



ADVERTAINMENT

... blurring the lines between advertising and entertainment

Whitepaper #17



The urgency to breakthrough today's geometry and clutter of brand imageries, product innovations, and social networks is enormous. Emotional targeting across an exponential, multi-channel, multi-visual, and multi-lingual space demands that brands create their own attention. Passivity is no virtue.

In today's disobedient world, consumers are not passive either. They are in control ... and have little patience for commercial messaging that disrupts their entertainment and technology-rich lives.

Traditional marketing's impact is eroding -- especially among Gen-X and Gen-Y consumers who desire efficient shortcuts to make their lives easier and more fulfilling.

Scrambling to find innovative solutions that capture target customer's attention and imagination ... marketers are experimenting with new media. One contemporary remedy is advertainment – the merger of entertainment programming with brand messaging, direct promotions, public relations, and advocacy.

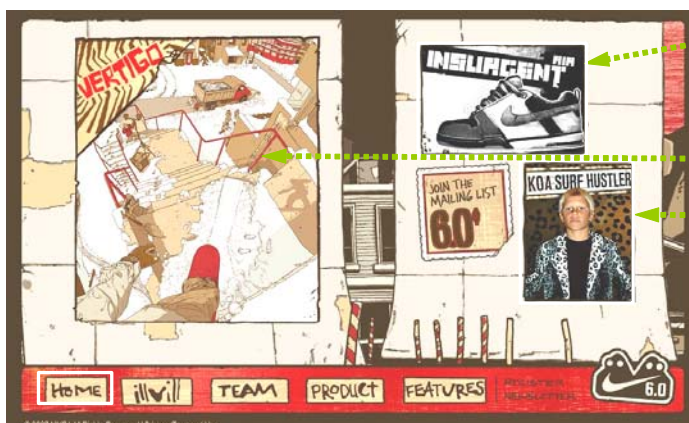
Advertainment's true playground is online and wireless. In this environment, brands can be more personalized, engaging, social, and interactive than with broadcast media.

Nike is one innovator that has embraced this emerging medium. The brand has conceptualized numerous, highly-interactive advertainment-robust websites that target distinct sport affinities and global / cultural preferences. These “destinations” feature storylines about sport icons, training regimens, interactive product demonstrations, online shopping, product customization, social networking opportunities, and more.

To engage, retain, and build relationships with targeted customers, Nike's online “interactive environments” provide videos, animations, webisodes, and games.

Among today's millennials, “action sports” are an all important point of leverage. Nike delivers against their unique expectations at nike.com/nke6. Projecting a rebellious imagery, the NKE6 site sports its own “mutant” logo, and projects an imagery of independence and rule-breaking.

Their homepage highlights three advertainment offerings. “Vertigo” is an animated urban snowboarding video; “KOA Surf Hustler” is an interactive display of a 12-year old surf champion's avant-garde podium fashions; and “Air Insurgent” is a video illustrating the shoe's resilience followed by an interactive demonstration explaining unique features of this tough, yet comfortable shoe.



NKE6 ... Nike's home for Action Sports

Air Insurgent ... designed for BMX and skateboarders, intro video shows the shoe in action ... then an interactive demo explains specific features

Vertigo ... animated urban snowboarding video

KOA Surf Hustler ... interactive display of 12-yr old surf champion's podium wear

While every page within NKE6 offers some advertainment elements, "Illville" appears to be their unofficial home. On arrival at this graffiti-covered subway car, visitors choose among four options. The most robust of these is "Randometer."

Randometer hosts an eclectic assortment of advertainment offerings including "Seagle Diaries," "Radio Rebellion," "Nerds," "Jocks," "Preppy Plaid," and "Mad Plaid."

As part of a summer 2006 promotion, Nike chopped-up two AMC Eagles and reincarnated them as a 6-wheeled action-adventure limo called the Seagle. Chronicling the NKE6 team's road trips are a series of webisodes called the "Seagle Diaries."

Nike was one sponsor of the 36-city fall 2006 Radio Rebellion tour. Complete concert information including links to each band's website, MySpace page, and free MP3's are provided.

NKE6 built a contest around this event encouraging attendees to visit the site frequently. Each day 10 photos -- taken at the NKE6 booth -- were uploaded. Only the first to say their photo was posted received NKE6 gear. All participants were given a "Seagle Swag Pack" containing a Seagle themed antennae ball, air freshener, and sticker.

Celebrating the diversity of action sports enthusiasts, NKE6 developed advertainment appealing to specific segments. Targeting self-defined "nerds," they provide mythical creature desktop wallpapers and a Mad-Libs type game called "Gram-miroquai." Poking fun at "jocks," they supply humorous animations depicting sports-related apparel issues.

Plaid wearers are differentiated as either "preppy" croquet players or "mad" punk rockers. Celebrating both of these dissimilar groups, NKE6 presents videos and numerous downloads including print your own iron-on t-shirt decals, mutant templates, and desktop wallpapers.

Also included within Illville are "Handicraft Central," "Shoe Flashbacks," and "Sack of Clips."

Yet NKE6's advertainment offerings don't end with Illville. They extend to the Team, Product, and Features pages.

The NKE6 team is comprised of top amateurs and professionals from every action sport. Each has an interesting, well written bio. Many also have distinctive features including extensive video interviews, photos, and more.

At first glance, the products page appears to be a typical grid layout. Yet behind this traditional presentation are robust detail pages including videos, animations, and interactive effects that deliver powerful and distinct storylines.

The features page is where frequent visitors return to find "what's new." With the exception of "New Pollution" everything on this page is replicated elsewhere in NKE6.

New Pollution is a Nike sponsored TV show on Fuel.TV (*the only 24/7 action sports cable and satellite channel in the U.S.*). Here, the 10 most recent episodes are always available.

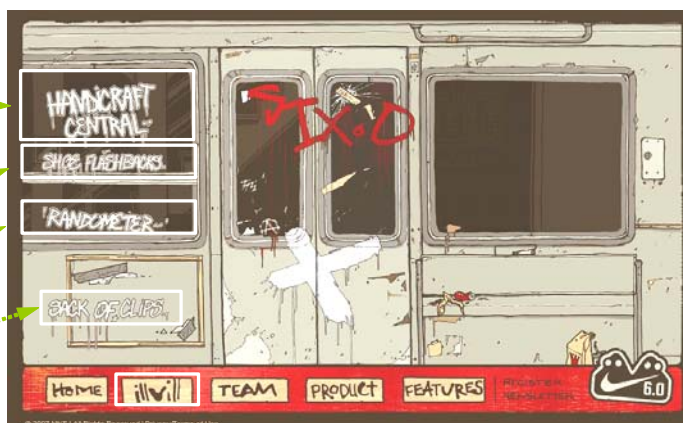
As you can see, NKE6 includes hours of advertainment offerings. Likewise, this is true for each of Nike's other target customer segments worldwide.

Advertainment Differences

Advertainment differs from traditional advertising in several key ways.

Not 30 Seconds – Brands used to have 30 seconds to capture an audience's attention, communicate a message, and make it memorable. With advertainment, it's not 30 seconds. No, it's not shorter as you may think ... it could be much longer if you're able to "connect." It's about creating sought-out interactive experiences where consumers control their time spent with the brand.

- Handicraft Central** ... customize equipment and apparel with downloadable stencils, photos, and mutant logos
- Shoe Flashbacks** ... interactive shoe demos, some with intro videos
- Randometer** ... an eclectic mix including a concert tour, free MP3's, webisodes, games, and additional handicrafts
- Sack Of Clips** ... diverse collection of short videos and animations



Illville ... the unofficial home for NKE6's advertainment offerings

Continuity – Brands have a better chance of increasing their visibility, awareness, and preference when they broadcast a consistent message over a long period of time. This is not true with advertainment. People are attracted to and captivated by those sites that constantly feature something new. Most advertainment campaigns schedule the roll-out of new webisodes and games to build-in reasons for return visitation. Those brands with a long lag between new content introductions automatically notify their “friends” whenever new content is added.

Immediacy of Value – In traditional advertising, the experience is typically disconnected from the message. On hearing that Tide’s new green crystals make white’s whiter and prevent colors from fading, a consumer would have to go to the store, purchase the product, and do their laundry to see the results for themselves.

Today’s consumer wants to know the “fit” now. They interact with brands in real-time through virtual reality that enables them to visualize products and services in advance of the actual purchase. As such, a brand’s value must be both obvious and immediate. Achieving this demands a keen understanding of individual customers and the ability to quickly deliver against their immediate needs.

The Neighborhood – The reach of traditional marketing is tied to specific geographic and or income markets. Boundaries were real and often expensive to cross. Online these boundaries have been mostly erased. People connect with like-minded souls around the globe regardless of where they live.

Access to Social Networks – The traditional advertising dynamics of reach, frequency, recency, and call-to-action remain as relevant today as they did 10, 15, or 20 years ago. However, the vehicles – the media – and the permission by which these are delivered have changed radically. Today’s networks are social. It’s all about being invited. Brands must actively involve themselves in social networks and create their own buzz.

Credibility – Big brands historically extended their leadership through massive media buys. Amongst new generations, consumers promote and condemn brands through social networks. The “truthiness” of a brand quickly becomes evident at each and every encounter. In social networks, acceptance by my trusted friends imparts instant credibility. It tells me that the brand truly walks its talk.

Advertainment Similarities

Advertainment also shares several traits in common with traditional advertising.

Enhance Trial –There’s no better way to capture a target customer’s attention than focusing on their interests, their pas-

sions, and their aspirations. It’s all about relevance -- relevance to their personal tastes, image, and lifestyle. Accomplishing this demands a focus on individual customer segments where the brand’s knowledge and expertise is demonstrated.

Targeting urban youth ... **Snickers InstantDef.com** features five action themed parodies, an infectious theme song, and slick production values. In episode one, an incident at the Snickers factory transformed four employees into InstantDef superheroes who battle rival Boo-T Records in the remaining episodes. This campaign was so successful that it won a Video Music Award in August for best Hip-Hop video.

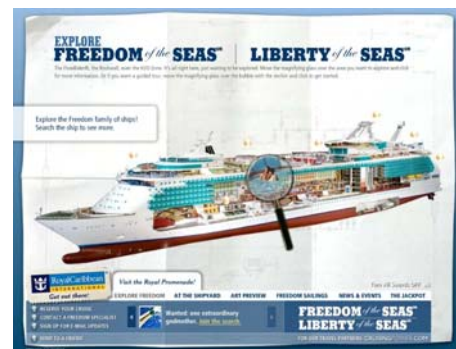
Bring the Brand to Life – Advertainment is an excellent opportunity for brands to communicate their storyline, personality, and values. Wrigley’s **Orbit White** brand’s friendsofbright.com tells the story of “brightness” and the life changing properties of Orbit White gum.



FriendsOfBright ... communicates gum brand’s storyline of “brightness”

Another brand exploiting advertainment to bring its values to life is **Ford**. The centerpiece of their campaign is FordBold-Moves.com. This site links Ford’s historic legacy of innovation with the future through an ever growing number of motivational webisodes and a weekly blog.

Enable Interaction – While the internet is inherently interactive, most websites were historically designed with fairly predictable interfaces. For the most part, these incorporate a linear navigational flow. Truly interactive sites such as **FreedomOfTheSeas.com** are designed more like a game. After launching a short introductory video, there is no obvious starting point. Selecting “Explore Freedom” loads an interactive model of the ship. Users learn about amenities and activities by moving the cursor over various areas and clicking. Regardless of where you are in the site, it’s always easy to reserve your cruise.



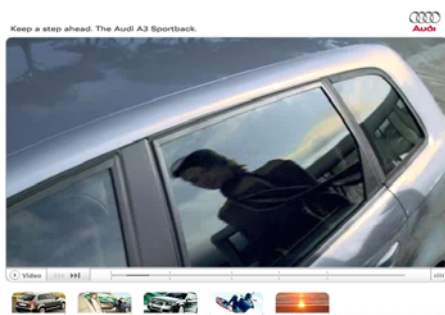
Freedom Of The Seas ... game-like, interactive interface

Build Relationships – Encouraging users to volunteer their contact information is an essential first step for relationship building. Brands must then move the relationship through trial ... to bonding ... to share-of-wallet. The “**Become an MM**” campaign builds relationships in a very entertaining and personal way. It begins with creating your own M&M character. Registering saves your character for future visits and enables it to star in movies and games. It also lets users sign-up for newsletters, enroll in promotions, and facilitates sharing with friends.



Become an MM ... create your very own M&M character, then let it star in a movie, play games, and share it with your friends

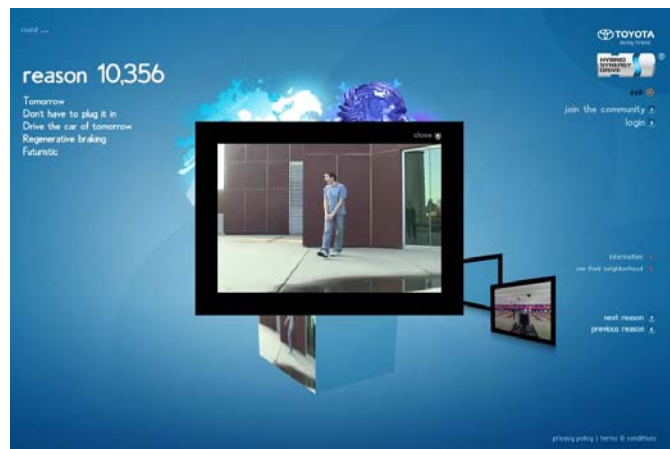
Collaborate – Make it easy for customers to share their thoughts and passions about your brand. Facilitate a two-way dialog and involve their input in campaign development. Audi invited customers to watch three short documentaries about their new premium compact A3 model and vote for their favorite. The winning version evolved into the “Step Ahead with Audi A3” campaign. Call it the democratization of brands.



Step Ahead with Audi A3 ... customer participation in campaign development

Southwest Airlines’ wannagettaway promotion encouraged customers to submit humorous videos. Visitors to the website could view all submissions and rate their content. The winning spot aired during the 2007 NBA playoffs. Other prizes include vacation packages and Southwest tickets.

At **Toyota.com/HSD**, visitors are encouraged to share their reasons for buying a hybrid vehicle. To date, over 600,000 users have joined the community and more than 11,000 reasons have been posted to the website.



Toyota HSD ... user-submitted videos sharing their reasons for buying a hybrid vehicle

Generate Buzz -- Make your advertainment so compelling that target customers pass it along to their friends. Seed it and promote it through social networks, blogs, and traditional communication vehicles. An excellent example of buzz advertainment is **shaveeverywhere.com**. The subject of shaving below the chin is inappropriate for TV. Relying solely on word-of-mouth, this humorous site gets 1.5 million hits daily with an average view time of seven and a half minutes. It's the equivalent of 22,500,000 viewings of a :30 TV spot.



Shave Everywhere ... seed buzz via blogs, “tell a friend,” and social networks

Advertainment is not a fad. It is an essential tool for connecting with today's growth generations. Make it a part of your brand's marketing mix.



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