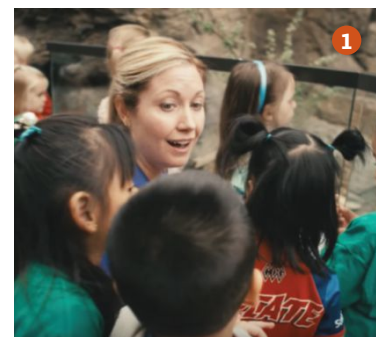
Pro Tip

"Let talent have input," Goll said. "It's not only just finding the right person, but it's really embracing their artistic nature into the spot in the campaign or whatever it may be."





Specs
Who Carter Weitz (L.), chairman and CCO, and Greg Andersen, CEO.
What Independent ad agency
Where Omaha, Neb., and Los Angeles
1 The agency has worked with the Henry Doorly Zoo, ranked one of the top zoos in the U.S. by TripAdvisor, since 2011.
2 The Omaha shop promotes its home state via its work for Nebraska Tourism.
3 For produce brand Cuties, Bailey Lauerman created animated ads and a social media campaign that includes a Snapchat filter.



AGENCY

The Everything In-Between

OMAHA-BASED BAILEY LAUERMAN PRIDES ITSELF ON AN ASSET FEW AGENCIES HAVE: MIDDLE AMERICA EXPERTISE. **BY ERIK OSTER**

While some agencies turn to outside groups or send creatives on immersive expeditions to understand Middle America, Omaha, Neb.-based Bailey Lauerman’s years working with local and regional brands helped it “build this authentic understanding of what America looks like from the inside out,” CEO Greg Andersen explained. He added that after joining the agency in 2016, the first thing he did was “really crystallize” that understanding “into a sharp positioning ... and one I think is extremely relevant for the times.” Bailey Lauerman’s location allows for another advantage over coastal agencies. “There’s no doubt the screws are being turned on agency fee and margin,” said Andersen. “Our ability to withstand that, given our cost structure, is a real advantage for us.” The agency, which recently opened a Los Angeles office, has worked with clients including Ameritrade, Disney and the Smithsonian Institution. For former client Panda Express, Bailey Lauerman created a Chinese New Year celebration kit to hand out in some 1,800 restaurants. It also launched an interactive, gamified Nebraska Passport program for Visit Nebraska, allowing users to discover more of the state’s attractions.

THOMAS IRVIN/BAILEY LAUERMAN



1967

Morton Salt

The October 1967 ad for Morton Salt features the company slogan "When it rains, it pours," which originated in 1914 along with its famous Umbrella Girl. The 165-year-old Chicago-based company has a long history of flavoring food and melting ice.



MORTON SALT



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