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THE NEWS MAGAZINE OF THE MEDIA

Running With the Bulls

Once-beleaguered Peter Kann has energized Dow Jones and saved his job By Alec Foege Page 26 February 14, 2000 \$3.50

MARKET INDICATORS

National TV: Busy

Buyers are working on scatter deals for second quarter. A few of their clients want to opt out of some time but are being kept under contract by the networks.

Net Cable: Building

Second quarter is heating up as final touches are put on first. Upfront buzz is growing. Kids upfront pegged for early April.

Spot TV: Warm

Political is popping, giving California and Northwest a boost. Except for upcoming primary states, Southeast is soft. Retail is down, but key clients looking to spend more.

Radio: Squeezed

Big markets, especially Philadelphia, are tight into March, thanks to dot.coms and automotive. For best pickings, buyers are placing avails 45 days out.

Magazines: Booming

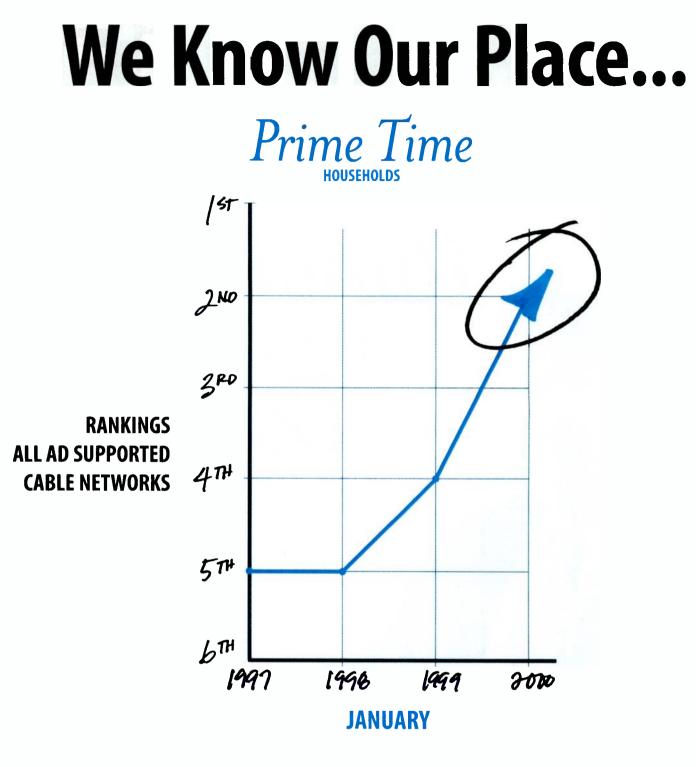
Publishers report that luxury goods and highend items within categories continue to fill pages at mapid pace through beginning of second quarter.



The Networks' New <u>Reality</u> page 4

Spot Market Confused By Political Ads page 5

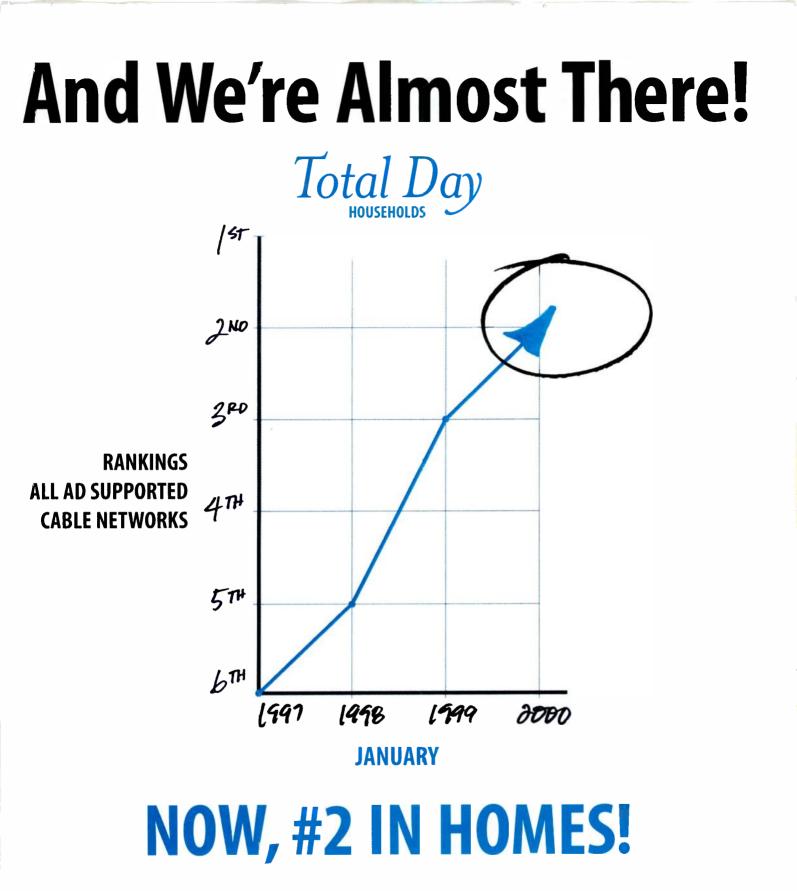
Emap USA Feels Growing Pains page 8



ALREADY, #1 IN WOMEN!

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NIELSEN MEDIA RESEARCH, JAN '97, '98, '99, '00 COVERAGE AREA RATINGS FOR M-SU 8P-11P AND BROADCAST DAY (TIED FOR 2ND IN 2000) SUBJECT TO QUALIFICATIONS UPON REQUEST.



Lifetime Television for Women

MEDIA WIRE

Proposed Spectrum Fees Unlikely to Make Budget

President Clinton took another jab at broadcasters last week, proposing \$200 million in new fees on TV stations, but the controversial proposal is unlikely to survive the budget process in Congress.

One year after Congress and the president signed off on a deal allowing broadcasters to make the transition from analog to digital broadcasting without compensating the government for use of the public airwaves, the White House wants to revisit the issue. But Ken Johnson, spokesman for Rep. Billy Tauzin (R.-La.), chairman of the House Telecommunications Subcommittee, said the proposal will not fly.

"The best thing you can say about the president's budget is that it is printed on recycled paper," Johnson said. "We knew what the deal was going in, and the broadcasters knew."

Clinton also proposed a 13 percent increase in the Federal Communications Commission's 2001 budget, to \$237.18 million. But given Congress' recent hostility toward the Commission, such a large increase will face significant opposition. Tauzin "will not support any increase for the FCC until there has been fundamental reform of the organization," Johnson said. —Megan Larson

Siegel Said to Want \$4 Billion for Chris-Craft

Chris-Craft chairman Herb Siegel, whose BHC division last week filed suit to block the proposed Viacom/ CBS merger, would sell his company to Viacom/CBS for \$100 a share—a prenium about 25 percent above its current price—according to an executive familiar with the situation. That's a price tag of \$4 billion-plus.

The executive said that Viacom/ CBS is willing to pay \$80 per share for Chris Craft's 10 TV stations and its 50 percent share in the UPN network.

BHC's suit, filed in a New York state court, (continued on page 8)

Strangers in The Night

Broadcasters turn to unlikely sources to bring back viewers

NETWORK TV / By John Consoli and Alan James Frutkin

ith prime-time viewers deserting traditional halfhour sitcoms in droves this season, the broadcast networks are scrambling to come up with new types of programming to win back eyeballs.

Even though all the Big Four networks are now firmly on board the game-show bandwagon, there are still many underperforming time slots to fill.

So where are the nets turning for their next new prime-time gambits? One unlikely source is cable TV, their fiercest rival. Another is the European marketplace. The main genre the nets are tapping for new fare is reality programming, but not the same reality that has proliferated on the airwaves in recent seasons.



More than 200 people turned out for a *Making* the Band audition last November in Hollywood.

These new network frontiers have formed in just the last few weeks. NBC Studios recently signed a development deal with Matt Kunitz, a former producer of MTV's The Real World. CBS in July will premiere a reality series called Survivor, in which several strangers are placed on an island and forced to survive in the wild. The producer and creator, Mark Burnett, is also creator of the Discovery Channel event The Eco-Challenge. CBS this summer will also offer Big Brother, a series based on a Dutch reality show, in which 10 strangers will be filmed living in a house together, and over time viewers will vote via telephone and the Internet to determine who is bumped off the show until only one person is left. Fox and

ABC also expressed interest in the show, but CBS won the rights. And Fox this summer will air a still-untitled reality/docudrama series by filmmaker R.J. Cutler that follows the lives of high school students in Illinois. Although it is not from a traditional cable production company, it is not your everyday

prime-time series.

"Eighteen months ago, the conventional wisdom in town was that you can't do a game show on network television, you can't do professional wrestling on network television and you can't do a single-camera comedy about a nine-year-old on network television," said Fox Entertainment president Doug Herzog, a longtime programmer. cable "That's all been proven false. Some of those things come from cable. And cable has an attitude that 'you have

no choice but to try it.' And more competition and more choice has led the networks to open their minds."

ABC will beat everyone on the air with an MTV Productions' reality series called *Making the Band*, which premieres on March 24. The network is so sold on the series that it recently ordered nine more episodes of the show before the first of the original 13 have aired.

ABC is counting on the series to rejuvenate its declining Friday-night teen audience. The series goes behind the scenes to give viewers a firsthand look into the lives of a group of young men, ages 18-25, who compete in a talent search for five spots in a band that is eventually formed, called O-Town. The show is executive-produced by Ken Mok of MTV Productions and Mary-Ellis Bunim and Jonathan Murray, who produce the popular MTV reality shows *The Real World* and *Road Rules*. MTV Productions brought in Trans Continental Records' Lou Pearlman, who has helped create such successful male bands as the Backstreet Boys and 'N Sync, to oversee the creation of the band.

In the first episode, filmed last November, 25 finalists were chosen from eight cities. During the series, casting will be narrowed to eight finalists, and five will be chosen to form the band throughout the show's run. The band members will then live together in Orlando, and the series will film them both at home and at work. Murray believes *Making the Band* will appeal to teens, women 18-49 and families.

Despite the popularity of MTV's *The Real World*, which began in 1992, Bunim and Murray have been unable until now to make inroads to the broadcast networks. "There have been a core of people at the networks who watch *The Real World* and who were responsive to the concept," Murray said, adding, however, that "the network decision makers until recently would not consider a project unless they saw an actual script." Reality shows do not have scripts.

ABC is betting that the type of reality show offered by MTV Productions will be better perceived by advertisers than other variations tried by some of the networks. "There's no problem with the pedigree of the producer for the series," said Tim Spengler, senior vp and co-manager of broadcast buying for Western Initiative Media. John Rash, chief broadcast negotiator at Campbell Mithun Esty, agrees that no advertisers will reject the show out of hand.

However long the network run is of a series such as Making the Band, the back-end potential for such a dramatic program is still guestionable. In fact, the back end of most reality-based programs appears limited in comparison to the sale of more traditional programming. Although network game shows such as Who Wants to Be a Millionaire can be stripped for syndication, the viability of syndicating nonfiction dramatic series such as ABC's Making the Band and Fox's upcoming Cutler series is far less obvious at first glance. "Because of the quality of the stories we're telling, I believe there is going to be an afterlife and a value to this series, said Talent Entertainment Group partner Erwin More, who is one of the executive producers on the Fox series. "But you can't begin to understand what that value is until you see what type of success you have."

Political Topsy-Turvy

Though some markets are tight, others are scrambling to fill time

BROADCASTING / By Megan Larson and Katy Bachman

olitical advertising dollars have always been a predictable source of income for broadcasters, but in an already erratic marketplace, candidate and issue spending in spot broadcast during the primary season has only blurred what was expected to be a consistent pattern across the country. Some markets are hot, while others—not necessarily those expected—are seeing little activity.

Generally, political money has not flowed as generously as the industry predicted last year, clearing room for buyers to cut better deals for other clients at the last minute. "Stations were bullish and thought dollars were going to come flying in for the first two months of this year, which I don't think has materialized as much as they expected," said Maribeth Papuga, senior vp, director of local broadcast at MediaVest. Some stations

have been forced to lower rates and "get business to make up for it," she said.

For example, in Phoenix-which was expected to be flush with George W. Bush campaign spots in John McCain's home state for the Feb. 22 Arizona GOP primary-the market is quiet. In Seattle, radio outlets held back inventory in expectation of a political windfall but have begun to open their doors to other categories, said Sue Colegrove, a media buyer for the Zizzo Group in Milwaukee. Seattle's primary will take place Feb. 29. Atlanta also is relatively dead on the political front in both radio and TV. The absence of deep-pocketed Republican candidate Steve Forbes going into late February and March served to open up just that much more inventory.

Meanwhile, other markets are on fire. Seattle's TV stations are getting much more business than radio. San Francisco radio and TV stations are extremely tight leading into California's March 7 primary, while Detroit (with a Feb. 22 primary) and Boston (March 7) are also moving. "It's so localized. Candipresident of the Radio Advertising Bureau. With Super Tuesday on March 14 around the corner, business will probably tighten that much more in local bursts. "In

dates seem to be picking and choosing, and it's

changing hourly and daily," said Gary Fries,

tighten that much more in local bursts. "In what is becoming a more contentious Republican race than what Mr. Bush initially envisioned, stations could get more money on a local level," said Aaron Cohen, executive vp, director of national broadcast.

Horizon Media. "For a couple of weeks, each one of the [primary] markets...will get a blast, and people will have to scramble for their rates."

If candidate and issue spending does increase, some stations in larger markets may find it difficult to accommodate both last-minute political and more traditional advertisers, which likely pay higher CPMs than the lowest unit rate mandated for political time. "It's a bal-

ancing act. You want to keep your dot.coms because they pay through the nose. You don't want to knock out a \$30,000 spot for a \$20,000 spot, but you can only go to a GM buyer or a Toyota buyer so many times with a preemption," said Laura Silton, McCann-Erickson's chief broadcast buyer.

"You could make the argument that if you're sold out after placing political, you end up losing money—political advertising can supplant normal advertising units," said Ed Goldman, vp, general manager for Boston CBS O&O WBZ-TV. "Fortunately, that hasn't happened to us yet."

South Carolina is currently benefiting from the increasingly bilious face-off between McCain and Bush. "Booming is an understatement," said John Cottingham, general manager of Columbia, S.C., NBC affiliate WIS-TV. Delegates from South Carolina have correctly picked the winner of the elections every time since 1980, so candidates have been spending heavily since last month. The GOP primary is on Feb 19.

Cohen believes Super Tuesday will further tighten the market.

AT DEADLINE

Reebok Moving \$17 Million From TV to Print

Reebok will launch a \$17 million global brand campaign in April that reaffirms the company's recent pattern of diverting ad dollars from TV to print. Creative from Berlin, Cameron & Partners, New York, introduces the theme "Feel the flow" as a replacement for "Can You Feel It?" The shift reflects Reebok's desire to better communicate the consumer benefits of its three-year-old DMX technology, which will be in 60 percent of its 2000 product line. Stung by an industrywide slump, Reebok last year slipped to the No. 3 slot behind Nike and Adidas in the \$7.65 billion U.S. branded athletic-shoe market.

Senate Bill Targets Microradio

Sen. Judd Gregg (R.-N.H.) last week introduced a bill to kill the Federal Communications Commission's Jan. 20 ruling to create a new class of low-power FM radio stations, an issue broadcasters have been fighting tooth and nail. The Radio Broadcasting Preservation Act of 2000 is the Senate version of the House bill introduced by Rep. Mike Oxley (R.-Ohio) last November, which now has more than 70 cosponsors. Telecommunications Subcommittee Chair Rep. Billy Tauzin (R.-La.) has scheduled hearings on the issue for Feb. 17.

Free Phoenix Hopes to Rise

In an effort to boost circulation, the Boston Phoenix, one of the few alternative weekly newspapers that still charges readers at the newsstand, is going free beginning in March. The 105,000circulation paper now sells for \$1.50 a copy. When New York City's Village Voice went free in the spring of 1996, some questioned whether sacrificing a reported \$3 million in annual newsstand revenues was a wise strategy. But the Voice grew from 150,000 to 230,000 after the change, and has been able to earn more from higher ad rates.

USA Today Live Coming Soon

Gannett Broadcasting is toying with a convergence package that would unite the group's disparate entities—newspaper, television and the Internet—under one brand. Last week the com-

pany unveiled USA Today Live, an attempt to bring the content of the weekly paper to life on TV and PC screens, with its first round of staff hires. Dick Moore, news director of Winston-Salem, N.C.'s WXII-TV—one of Gannett's 21 TV stations was named managing editor of the project, expected to be up and running by fall. "It is as much an Internet effort as it is a

Vincent Young: KRON-TV tells NBC to take a hike 15 Local Media 14 Market Profile 16 The Media Elite 21 Magazines

broadcast effort," said senior vp Dick Mallary. "This will bring USAToday.com out of the text format [and] into the video and audio format."

NBC Names Madison to Head Diversity Effort

Paula Madison, vp in the news division of NBC's New York City owned-and-operated station WNBC-TV, was named to the network's new position of vp of diversity. She will continue in her position at the station, and in her new role, in which she will answer directly to NBC president and CEO Bob Wright, Madison will be in charge of making sure the network lives up to a recent diversity pact it signed with a coalition of minority organizations, and with ensuring the network's inclusion of minorities in its staffing.

Cox Reels in Marlin's Miami FM

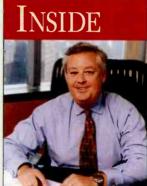
Cox Radio has an agreement to purchase Classical WTMI-FM in Miami from Marlin Broadcasting. Cox will acquire the outstanding capital stock of Marlin, which owns WTMI, WCCC-AM/FM in Hartford and WBOQ-FM in Gloucester, Mass., for \$125 million. It will then sell back the Hartford and Gloucester stations for \$25 million to certain principals of Marlin, led by Woody Tanger, president/CEO of Marlin. The deal gives Cox a four-station cluster in Miami, with 16 percent of the market's revenue, according to BIA.

Addenda: The Independent Film Channel and indieWIRE are launching a magazine for independent film fans, *ifcRAN*. It will hit newsstands May 1, with an initial rate base of 175,000...Total magazine advertising revenue for January increased 8.7 percent over last year, to \$880 million...Douglas Peabody, founder of *Saveur* and *Garden Design*, has been named president and CEO of Weider Publications Inc....Outdoor Systems, purchased last year by Infinity Broadcasting for \$8.3 billion, has changed its name to Infinity Outdoor.

Clarifications: Emap USA executives last week restated the number of direct-mail pieces the company sent out in December

supporting the U.S. introduction of the men's magazine *FHM (Mediaweek*, Feb. 7). The total was 500,000 pieces. The company plans to drop 5 million additional direct-mail pieces this year. Also, in a story on satellite radio, The Media Edge should have been included in the list of advertising agencies.

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16 The Media E 21 Magazine 36 ing the content ns, with its first of Winston-TV stations—

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MEDIA WIRE

contends that the Viacom/CBS merger would breach a noncompete clause in the partnership pact between BHC and Viacom, involving their joint ownership of UPN. BHC filed its lawsuit after Viacom offered to sell its 50 percent ownership in UPN to Chris-Craft or to buy Chris-Craft's half-interest.

"Herb is clearly in the driver's seat," said the executive, who predicted that the matter will be resolved by late March. "He is in the way of the merger that everyone clearly wants to happen. Viacom/CBS knows it is going to get its waiver on the two-network ownership rule. Herb will get his money in either stock or cash."

CBS had no comment. Siegel was unavailable for comment. —John Consoli

Death of Popular Host Leaves WGN Radio Reeling

Chicago radio listeners woke up on



Feb. 8 without the familiar voice of Bob Collins, legendary morning personality on Tribune Broadcasting's WGN-AM. Collins, 57, was killed the previous afternoon when the

Bob Collins

small plane he was piloting collided with another small aircraft and crashed through the roof of a hospital in a Chicago suburb. Collins' passenger and the pilot of the other plane also were killed.

"Bob Collins was the best-known part of the WGN family [and also] part of daily lives of millions of WGN listeners," said Stephen Carver, WGN vp and general manager.

Collins joined WGN in 1974 and took over the morning shift in 1986, holding the time slot on the News/Talk station for years. No other Chicago radio personality came close to his show's 10.4 share in the fall 1999 Arbitron book. Collins' show accounted for an estimated 40 percent of WBN's revenue. Afternoon man Spike O'Dell is currently filling in. —Katy Bachman

(continued on page 8A)

Web Ads Not Imperiled

Network stalls caused by hackers don't scare advertisers

THE INTERNET/ By Jim Cooper and Lisa Granatstein

Ithough phantom hackers stalled several major Web sites with massive waves of data spam last week, buyers and sellers of Internet advertising were largely unfazed by the shutdowns.

"Some small fear is not going to stop me from using Web sites and doing what's right for our clients," said Lou Schultz, chairman and CEO of Western Initiative Media. Shultz said makegoods would be used to take care of any advertising messages that were not seen by Web surfers because of the crashed sites.

The coordinated denial-of-service form of hacking—which basically blocks a site's entrance—bogged down Internet portal Yahoo! last Monday and continued throughout the week, plaguing Buy.com, eBay.com, CNN.com, ZDNet, E*Trade and Amazon.com. Given that the hackers didn't mess with data, buyers had little concern. "No one is going to pause because of this in acquiring their customers or building their brand," said Steve Klein, an agency vet and current managing director of Wit Capital's Dawn Treader Fund. "It's just part of the growth of this new medium. There will be bumps in the road."

Even so, if buyers feel they lost out from this momentary disaster there is no doubt they will recoup their losses. "Generally, advertising people don't like to pay for stuff we didn't get," said Paula Brooks, media services director of Margeotes Fertitta & Partners, whose clients include Condé Net's Epicurious.com and Vogue.com. "We'd scrutinize the Internet like anything else. If a print run of a magazine went bad or a bunch of issues were lost, we'd look at that too."

The fact that Internet buys are not necessarily tied to a given show, issue or schedule also makes service interruptions less critical. "In this particular media we don't buy hours or 30 seconds. We buy leads or impressions or cost-per-click, so it makes no difference to us as buyers, or our clients," said Rishad Tobaccowala, president of Starcom IP, Starcom's Internet media division.

Culture Shock at Emap

British publisher's acquisition of Petersen suffers some growing pains

MAGAZINES / By Lisa Granatstein

year after U.K. publisher Emap acquired Los Angeles-based Petersen Companies, publisher of titles including Motor Trend, Hot Rod and Sport, the company has run into some snags. Advertising revenue for the renamed Emap USA tumbled 7 percent in the fourth quarter, due in part to Ford Motor Co.'s shift of ad dollars from magazines to the Internet. The Winter Gravity Games, an extreme-sports event partnership with NBC that is airing on the network this month, will post a \$3 million loss for Emap USA. News of those problems has hammered the stock of parent Emap in London, where shares closed at 19.83 last Friday, down from a January high of 28.49.

About two dozen executives have exited Emap USA in the last six weeks. Among them are former Motor Trend Group president Lee Kelly, who joined Primedia's McMullen Argus Publishing; *MT* group publisher Douglas Hamlin; *MT* ad director Robert Hoeck, who departed for ugo.com; *Truck Trend* publisher Chris Connors, who joined Hachette Filipacchi's auto group; and Doug Palladini, group publisher of the Action Sports Group, who resigned along with several members of his team.

"There is a lot of discontent," said an Emap USA exec. "The U.S. [staff] doesn't feel trusted, and the U.S. brands aren't being valued as much as the U.K. brands." Emap USA's 12-member board of directors includes only two Americans.

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Source: Gourmet Good Living Study, Monroe Mendelsohn, 1998; 1999 Fall MRI; 1999 MMR















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12. Public Relations Firm	W. Public Relations /Public Affairs
13. Independent Media Buying Service	L. Account Management
20 Outdoor Advertising	R. Creative Dept.
31. Newspaper	H. Copywriting
41. Magazine	I. Sales/Product Promotion
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perhaps it's not for them," said Kevin Hand, CEO of Emap and chairman of Emap USA. "It's not surprising."

Hand said that Emap's loss on the Winter Gravity Games was anticipated. "They performed about where we thought they would," he said. Having launched the inaugural Summer Gravity Games just last year, Emap had "little time to sell or to arrange sponsors" for the winter edition, the chairman added.

While the summer Games did marginally well, another Emap USA exec called the winter event "a tangled mess" because of the sales force's "overambitious expectations."

The losses from the Winter Gravity Games and from this month's launch of the U.S. edition of *FHM* magazine are expected to weaken Emap USA's first-quarter results.

As for Emap USA's advertising, Hand said that first-quarter revenue should be up by more than 5 percent. Through March, ad pages for several key titles are down, including *Motor Trend* (off 21.6 percent), *Hot Rod* (down 8.4 percent) and *Sport* (down 22.3 percent), according to the *Mediaweek* Magazine Monitor. Emap USA's *Teen* is up 10.5 percent.

Meanwhile, International Brands Inc. CEO Steven Zubkis, owner of the e-commerce site WorldBestbuy.com, on Feb. 3 offered to merge his San Diego-based e-commerce business with Emap USA-in the spirit of last month's AOL-Time Warner megadeal. "Emap offers us a reach to at least 6 million affluent young people per month," Zubkis said last week. "The special-interest nature of most Emap USA magazines is a perfect fit with our businesses...We can perfectly target specific categories on our product sites." Zubkis, who said he had not received a response from Emap about his interest in a combination with the publisher, last week sent Hand and Emap USA CEO Tom Moloney a video presentation about his company.

"I'm not taking it seriously," Hand said of Zubkis' offer. The Emap chief said that the company has developed its own comprehensive Internet strategy, which it expects to lay out next month in a presentation to analysts.

CBS Turns to Nick Jr.

Cable net will sell time for preschool block to run Saturday mornings

KIDS TV / By Jim Cooper

B

ased on an agreement in principle, CBS will replace its existing Saturday-morning kids block this fall with shows from MTV Networks' Nickelodeon, and will let Nickelodeon sales

execs sell the ad time. It's the first content exchange between Viacom and CBS since the two companies agreed to merge last September. Insiders said CBS is working on similar deals with MTV and VH1.

The branded Nickelodeon shows on CBS will come from Nickelodeon's successful Nick

Jr. preschool program block, which runs commercial-free on the cable net. Nickelodeon will sell a still-undetermined amount of ad time on the CBS block. Both Viacom and CBS representatives declined to comment. The preschool block runs weekdays on Nick and features hits such as *Blue's Clues* and *Gullab Gullab Island*. It's one of the first times Nickelodeon programming will be exposed regularly to non-cable homes.

CBS will replace programming produced by Nelvana Ltd., a Canadian producer that also does shows for Nick Jr. CBS has run the Nelvana block since 1997. Seeing the writing on the wall when

Viacom and CBS agreed to merge, Nelvana last fall closed a multiyear, \$40 million deal to produce PBS' first-ever Saturday-morning kids block beginning this fall.

Kids media buyers had many questions. "Will CBS sell time in the block? Will it dilute audiences for Nick's Saturday morning? Will CBS' kids

audience mesh with Nick Jr.'s?" asked one buyer who declined to speak for attribution.

CBS almost had to make the move, due to the stiff competition on Saturdays from ABC, Fox and the WB, which can promote their kids lineups on sibling distribution outlets. "CBS has been at a significant disadvantage. Now we'll have promotion throughout the week," said one CBS executive.

MEDIA WIRE

Wal-Mart Pulled *GQ* Issue; Covers Going Traditional

GQ's January issue, featuring scantily clad model Tyra Banks, was removed from the shelves at Wal-Mart. But GQ publisher Tom Florio said he was unfazed by losing shelf space at the nation's largest retailer. "When we do a cover like this, it's not like we don't know that might happen," Florio said. "We plan these things—we know it's going to be provocative."

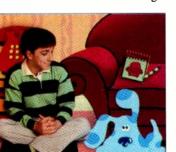
Both Florio and GQ editor in chief Art Cooper declined to comment on reports that S.I. Newhouse Jr., chairman of parent Condé Nast, had first demanded more GQ covers featuring provocative poses of women, in the mold of Dennis Publishing's hot men's book *Maxim*, and then rescinded the order. The controversy may be shortlived, however, with the 700,000-circulation men's book returning to more traditional covers in March (Tom Cruise and Harrison Ford) and April (three unidentified male sports figures). —Lisa Granatstein

Girl Magazine Narrows Focus and Frequency

Girl, the bimonthly teen fashion/beauty magazine published by Lewit & LeWinter/Freedom, will reposition itself as a magazine primarily for young African American girls beginning with its March/April issue, due on stands March 27. Launched as a quarterly multicultural fashion/beauty book in fall 1998, *Girl* has grown to a circulation rate base of 350,000.

"The strongest voice we heard came from African American girls who have absolutely nothing out there," said copublication director Julie Lewit-Nirenberg.

Girl will publish four times this year instead of the planned bimonthly frequency, with six issues expected in 2001. It will seek heavy newsstand distribution in urban areas. Helping with Girl's editorial are a dozen 12- to 19-year-old girls, who will help to keep the magazine current, said copublication director Nancy LeWinter. —LG



CBS may get its paws on Blue's Clues.

NETWORK TV

Telemundo last week named a new vp of programming and production, Carlos Bardasano Jr., and promoted another executive, Miguel Chacon, to director of specials. Both will report to Manuel Martinez, senior vp of programming and production. Bardasano was most recently a production exec with Columbia TriStar International TV, a unit of Telemundo parent Sony. Chacon, who has been with Telemundo since 1995, was previously executive producer of special events. While Telemundo has returned to telenovelas as its main prime-time programming, a new half-hour Sunday sitcom, Los Beltran, has produced the network's best household rating, a 3.7, and its second-best adults 18-49 rating, a 2.1, season-todate, according to Nielsen Hispanic Television Index data. Another first-season program outside of prime time, talk show Padre Alberto, is fighting an uphill head-to-head battle at 4 p.m. weekdays with Univision talk-show juggernaut Cristina. On the air for 10 years, Cristina season-to-date is drawing a 12.2 household rating and a 4.6 rating in adults 18-49. Padre Alberto, hosted by DJ-turnedpriest Albert Cutie, has drawn a 3.2 in households and a 1.4 in 18-49s to date.

Fox's Malcolm in the Middle since its premiere on Jan. 9 has averaged an 11.4/16 in households and a 10.1/22 among adults 18-49, up 54 percent and 74 percent, respectively, over the programming Fox had previously aired in its Sunday 8:30 p.m. time slot, according to Nielsen Media Research data. Small wonder that Fox officials flew Malcolm's star, 14-year-old Freddie Muniz, to New Orleans to attend the network's recent meeting with its affiliate stations.

ABC through Feb. 6 had won seven consecutive weeks of prime-time ratings among adults 18-49, for the first time since the 1993-94 season. This season, the network's ratings surge has been fueled by *Who Wants to Be a Millionaire*. Six seasons ago, a variety of ABC sitcoms brought in 18-49 viewers, as *Home Improvement*, *Roseanne*, *Grace Under Fire* and *Coach* were among the top shows in prime time. —*John Consoli*

A Wealth of Viewers

E! and CNBC deliver the highest median-income audiences on TV

RESEARCH / By Jim Cooper

hile wrestling and made-for-TV movies on the generalinterest cable networks draw increasingly large audiences, smaller services are attracting more upscale audiences.

According to a study on median age and income released by TN Media, basic cable networks, led by E! Entertainment

Television in prime time and CNBC in total day, are drawing the highest median-income viewers 18-plus in all television. While Steve Sternberg, senior vp, broadcast research, TN Media, doesn't expect the buying process to be deeply affect-

ed by the study, he explained that "some people out there might not be aware that some of these networks are upscale."

In prime time, the median income for E!'s 18-plus audience in October and November 1999 was \$54,500, followed by ESPN, Food Network and Home & Garden Television (*see chart*). NBC delivered the most affluent 18-plus prime-time audience among the broadcast networks during fourth quarter 1999, at \$51,400. Among adults 18-49 and adults 25-54, NBC's income climbed to \$57,000 and \$59,900, respectively. ABC was the only other broadcast network to deliver an audience group (adults 18-49) with a medium income over \$50,000, at \$52,500.

"Traditionally, television is not as upscale as, say, magazines, so anytime a network can prove it has an upscale audience, high-end advertisers will sit up and take notice," said Brad Adgate, senior vp, corporate research at Horizon Media.

	(Prime Time)
Network	Median Household Income
E!	\$54,500
ESPN	\$54,000
Food	\$53,900
HGTV	\$52,800
NBC	\$48,300

(\$50,000). "This [affluence data] is a major part of how we

In total day, CNBC's

18-plus audience drew

the highest median

income, at \$56,000, and

was followed by E!

(\$50,500) and MSNBC

ÉSPN

HGTV

sell every day as a differentiator that sets us apart from the competition," said Susan Epstein, vp of ad sales for NBC Cable.

(\$50,800),

(\$50,600),

Beyond E!'s high median-income ranking, the network's viewers also tend to be younger skewing than other affluentskewing cable nets such as CNBC, which the TN report found delivered a median age of 57.5.

"We have the strong combination of youth and money," said Neil Baker, senior vp, ad sales for E! Networks. "Last year there was a CPM differential between E! and the marketplace as a result of these strong demos."

Revving Up for 2001

Agency report forecasts a buyer's market for NASCAR telecasts

TV SPORTS/ By John Consoli

n a new report on NASCAR auto racing, BBDO is predicting that with the addition of NASCAR events beginning in 2001, Fox Sports could "finally have programming that could make [it] a real competitor to ESPN." But Larry Novenstern, BBDO senior vp of sports marketing, also warned that Fox and the NBC/Turner partnership, which will pay \$400 million per year

to split the first combined NASCAR television package, must find a way to increase "the finite number of advertisers that have traditionally participated in the NASCAR marketplace." Novenstern places that number at about 40. He added, "With 29 percent more rating points to sell, the networks must bring more sponsors to the sport."

John Nesvig, president of sales for the



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CABLE TV

TNT last week named Steven Koonin executive vp and general manager. Koonin, who will report to Brad Siegel, president of Turner's general entertainment networks, joins TNT after a 14year career as a leading marketing executive with the Coca-Cola Co. His most recent position was vp of consumer marketing. Koonin will be based in Atlanta and will oversee all day-to-day operations for TNT, including programming, marketing and branding, as well as budgets and staffing matters.

CNN last week tapped Vivian Schiller as executive vp of CNN Productions after Pat Mitchell, president of CNN Productions and Time Inc. Television, formally announced her resignation to take the top job at Public Broadcasting Service. Schiller, who had been senior vp/gm of CNN Productions, will oversee the development and production of original documentary programming under the CNN News Group umbrella. She will report to Rick Kaplan, president of CNN US. During 11 years at CNN, Schiller developed and supervised more than 1,000 hours of nonfiction programming. She served as executive producer of CNN's first weekly documentary franchise, CNN Perspectives, which she helped create and launch, and was senior producer for CNN's Cold War and Millennium multipart documentaries.

Oxygen Media last week

announced more than \$70 million in co-marketing commitments from Hewlett-Packard, Johnson & Johnson, Procter & Gamble and RightStart.com. H-P will be the technology sponsor for Oxygen's Oprah Goes Online series and for Oprah.com. J&J is set to be the sole sponsor of a special multipart primetime series on the Oxygen network, to advertise with Oxygen's multimedia platforms and to partner with the network in addressing women's health issues. P&G will advertise at least 11 products on Oxygen and help develop consumer Web tools. RightStart.com will sponsor online components under the Oxygen Online umbrella. Oxygen launched on Feb. 2 in 10 million cable homes. -- 7im Cooper

Fox Broadcasting Co., said Fox is planning to offer ad packages that combine spots on both the actual weekend racing telecasts and on ancillary programming, such as race preview shows during the week. And Nesvig said NASCAR is also expected to sell sponsorship packages that include advertising on Fox telecasts.

BBDO is projecting 12,000 available household rating points in the first year of the new contract, compared to about 9,300 rating points the NASCAR telecasts will deliver this year, with rights spread among six broadcast and cable networks. But, Novenstern forecasts, "with networks struggling to sell out the current supply of GRPs, the anticipated success of the NASCAR schedule should lead to a severe oversupply in 2001. BBDO predicts supply will greatly outweigh demand, and those advertisers in need of NASCAR exposure will enjoy a buyer's marketplace." One buyer with NASCAR clients, who did not want to be identified, said preliminary discussions have taken place with Fox and NBC/Turner about how ads can be packaged beyond the actual race telecasts, but nothing has been firmed up.

Bob Igiel, executive vp and director of national broadcast for The Media Edge, said if NASCAR and the networks can succeed in selling enough category-exclusivity rights, however, it will not be a buyer's market.

But one thing the networks must be cautious of is adding too many new avails, thereby cluttering telecasts.

Igiel said the trend for networks has been to increase the commercial load each time a new, higher-priced contract goes into play. "The networks and NASCAR must make sure not to kill the golden goose," Igiel said. "When a show is overcommercialized, people tend to reduce their attention. It's a great danger."

Winter Sports Blizzard

Goodwill, Gravity and X-Games all vie for viewers and dollars

TV SPORTS / By Jim Cooper

ike back-to-back snowstorms, Turner Broadcasting's Winter Goodwill Games, NBC's Winter Gravity Games and ESPN's fourth annual Winter X-Games are bringing winter sports fans a

heavy dose of snowboarding, speed skating and skelton (basically, head-

first luge). Solid ratings for ESPN's X-Games seem to suggest an expanding audience of young males eager for half-pipes and big air. While its Nielsen household numbers were flat from



How many snowboarding events can the market sustain?

last year, ESPN enjoyed double-digit ratings increases among male and female teens, men 18-24 and men 18-34. Two telecasts carried on ABC drew a 330 percent increase of men 18-24 and a 115 percent rise of men 18-34 over the one telecast the year before. "We see the growth of Gen YS appetite

"We see the growth of Gen Y's appetite

for these lifestyle sports meaning a lot of interest in both participation and viewing of these events," said James Leitz, vp, emerging sports for IMG.

"It's like game shows on the networks they seem to be working, they have a young demographically attract-

ive audience and there are advertisers chasing that audience," said Neal Pilson, president of sports consultancy Pilson Communications.

Yet some media buyers think that having three similar events is akin to starting an avalanche. "The

market will find the correct level, and they are definitely verging on over-exposure right now," says Larry Novenstern, senior vp and director of sports marketing, BBDO.

From ESPN's perspective, more competition means more buzz for the extreme sports coverage it pioneered. "If ESPN

PALM READER.

It's not clairvoyance that brought Eanna Dubinsky wild success. It's the talent to recognize great ideas, and the tenacity to build companies pround them. Her latest venture? Handspring, a company that creates handheld computers that let people keep the world at their fingertips. Or at least in their palm. Fearless entrepreneurs like Donro Dubinsky find a kindred spirit in Forbes. No wonder she's been reading it since 1980.



was out there alone, you might question whether it's a viable property," said Tom Hagel, vp/director of event marketing for ESPN/ABC Sports.

Both Goodwill, which will run on TNT from Feb. 17 to Feb. 20, and Gravity, which will air on NBC on Feb. 12, 13 and 20, are being billed as different from the X-Games.

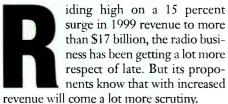
Winter Goodwill, which sold out its sponsorship slots before Christmas last year, will showcase more traditional winter sports, as well as skelton, which will be an official Olympic event starting in 2002. "We are the only multisport event in the winter arena that is focusing on Olympic-type sports with world-class athletes," said Goodwill Games president Mike Plant. Plant declined to discuss the finances of the Winter Games but did say that as they did with the 1998 Summer Goodwill Games in New York, which came close to breaking even, other Time Warner divisions will throw in support. Plant also said the Winter Games will have a special promotion on America Online but declined to discuss specifics. *Sports Illustrated* will publish an eight-page insert this week, and the games will be promoted via 2000 commercial units on Turner networks.

Like the X-Games, Gravity will cover extreme events. However, Gravity shot its events on film, relying on its Olympic-coverage style of storytelling about events and athletes to make Winter Gravity distinct. "The event we're going to air is one of the most interesting events we've ever done," said Kevin Monaghan, director of business development for NBC Sports. NBC partnered with Emap USA to produce Gravity.

Perils of a Bull Market

Record national, local ad revenue elicits buyer concern over clutter

RADIO / By Katy Bachman



"We were always taken for granted. All

of a sudden, people see radio companies doing well and revenue increasing at higher rates than other media," said Gary Fries, president, Radio Advertising Bureau. "Now we're under a microscope."

Partly responsible for the revenue rise is growth in ad rates. "At the end of fourth quarter, radio pricing was almost as high as TV," said

Donna Odze, unwired radio senior negotiator at BBDO. "Markets such as San Francisco and Washington were ridiculous."

"The drivers came from across the board, not only from dot.com but also telecommunications, retail and automotive," said Lee Westerfield, PaineWebber's broadcast analyst. "Radio is fast becoming for emerging brand marketers what TV networks of the '70s once were, the mass-reach vehicle."

Faced with continuing demand, agencies learned a few lessons from last year that have become standard operating procedure, including: Book early. "We've recommended that clients buy further out. For some of our clients, last year was a major rude awakening," said Aaron Cohen, executive vp, director of national broadcast, Horizon Media.

Clutter is a factor. "We'll continue to use radio for strategical, tactical and promotional marketing, but we are concerned about the increasing cost of doing business and the

		ines in M amounts in n		ars
	1997	1998	1999	Percent change '97-'99
Local National Spot Network	\$10,471 2,407 498	\$11,923 2,768 739	\$13,592 3,211 878	+29.8% +33.4% +76.3%
Total	\$13,646	\$15,430	\$17,681	+30.0%

increase in clutter, long pods and long commercial loads," said Howard Nass, senior vp, corporate development, TN Media.

If broadcasters get too greedy, watch out, say advertisers. "Some media departments could start to look at the trade-offs between radio and TV," said Bonita LeFlore, executive vp, director of local broadcast, Zenith Media. But the competition won't wait for that to happen. "Cable and TV never paid attention to radio. Now, general sales managers are beginning to feel the pressure," said Nass. "They're looking and saying, "These guys stole money from us.""



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RADIO

Fall Arbitron Report Finally Rolls Out



Three weeks late, Arbitron's Fall 1999 survey results last week began to roll out for the

top radio markets. No single format dominated the No. 1 ranking across the top 10 markets. Rather, it was an even mix of

Urban, Contemporary Hit Radio, Adult Contemporary and News/Talk.

Seven out of the top 10 stations enjoyed a repeat performance in the top spot: AM-FM's WLTW-FM in New York, Hispanic Broadcasting's KSCA-FM in Los Angeles, ABC's KGO-AM in San Francisco, AMFM's WNIC-FM in Detroit, Infinity's WBZ-AM in Boston and WPGC-FM in Washington, and Clear Channel's KBXX-FM in Houston.

The battle for the top radio cluster continues to mount. In Los Angeles, only onetenth of a share point separated AMFM from Infinity, which grabbed the highest combined audience share in five of the top 10 markets compared to AMFM in four markets. Clear Channel once again had the highest-rated station cluster in Houston. But cluster dynamics are bound to change, particularly when Clear Channel divests more than 100 stations in order to close on its \$23.5 billion acquisition of AMFM.

Jammin' Oldies, radio's hybrid Oldies format that captured a lot of attention a year ago, leveled off last fall. The format was flat in most markets, such as New York (WTJM-FM) and Los Angeles (KCMG-FM). But in Chicago, AMFM's WUBT-FM slid from 10th place to 14th, while Infinity's rival Oldies station, WJMK-FM, was 11th, with a 3.1 share.

The Hispanic format continues to grow. In Houston, HBC's KLTN-FM, which programs Regional Mexican, jumped from fifth place to second with a 6.6. So did Contemporary Hit Radio, which is riding the pop-music explosion. AMFM had several strong CHR performers. KHKS-FM in Dallas earned a first-place ranking. In Philadelphia, WIOQ-FM grew one share point and moved from seventh

Market	Top Station (format)	Avg. Qtr. Hr. Share*	Owner
New York	WLTW-FM (Soft Adult Contemporary)	5.7	AMFM
Los Angeles	KSCA-FM (Regional Mexican)	6.8	HBC
Chicago	WGCI-FM (Urban)	6.8	AMFM
San Francisc	o KGO-AM (News/Talk)	6.0	ABC
Philadelphia	WBEB-FM (Adult Contemporary)	6.8	WEAZ Inc.
Detroit	WNIC-FM (Adult Contemporary)	7.2	AMFM
Dallas	KHKS-FM (Contemporary Hit Radio)	7.1	AMFM
Boston	WBZ-AM (News/Talk)	7.9	Infinity
Washington	WPGC-FM (Urban)	5.8	Infinity
Houston	KBXX-FM (Urban CHR)	7.9	Clear Channe

to sixth. New York's Z100 WHTZ-FM continues to rank fourth, but its share increased to 5.1 from 4.7.

Adult Contemporary stations are also riding high in many markets. In addition to the three stations in the top spot, there were plenty of other success stories. AM-FM's WASH-FM in Washington climbed from 3.6 to 4.3 to land it in fifth place; KOST-FM in Los Angeles increased overall share to 3.6 from 3.0, for a sixth-place finish. Greater Media's WMJX-FM in Boston rose from fifth to fourth with a 5.5 share, up from 4.6.

Three markets, however, yielded some noteworthy changes in the rankings:

SAN FRANCISCO

Classical radio is alive and thriving in San Francisco. Bonneville's KDFC-FM surged to second place from seventh with a 4.5 overall share in the fall book, behind ABC's perennial No. 1--ranked News/Talker, KGO-AM. It's the first time any Classical station has ranked so high in a major market.

The station also ranks in the top 10

among adults 25-54 and ranks fourth in the 35-64 demo. An added bonus for owner Bonneville: Its flagship station, KOIT-FM, which programs Soft Adult Contemporary, tied for second place with sister simulcast KOIT-AM/FM and was No. 1 among adults 25-54.

Bonneville bought KDFC two and a half years ago, and hired a new general manager and a new program director. "The whole station was reinvented and reengineered. We got rid of its elitist slant," said Chuck Tweedle, president of the Bonneville San Francisco stations.

After extensive research, the station targeted "the middle of an upscale, highly educated audience aged 35-54," said program director Bill Lueth, who made several changes to the programming, including dropping the Metropolitan Opera from its playlist. "We took heat, but it killed the image of the station as 'the opera station," he said.

Lueth also hired an on-air team "that has radio on its mind, not the arts. This is a station for people who just like nice music but don't want to dissect a Mahler symphony." The station IDs are voiced by people who don't sound like they're on a Classical radio station. You also won't hear words such as "opus." "The jargon in this format is horrible for both listeners and announcers," said Lueth.

KDFC has been in the top 10 more than a year, but to move it farther up the rankings required marketing help. "Once we got our revenue up, we convinced corporate to give us money for a TV campaign, which we ran in October and November. Compared to a rock station, our \$1 million budget was insignificant," said Lueth. Apparently, it did the trick.

LOS ANGELES

KIIS-FM has unseated Hispanic Broadcasting's long-running hold on the No. 1– and No. 2–ranked outlets in the market, KSCA-FM and KLVE-FM. The Clear Channel–owned Contemporary Hit Radio station ranked second with a 5.0. KSCA-FM, which programs Regional Mexican, easily took top honors with a 6.8, but KLVE Romantica slipped to third place with a 4.9, off by a full rating point compared to the previous survey.

Roy Laughlin, KIIS' vp/general manag-

er, credited the rise to "a thousand little things...The music is big in the market right now." Laughlin cited the popularity of such artists as the Backstreet Boys, Ricky Martin, Jennifer Lopez and Enrique Iglesias. Because of KIISFMI, KIIS' younger, edgier Internet counterpart, the station has also been able to be out in front of the hits. "Ellen K [Morning man Rick Dees' wife] was playing Eiffel 65's "Blue (da ba dee)" before it was on KIIS. Now it's No. 1. KIISFMI is helping us get some indication on music and we're more adventuresome," Laughlin noted.

Of course, giving away money always works, too. Said Laughlin: "We were the first to do the million-dollar thing before Regis. We gave away \$3 million over the last 12 months."

NEW YORK

Howard Stern may have to amend his "lesbians equals ratings" maxim to say "lesbians and divorce equal ratings." The self-proclaimed King of All Media's fall share surged on the news of his separation from his wife, Alison. WXRK-FM K-Rock's overall share jumped from 3.6 to 4.1, landing it fifth in the market, tied with Infinity sibling Oldies WCBS-FM.

The event "certainly contributed" to the station's ratings success, said Steve Kingston, K-Rock program director. "Other stations in his network also upticked," he added. A special Arbitron breakout for Oct. 25—the day Stern poured his heart out—showed that he brought in an additional 76,200 listeners. Kingston described share increase from 8.4 to 11.0 as "curiosity cume." —*Katy Bachman*

SAN FRANCISCO TV STATIONS KRON Plans to Sever Its NBC Affiliation

Õ

Young Broadcasting last week balked at negotiations with NBC to renew the affiliation of

KRON-TV in San Francisco, and says it plans to make the high-rated NBC affiliate an independent station in 2002. Though NBC is upset with Young's move to make its negotiations public, it is not yet clear what alternate distribution the network will line up in the market.

Young chairman Vincent Young made public NBC's conditions for keeping KR-ON as its affiliate in the fifth-largest TV market. He said the network wanted compensation payments of \$10 million a year; first rights to the station's digital spectrum; and a reduction in local prime-time programming from 20 hours to five per year. "It is not in the best interests of the people that reside in the San Francisco community or of our station," he stated. "Specifically, NBC's demands that we reduce local programming to our KRON viewers and accept the network's financial terms were totally unacceptable." Young last year outbid NBC to buy KRON for \$823 million from Chronicle Broadcasting.

"We've made it very clear to Young that an NBC affiliation had become very competitive in the San Francisco market," said NBC president Randy Falco in a prepared statement. "We recently gave Young a term sheet for their consideration to extend affiliation and expressed the need for a quick decision. We're disappointed that Young chose to respond to our term sheet by announcing it in the press." Bidding from other groups for alternative distribution platforms closed Friday, and Falco said he expected to make an announcement soon.

Industry observers expect NBC to give in and continue negotiating with Young on the issue. Though both parties seem to stand firm in their respective positions, it appears NBC's choices to find a strong VHF outlet such as KRON are limited. No available VHF exists in the market, but possible scenarios include a partnership with the Paxson Communications outlet KKPX-TV (NBC owns a stake in Paxson).

As an independent, KRON will likely increase its complement of local news and rely on syndicated programming, Young said. "We will own all of our inventory and, with the exception of prime time, our dayparts will look pretty similar," he noted. Analysts wondered whether Young should not just accept the deal NBC is offering. "What it comes down to is...the cost of syndicated programming and whether NBC is offering its well-branded programming comparatively inexpensive," said Lee Westerfield, PaineWebber broad-

NEW ORLEANS TV STATIONS

Mardi Gras Reporter Changes Krewe

There is no Mardi Gras without the celebratory tossing of beads to the throngs of revelers lining New Orleans' St. Charles St. But CBS affiliate WWL lost its primary string of beads last week when reporter Arthur Hardy defected to ABC affiliate WDSU. "WDSU convinced me they were dead serious about Mardi Gras coverage, and they had the right price to lure me away," said Hardy, who has covered the bacchanalia for 14 years.

WWL, Belo's CBS station, has a backup plan named Frank Davis, and he'll be wearing purple, green and gold—and a slick black jacket. "I am mixing the formal with the magical," said Davis, WWL's new carnival commentator. "If I have to go to a formal event, I can just throw a tie around my purple

collar, but if people want to boogie, I'm ready."

Davis is already the kind of franchise in the Big Easy that demands an agent. He currently hosts *Naturally N'awlins*, a local human-interest show on WWL, and acts as "resident chef" during the morning news. Every Tuesday, Davis breaks out the tabasco and rum during the two-hour segment *In the Kitchen*. "Frank is a character in his own right," said general manager Jimmie Phillips. "He likes to do all the wacky, offbeat New Orleans stories."

Hardy, meanwhile, has already shot 15 segments on the myriad Krewes—each group participating in the parade. WDSU hopes to cover all 55 parades, which kick off Feb. 25. It's a first in local TV coverage. "We'll soon see if I'm any good," quipped Hardy. He's also looking forward to covering more hard-news and in-depth stories for the Hearst-Argyle-owned outlet.

WWL's parade coverage commences two weeks before Fat Tuesday on March 7. --ML

Purple reign: Davis cast analyst, adding that the cost of syndicated programming could amount to about \$500,000 per hour. —*Megan Larson*

UPSTATE NEW YORK TV STATIONS

Ackerley Goes Low

More local news will be coming to Binghamton, N.Y., by way of low-power NBC affiliate WBGH-TV. Seattle-based The Ackerley Group purchased the station from Smith Broadcasting last week for \$9 million and plans to eventually build WB-GH's news operation up to an estimated 25-30 hours per week. The outlet does not currently have a news department and rebroadcasts news from WETM-TV, Smith's NBC affiliate in nearby Elmira, N.Y. Smith is a subsidiary of Dallas investment firm Hicks, Muse, Tate & Furst.

"We want [WBGH] to have its own local news presence and have a relationship with the community," said Chris Ackerley, executive vp, operations and development. Ackerley has also entered into a local marketing agreement with WETM to provide the station with sales and programming support.

The WBGH acquisition expands Ackerley's blooming station cluster in upstate New York, which includes markets Syracuse, Utica and Rochester. Ackerley also owns an ABC affiliate in Binghamton, WIVT-TV, creating a duopoly in the market with WBGH. The NBC affiliate already has its own programming and sales staff, but adhering to traditional Ackerley management style, WBGH plans to fuse administrative "back-office" operations with WIVT to cut costs, Ackerley said. Dollars saved will be invested in news talent and production for both stations.

Local media buyers find efficiencies in buying all the stations in Ackerley's cluster in a package for their clients. "It can be helpful because my clients need to reach all those markets," said Laurie Vankuren, media director at Fred Riger Advertising in Binghamton.

As soon as the deal is approved, WBGH will be plugged into Ackerley's "digital centralcasting" technology, which connects all the stations in a cluster together via a digital programming wire. Ackerley's goal is to fold WETM into the digital loop, as well. The Elmira outlet isn't up for sale yet, but if owner Robert Smith were willing to sell, Ackerley said the company would be willing to buy. -ML

Market Profile



West Palm Beach

While only 50 miles separate West Palm Beach and Fort Pierce, Fla., two coastal communities that make up the country's 43rd-largest television market, they are worlds apart in many ways. West Palm Beach is considerably more affluent and is the seat of the Palm Beach County government. The

community's downtown area has enjoyed a revival in recent years, including a total revitalization of Clematis Street, a once-declining retail zone that is now one of South Florida's hot spots, filled with trendy night clubs, shops and restaurants. West Palm is also anticipating the completion of City Place, a major retail, residential and commercial complex that has been under construction for the past year and a half.

Fort Pierce, about an hour's drive north of West Palm in St. Lucie County, is a more laid-back, working-class town and is home to a number of housing developments for senior citizens. The area around Fort Pierce, known as the Treasure Coast, also includes three other counties: Martin, Indian River and Okeechobee. Much of the land is still undeveloped; the Treasure Coast has yet to experience the rapid growth of Palm Beach County, which is seeing an influx of early retirees looking to escape the more densely populated Broward and Dade counties to the south. In radio and newspapers, the West Palm Beach market also includes Boca Raton, an affluent beachfront community about 35 miles south. The West Palm-Boca Raton radio market ranks No. 51 in the country. Fort Pierce is part of the Fort Pierce–Stuart–Vero Beach radio market, ranked 118th by Arbitron.

Radio stations in the area must contend with considerable signal spillover from the Miami-Ft. Lauderdale-Hollywood market. Because of the spillover, local media buyers say they buy the market by individual stations rather than by groups. West Palm Beach "kind of gets an inferiority complex, living in the shadow of Miami-Ft. Lauderdale," says Ken Weisberg, broadcast buying supervisor with Cooper HMS in Coral Gables.

In West Palm-Boca Raton, WRMF-FM, locally owned by James Crystal Enterprises, was the market's top-rated station for more than a decade, but it has suffered declines since CBS/Infinity's



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Good Housekeeping

has surpassed our expectations," says Victoria Regan, WPBF vp/general manager, who joined the station last November from another Hearst-Argyle outlet, WDTN in Dayton, Ohio.

Filling the 5-7 a.m. slot with local news makes WPBF more competitive with WPTV and WPEC, which already carried news in the time period. WPBF has supported the new newscast with an extensive promotional campaign including radio spots, billboards and direct mail.

The station also is completing a redesign of its Web site as part of a groupwide initiative by Hearst-Argyle. The site is expected to relaunch by midyear. Regan says she is hiring eight to 10 people as dedicated news and ad sales staffers for the Web effort.

"We're bringing the station up to Hearst's standards in quality of news [and] being competitive in all dayparts," Regan says.

Over at WPEC, vp and gm Doreen Wade came aboard last June from Freedom's WRGB-TV in Albany, N.Y.

Radio Ownership

OWNER	STATIONS	Avg. QtrHour Share	Revenue (in Millions)	Share of Total
WEST PALM BEACH-BOCA RATO	N ¹			
Infinity Broadcasting	2 FM	15.3	\$13.5	28.2%
James Crystal Enterprises	1 AM, 2 FM	8.1	\$12.3	25.6%
Clear Channel Communications	2 AM, 4 FM	16.2	\$11.8	24.6%
Palm Beach Radio	2 FM	5.1	\$4.8	10.0%
FORT PIERCE-STUART-VERO BE	ACH2			
AMFM	1 AM, 4 FM	13.8	\$6.0	58.3%
Midway Broadcasting	1 FM	6.7	\$1.3	12.6%
Centennial Broadcasting	1 FM	10.3	\$0.7	6.8%

¹Includes only stations with significant registration in Arbitron diary returns and licensed in West Palm Beach-Boce Raton or immediate area; ratings provided by Arbitron, Summer 1999 book. ²Includes only stations with significant registration in Arbitron diary returns and licensed in Fort Pierce-Stuart-Vero Beach area; ratings provided by Arbitron, Spring 1999 book. Revenue and owner information provided by BIA Research

WPEC's 5, 6:30 and 11 p.m. news programs all ranked a solid second in household ratings and share in the November sweeps. In addition to its own newscasts, WPEC for the past eight years has produced a daily 10 p.m. news for the market's Fox affiliate, Raycom Media's WFLX-TV.

WFLX, which was part of the Malrite Broadcasting group that Raycom acquired in fall 1998, has been gearing up to meet the Federal Communications

Nielsen Ratings/W.P.B.-Fort Pierce Evening and Late-News Dayparts

ime	Network	Station	Rating	Share
-5:30 p.m.	UPN	WTVX*	3.2	7
	ABC	WPBF	3.6	8
	NBC	WPTV	9.2	21
	Pax	WPXP*	0.6	1
	CBS	WPEC	5.5	12
	Fox	WFLX*	2.7	6
30-6 p.m.	UPN	WTVX*	3.5	7
	ABC	WPBF*	4.1	8
	NBC	WPTV	10.9	23
	Pax	WPXP*	0.6	1
	CBS	WPEC	6.4	13
	Fox	WFLX*	3.1	6
-6:30 p.m.	UPN	WTVX*	3.0	6
	ABC	WPBF	4.6	9
	NBC	WPTV	12.7	24
	Pax	WPXP*	1.5	3
	CBS	WPEC	8.3	18
	Fox	WFLX*	4.4	8
ate News				
0-11 p.m.	Fox	WFLX	5.2	8
1-11:30 p.m.	UPN	WTVX*	3.2	6
	ABC	WPBF	5.4	10
	NBC	WPTV	11.2	21
	Pax	WPXP*	0.9	2
	CBS	WPEC	8.6	16
	Fox	WFLX*	3.1	6

Commission's 2001 deadline for TV stations to be digital-ready. "We're ordering equipment and spending large sums of money to meet the deadline—it's a multimillion-dollar expenditure," says WFLX gm John Spinola.

WFLX is looking forward to the fall 2001 syndication premiere of *Everybody Loves Raymond*. Meanwhile, the station is considering adding morning and weekend local news programs.

Spinola says that spillover from Miami is not nearly as much a factor in West Palm Beach in broadcast TV as it is in radio. "There's much less duplication than people think," he says. "We really are two distinct markets. If you buy Miami [TV], you absolutely do not get West Palm Beach. But if you buy West Palm Beach, you get a little of the Miami market."

UPN affiliate WTVX-TV, owned by StraightLine Communications of Greenwich, Conn., is operated via a local marketing agreement with Paramount's WBFS-TV, the UPN affiliate in Miami. While it does not program news, WTVX has made significant ratings strides over the past two years, rising to a 4 share sign on-to-sign off in last November's sweeps, notes Bill Ballard, executive vp/gm of WBFS, who also oversees operations for WTVX in West Palm Beach. Ballard attributes the ratings growth to technical improvements at the station, which had suffered from severely outdated and inadequate equipment-WTVX even went dark for 59 hours during the May 1997 sweeps. After Paramount took over management of WTVX in July 1997, the group overhauled the station's equipment and used some WBFS resources to boost its performance.

WTCN-TV, a low-power independent outlet, recently became West Palm Beach-Fort Pierce's WB affiliate. Bill Brothers, WTCN president/gm, acquired the station two years ago from a local

LANE MA

Radio Listenership

		g. QtrHo Morning	Evening
STATION	FORMAT	Drive, 12+	Drive, 12+
WEST PALM B	BEACH-BOCA RATON		
WEAT-FM	Soft Adult Contemporary	11.1	10.2
WIRK-FM	Country	6.2	5.6
WBGG-FM	Classic Rock	6.0	1.2
WJNO-AM	News/Talk/Information	5.5	4.6
WRMF-FM	Adult Contemporary	4.5	5.4
FORT PIERCE	STUART-VERO BEACH		
WOSN-FM	Adult Standards	9.6	9.3
WFLM-FM	Urban Adult Contemporary	7.1	6.9
WLDI-FM	Contemporary Hit Radio	5.9	8.5
WJBW-FM	Nostalgia	5.4	5.8
WKGR-FM	Classic Rock	4.8	5.0
	ummer 1999 Radio Market Report (Wes 99 Radio Market Report (Ft. Pierce-Stua		ioca Raton);

company called Stuart Tower, which went bankrupt. "It's been a long transition," Brothers says of building up the station. "When I bought it, it had been showing a lot of political talk shows. It's gradually become more mainstream."

WTCN, whose broadcast signal is available on cable systems in Martin and St. Lucie counties (about 100,000 households), has a commitment from AT&T Broadband to be added to its Fort Pierce cable system this fall (about 70,000 households). The station also is working to get cable clearance in Palm Beach County, Brothers says. For now, WTCN is struggling to find its way onto the radar screens of viewers and advertisers.

"Most of our ad dollars are still local," Brothers says. "The regional advertisers really have not found their way here yet." WTCN averaged a 0.1 household rating from 5 to 8 p.m. weekdays in last November's sweeps.

Broadcast stations in the West Palm Beach-Fort Pierce market have keen competition for local spot advertising dollars from local cable. Cable's penetration in the market is 84 percent, well above the 69 percent average in the top 50 markets as tracked by Scarborough Research (see chart on page 17). The major cable players in the market are Adelphia Communications, Comcast and AT&T.

"Cable is playing a much more critical role here," says Don Mathis, president of local ad agency the Mathis Group. For advertisers, "the problem with cable is that you're not getting the cost savings you used to."

Comcast and Adelphia are negotiating a multimarket systems swap that will include cable subscribers in West Palm Beach-Fort Pierce. Adelphia would add a total of 440,000 Comcast subscribers to its two largest cable clusters, in Los Angeles West Palm. In and exchange, Comcast (and its subsidiary Jones Intercable) will receive systems currently owned, managed or under contract to be purchased by Adelphia serving about 464,000 subscribers in suburban Philadelphia; Ocean County, N.J.; Ft. Myers, Fla.; Michigan; New Mexico; and Indiana. The deal is expected to be finalized by midvear. In Florida, Adel-

phia is expected to pick up about 35,000 subscribers and trade about 40,000.

In newspapers, the largest daily serving the West Palm Beach-Boca Raton market is the Cox-owned *Palm Beach Post* (circulation 158,829 daily, 203,449 Sunday). Cox also owns two other properties in the market—the small *Palm Beach Daily News* and a weekly shopper that serves Palm Beach County.

In a new initiative for advertisers, the *Palm Beach Post* last month launched weekly sections targeting readers in Boynton Beach, Delray Beach, Jupiter-Tequesta, Palm Beach Gardens and North Palm Beach. The sections are delivered to *Post* subscribers in those communities on Wednesdays and go to potential subscribers via the mail. The *Post* hired eight additional staffers to help produce the new sections.

The Post's major daily competitor, primarily in the southern end of its circulation footprint, is the Ft. Lauderdale Sun-Sentinel, owned by Chicago-based Tribune Co. The Sun-Sentinel, based in Broward County, has three editions of its daily paper, including a Palm Beach County edition, and has a strong presence in Boca Raton, Delray Beach and Boynton Beach.

In late 1998, Tribune acquired a network of 33 South Florida weekly newspapers owned by a private venture capital group. Since the acquisition, the network has grown to 52 weeklies, including seven targeting south Palm Beach County.

Tribune also offers print advertisers the *Florida New Homes* & *Condominiums Guide*, acquired in April 1999. The guide is distributed from the Miami-Dade County area all the way north to Vero Beach.

The West Palm Beach-Fort Pierce outdoor market consolidated on Jan. 6, when Eller Media closed on its acquisition of AK Media, becoming the leading outdoor player in the region. Eller is owned by Clear Channel, making the company a dominant advertising force in both radio and outdoor in the area.

The prime outdoor locations in the market are U.S. 1 (also called Federal Highway), state highway A1A and parts of U.S. 441, all of which run north-south.

Newspapers: The ABCs

	Daily Circulation	Sunday Circulation	Daily Market Penetration	Sunday Market Penetration
Palm Beach County: 439,800 Hous	eholds			
Boca Raton News	13,999	17,073	3.2%	3.9%
Ft. Lauderdale Sun-Sentinel	65,634	81,995	14.9%	18.6%
Miami Herald	5,567	8.087	1.3%	1.8%
Orlando Sentinel	638	-,	0.1%	
Palm Beach Post	149,110	192,693	33.9%	43.8%
Martin County: 51,700 Households				
The Tribune	207	209	0.4%	0.4%
Miami Herald	270	351	0.5%	0.7%
Stuart News	23,366	28,446	45.2%	55.0%
Paim Beach Post	13,398	15,401	25.9%	29.8%
St. Lucie County: 71,500 Househol	ds			
The Tribune	26,429	28,430	37.0%	39.8%
Miami Herald	327	426	0.5%	0.6%
Stuart News	12.808	16,543	17.9%	23.1%
Vero Beach Press Journal	1,780	2.099	2.5%	2.9%
Palm Beach Post	5,096	6,430	7.1%	9.0%
Okeechobee County: 11,700 House	holds			
The Tribune	242	272	2.1%	2.3%
Paim Beach Post	3,284	4,261	28.1%	36.4%
Source: Audit Bureau of Circulations				

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The IQ Q&A by Michael Schrage

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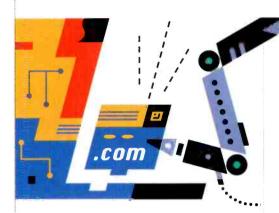
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Sharleen Smith is charged with keeping the convergence as Oxygen Media takes off. Scott and Dan Kurland's shoestring startup WinDough.com mesmerizes prize-seeking surfers. By Kipp Cheng



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1999 just might be remembered as the year of the rollup. Many agencies acquired shops large and small, in the States and around the world, in a bid to expand their menu of interactive services—and the very nature of their role. By Adrienne Mand

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Already a fixture in print and on TV and radio, the doyenne of domesticity is now spinning her golden threads around the World Wide Web. *Interview by Michael Schrage*

HOT SHOPS 35

1999 was a banner year for the ad business, especially in the exploding interactive sector. We've singled out 10 shops that really rocked last year—with robust growth, impressive client wins, knock-your-socks off campaigns and that certain something that generates buzz. Here are IQ's Hot Shops—the agencies we consider the year's best.

ONES TO WATCH 58

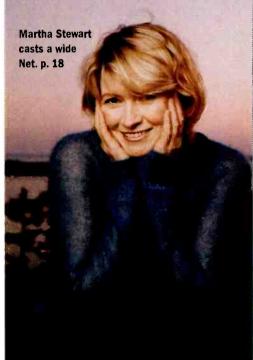
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IQ's accounting of the top 100 agencies, ranked according to revenue.

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With countless music sites vying for attention, IQ filters through the noise to check out 10 of the contenders. Our screen-by-screen reviews point out the highs, lows, hits and misses. By Rodd McLeod



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SHOTS FROM AROUND THE WEB

Bid Online to Spend Time With Your Favorite Celebrity!

For some, the ultimate celebrity fantasy would be practicing chip shots with Tiger Woods, shagging flies with New York Yankees' Derek Jeter or attending an on-location photo shoot with supermodel Heidi Klum (at right). Usually, though, the closest most fans would ever get to said golfing phenom, superstar shortstop or swimsuit mannequin is in their dreams.

Until now. Fans looking to interact with their favorite sports and entertainment stars, or partake in other "extraordinary experiences," can log on to UltimateBid.com, a Redwood City, Calif.-based Web auction marketplace. The site was created by a joint effort between Cleveland-based sports marketing and management company IMG and San Francisco-based investment firm Rosewood Venture Group.

As the self-styled "marketplace for dreams," UltimateBid.com lets fans and celebrity admirers bid on a broad range of tag-along-with-celebritiesand-sports-figures experiences, such as attending the 42nd annual Grammy

Awards with pop diva Gloria Estefan or hanging out with Hall of Fame quarterback Joe Montana.

"There is no other place on the Web or elsewhere that is offering the breadth and depth of spectacular experiences," said Jody Gessow, co-founder, chairman and CEO of UltimateBid.com.

Best of all, proceeds from roughly half of all auctions benefit charities of

the individual star's choice. As for the asking price on some of these experiences? A couple hundred bucks might win you a gig as a ball boy during a Major League baseball game, while a much higher bid could bag entry into Woods' inner circle.

Dare to dream. Reality may be a click away.—Ann M. Mack

Matchmaker.com, Match.com Make Me a Match

Forget about cheesy come-ons from lame lotharios in smoke-filled bars or awkward blind date set-ups. A crop of online matchmaking, dating and singles services may have forever changed the rules of courtship for the wired, single and lovelorn. Under the guise of modern-day cupids, sites like Match.com, Matchmaker.com, XSeeksY.com and Swoon.com have taken aim at Lonely Hearts in cyberspace, with the hope of hooking up couples and turning a buck or two in the process.

While most of these free matchmaking services feature advertising—and who wouldn't look at a few banner ads if your soulmate was only a few clicks away—some require nominal subscription fees for premium services.

Single Web surfers can screen their potential mate's interests based on location, ethnicity, religion, sexual orientation and even astrological sign. Whether looking for Mr. Right or Ms. Right, these sites appeal to the masses. According to Dallas-based Match.com, more than 3 million singles have used its service since the site launched in 1993. Bedford, Texas-based Matchmaker.com (not to be confused with TheMatchmakers.com, "the only All-Jewish dating service in the Chicagoland area") claims to have more than 2.6 million registered members with 25,000 new members joining weekly.

So if it's for-fee or free, with sponsors or without, this week, virtual Cupids are gearing up for the Valentine's frenzy. As well as its inevitable aftermath. -AMM

E-mail Your Love

When your own words fail to inspire your loved one into V-Day submission, why not get help from the pros? Warner Bros. recording artist Michael Fredo and Redwood City, Calif.-based eGreetings have partnered to create a series of e-cards just in time for Valentine's Day. Each Fredo-

MICHAEL FREDC

themed eGreeting is free to users and should help a bashful Romeo declare his love with customizable digital cards that feature audio clips from the youthful balladeer. Fredo's teen-targeted sin-

gles include "Love All Over Again" and "Everybody Wants Her."—*Kipp Cheng*







The Force Is With Her

Sullen and wired teens who are seeking advice about pressing adolescent issues ranging from pimples to teen pregnancy now have a new advisor online. Acclaimed author and actress Carrie Fisher has signed on as the official "DEN Mother" at Santa Monica, Calif.-based Web entertainment network Digital Entertainment Network (DEN).

As part of her duties, Fisher will author an online advice column called Postcards from the Net, accessible on the DEN site, located at www.den.net and www.den.com.

Fisher will surf the Web and recommend teenfriendly sites and productive things for Gen Y-ers to do on the Net. The column will be updated with new content each week.—KC

Fisher is DEN Mother at Digital Entertainment Network

BigStar.com Deploys Cupids

Donna Williams, executive vp of marketing and business development at movie e-tailer BigStar.com, thinks the recent flood of dot.com advertising on TV has gotten out of hand. "In the life cycle of an online brand, it's just wasting money to make buys on TV," she says, adding that while TV is emotive, it's also too expensive for most startups.

Instead, Williams believes that earlystage dot.coms like BigStar.com can and should capitalize on their upstart nature and go for guerrilla marketing schemes. to promote the site's Valentine's Day special. But unlike the angel-faced Cupids of greeting cards, this month's army of BigStar Cupids—who deliver candy hearts at various locations in Dallas, Phoenix and New York—look more like George Costanza than George Clooney. The chubby Cupids are part of what Williams says is a continuing effort to break away from the dot.com pack.

Throughout February, BigStar.com is

sending out a bevy of Cupids to the streets

As for advertising on TV, Williams says, "Never say never."—KC



E-House Arrest

Self-named DotComGuy has received a massive amount of media attention since he moved into an unoccupied house in suburban Dallas on Jan. 1, 2000. Reports from the scene say he has already granted nearly 500 interviews. He has also been the subject of critical news articles, which have attacked his lifestyle and suggested that DotComGuy should spend more time reading books rather than surfing the Web.

Such abundant news coverage makes one wonder, what's the big to-do?

In case you haven't heard the story, Dot-ComGuy, the erstwhile systems administrator formerly known as Mitch Maddox, moved into a wired but otherwise empty house at the turn of Y2K and will not leave his abode for one full year. Anything he needs, he plans to get online. While DotComGuy can receive visitors, he can't leave the confines of his property, except to walk around the backyard.

While critics have questioned his intentions, DotComGuy claims that he is "creating a community to discuss e-commerce." In reality, what he has created is an ideal venue for online advertising and dot.com sponsorships. In fact, almost every



DotComGuy hopes to last the entire year online.

component of the site, which is located at www.dotcomguy.com, serves as either an ad or a sponsorship button. The page that recounts how DotComGuy equipped his living space

mentions no less than 13 participating sponsors, including eHow, BizLand.com, NetB@nk, Borders.com and CheapAirlines.com.

According to the DotComGuy Web site, Coollink is the "official ISP for DotComGuy." But DotComGuy isn't living an entire year exclusively on e-commerce for nothing: If he lasts through December, sponsoring companies will pay him \$100,000.

DotComGuy has hired a public relations firm and probably wants to stir up a bit of controversy. Of course, the increased traffic will only heighten the likelihood of e-commerce transactions via the site and make DotComGuy.com all the more attractive for advertisers. This could very well be his ultimate goal.

One thing seems obvious: It certainly is not "a journey into the possibilities of the Internet," as the site claims. -JS

PIDER: PHOTO DISC

ust days before the launch of Oxygen Media, the New York-based multiplatform entertainment network aimed at superserving the traditionally underserved women's market, Sharleen Smith hosts a walking tour of the company's expansive studio and office space in the heart of New York's once-decrepit Chelsea district.

If Smith, who runs the company's convergence laboratory—a kind of "integrated media think tank"—has any jitters about the enormity of the company's undertaking, she hides it well, coolly pointing out the row of eighth-floor executive

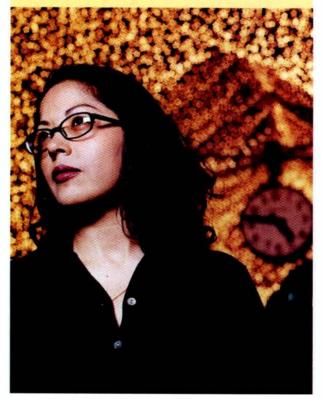
offices shared by Oxygen chairwoman and CEO Geraldine Laybourne and a handful of the company's bigwigs. As Smith glides through the crowd of Oxygen employees, she greets them all with a "Hey," then wends her way down to her own sixth-floor office in this converted warehouse, where she finally lets her guard down.

"It's like being pregnant and any minute now we're going to give birth," Smith says, sitting in the bullpen of cubicles that serves as the epicenter of Oxygen Media's convergence lab. "This place, this idea is crazy ambitious."

Crazy ambitious, perhaps, but despite criticism from early naysayers, Oxygen has managed to successfully ramp up both its staff and programming in less than two years since Laybourne, the mastermind behind the rise of Nickelodeon Television, announced that Oxygen Media would not only create a cable network targeting women, but also launch a Web site to complement and supplement its onair offerings.

As one of the first 50 hires, Smith was given the heady role of director of Oxygen's convergence lab, although Smith says that the "c" word is now more buzzword than anything else. Labor Pains Sharleen Smith is keeper of the convergence for Oxygen Media.

SHOCK TROOPS/THE MEDIA



Buzzword or not, convergence has long been in Smith's vocabulary. After receiving a master's degree from New York University's esteemed interactive telecommunications program, Smith served as director of new technologies at USA Networks for five years, creating ahead-of-its time convergence programming like *MindProbe*, an interactive game show on USA's Sci-Fi Network Web site. If anyone knows convergence, it's Smith. shindig in Chelsea Market. A decked-out Smith stands among the crowd of beautiful people, watching as Laybourne and then Oxygen co-founder Oprah Winfrey speak. The crowd goes into a frenzy when monitors flick on with the first-ever broadcast of Oxygen programming. "The metaphor for childbirth is really appropriate in this case," Smith shouts over the beat of salsa music. "Tomorrow, that's when the work really begins." —*Kipp Cheng*



"When I came to Oxygen, there was an expectation that I was going to do what I had started

at USA and continue on this trajectory that I had been on," she says. "I just figured that I was going to come in and create programming, both on-air and online."

Smith says locating that mythic intersection between Web and television convergence has become increasingly complex, especially with the emergence of wireless and hand-held communications over the last year. "It's amazing how suddenly it seems like wireless is now the thing," says Smith. "It sort of

came from nowhere."

Imagining innovative ways to deliver all kinds of content to a mass audience, and specifically to women, across existing and yet-to-be created outlets has been a thrilling endeavor, says Smith. But she concedes that it's sometimes easy for her to become "too high concept," which results in her "hopscotching" through ideas too quickly. Working at Oxygen over the past year, though, has helped Smith shed her "I'm just a cyber chick who wants to have fun" attitude in favor of developing real solutions for real audiences, such as using existing technologies like WINK and WebTV to enhance Oxygen programming.

"Nothing that we're working on is terribly bleedingedge," says Smith, who is keenly aware of the challenges of educating and empowering both audiences and programmers. "There are these comfort levels," says Smith. "It's like the Panama Canal. We get to a certain level, then we close off all of the gates. And then we raise the water, and only once everybody's comfortable in that space do we then go to the next level."

A few days later, Oxygen Media hosts a celebrity-studded gala to launch the company and its services at an invite-only

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Detroit 248 593-9913 cott and Dan Kurland credit '80s teen flick One Crazy Summer as the inspiration for WinDough.com, their Boca Raton, Fla.-based instant prize portal. "We were on the couch one night watching TV and the movie was on," recalls Scott. "In the movie, this guy spends an entire summer locked in a room smoking cigarettes, drinking coffee and listening to the radio because the local station was giving away a million dollars. I turned to Dan and said, 'If we could just capture that kind of attention on the Web—'"

"Yeah," interrupts Dan. "And I said, 'If we could get people to devote that much atten-

tion to something of ours—'"

" '—We could build a business!" " Scott finishes.

And what a business the Kurland brothers have built. Since the site's low-key launch in January '99, WinDough.com has registered more than 525,000 regular users and reaches a total of 2 million Web surfers each month, according to Reston, Va.-based Web measurement firm PC Data Online. The Kurlands boast that WinDough.com is already profitable and can deliver over 15 million monthly ad impressions to advertisers. All this despite an almost total lack of marketing to promote the site.

To play the WinDough.com game, registered users open up a small WinDough browser window and view banner ads in 30second rotations (one ad per 30 seconds), with the chance of viewing instant prize-winning banners that lead to cash and other awards.

"Why is it successful?" asks a bemused Scott. "We had the idea, we did it and ... now we say to ourselves, 'Why does it work?' I mean, it's not necessarily the kind of product I think I would use, you know?"

Whether or not Scott—who previously worked for AT&T

and Time Warner designing interactive television applications—would count himself among the site's legion of fans, he knows that WinDough.com has tapped into a highly lucrative market on the Web. The synergy between marketing messages and online incentives programs, says Scott, is a natural: By giving casual gamers the chance to win prizes for their efforts, WinDough.com offers marketers a captive and sticky audience.

"We're able to take people's attention and direct it toward advertising in such a way that it is a lot more efficient than it's ever been on other Web sites," Scott claims. While the category of click-and-win sites has become increasingly crowded over the past

year—for example, CBS launched clickthrough sweepstakes and portal service iWon last fall—Dan says WinDough.com offers a unique value proposition to advertisers and consumers. That's because users can play the WinDough game while visiting other Web sites, since the WinDough.com window can sit discreetly on the desktop without interfering with other PC activities.

"Where we differ from, say, iWon is that WinDough.com is

compact in size, and you can leave it up all day," says Dan, a recent graduate of Penn State. "IWon wants you to be on the iWon Web site. We don't care if you're on WinDough.com."

At least for now. The Kurlands recently began rolling out an upgraded version of WinDough.com called Win-Dough.com Plus, which gives users additional functionality such as free e-mail and Web search through a partnership with search site Mamma.com. The brothers also plan to add a points system and a reward pay-out for referrals.

"At first we wanted that little piece of space on your screen, and now we want the big space, too," says Dan. "When Scott said that Win-Dough.com is not necessarily a product he would use, that's what we're trying to change with the new stuff."

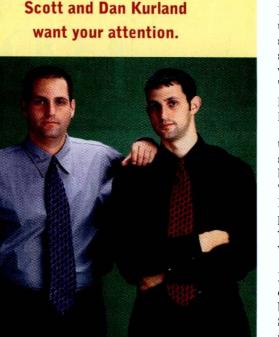
One thing won't change: Win-Dough.com has no plans to glamorize its look, which could best be described as "utilitarian." Scott defends the site's no-frills appearance. "It's not intended to be flashy," he maintains. While it may seem "simplistic," he says it's "extremely powerful."

Thanks to a recent initial round of financing ("roughly in the seven-figure amount") from

WinDough.com co-founders Scott, left, and Dan Kurland.

a private investor, this two-man shop plans to add up to 10 more employees this year. Until WinDough.com is fully staffed, Scott and Dan Kurland will continue to work side by side, answering tech support, shipping prizes and doing all the fulfillment themselves.

"We were looking to make a business that could actually turn a profit," says Scott. "When we started, we didn't have the financial backing where we could go months and months without making any money. So we had to come up with a model that could actually sustain itself."—*Kipp Cheng*



SHOCK TROOPS/THE MEDIA

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Who am i?

9

i am the internet generation.

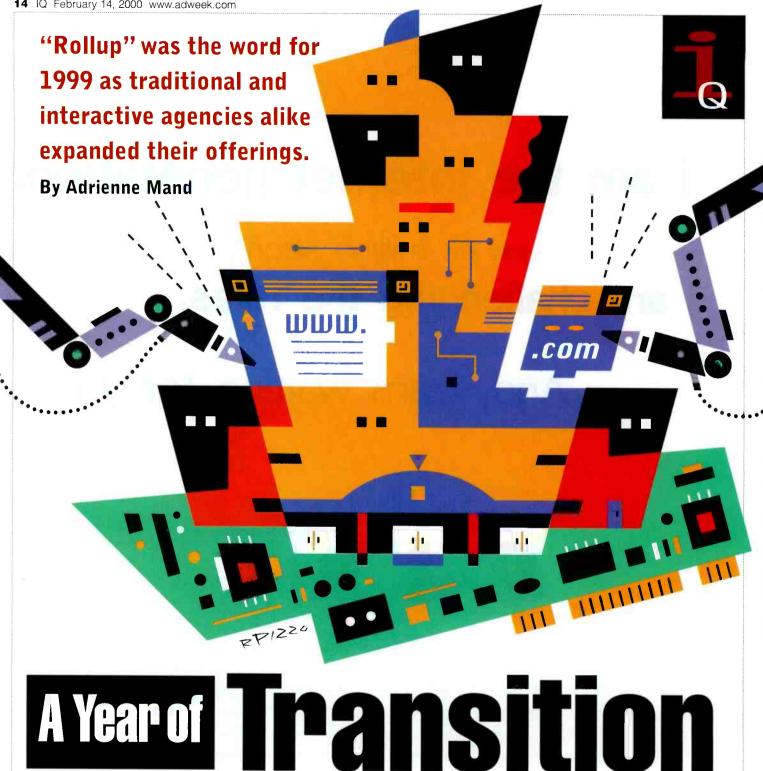
i am 68 million strong. i am challenging the rules.

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f 1998 was noteworthy for courtships and breakups among the interactive shops, 1999 was the year traditional agencies fell in love with the Internet. Certainly all the big advertising firms had been flirting with the interactive space for years. But most limited their offerings to banners touting existing clients and shied away from committing to online advertising as a separate service. Their hesitance opened the door for feisty startups that built their businesses off the claim that traditional agencies "just don't get it."

That changed last year-with a vengeance. A slew of agencies beefed up their existing interactive services in 1999 or invested in a second wave of rollups, this time incorporating traditional advertising in addition to back-end technology. And many interactive agencies added consulting services and major technology capabilities to the site-building mix, further blurring the line between old-school advertising and marketing in the digital age.

There's no question that Wall Street's crazy valuation of technology stocks played a big part in this change of heart. Before some of the companies' names were even solidified, their S-1 filings were in the hands of the SEC and employees were salivating over upcoming IPOs. That's not tough to understand when an interactive firm like Razorfish made \$33 million in its offering earlier in the year.

Another big rollup was Zentropy Partners. In December,

the Interpublic Group of Companies formed the Cambridge,

Mass.-based division, which merged interactive shops and the

digital arms of traditional agencies. The group included IPG's

Anderson & Lembke Interactive, Hill, Holliday Interactive,

Shandwick Interactive and McCann-Erickson's Thunder House, and independent shops Digital Café in Minneapolis,

MDEO in Paris and Zentropy in Los Angeles and New York.

IPG acquired Digital Café and MDEO and a minority interest

in Zentropy in 1998. Clients include Brooks Brothers, Coca-

Nicholson NY (now Icon Nicholson), which so far has remained

separate, and APL Digital, the interactive arm of Ammirati Puris Lintas. That agency merged with Lowe & Partners and

Notably missing from the merger were IPG holdings

But the changes started long before then. In March, APL Digital president Brian Cauley and most of the agency's man-

agement walked out over differences between their and the

agency's vision of interactive's role. "At APL, we were under tighter reins than we wanted to be," says Cauley, now CEO of

Cola, General Motors and Johnson & Johnson.

has formed a new group, Lowe Lintas Interactive.



Luminant followed soon after. Last summer, former CBS executives and technology veterans formed Clarant Worldwide, which became Luminant when it turned out another firm already had the Clarant name. The Dallas-based startup acquired interactive shops including Young & Rubicam's Brand Dialogue, Interactive8, Align Solutions, Free Range Media, Integrated Consulting (aka I.Con Interactive), Multimedia Resources, Potomac Partners Management Consulting and RSI Group. The company simultaneously filed for an IPO, and at the end of January had a market cap of \$776.8 million.

Marissa Gluck, an analyst in the online advertising group at Jupiter Communications, New York, calls this buying spree "a pretty blatant move on Luminant's part to cash in on the frenzy that was going on with interactive valuations—whammo, presto, we're an Internet services company."

INTEGRATION IS KEY

On the plus side, Gluck adds that Luminant has "done a relatively good job of integrating" its acquisitions. Richard Scruggs, Luminant's executive vice president for customer development and marketing, attributes this to the fact that

the firms worked together for six months prior to the merger.

"Companies such as Interactive8 and Brand Dialogue focused on helping companies develop and project their brand in a digital environment. This included developing the strategy and creating compelling user experiences," Scruggs says. "By combining these talents with the deep technology and legacy integration skills of Align Solutions and RSI, Luminant is positioned to transform these applications into total customer care solutions."

And Scruggs expects the company to expand beyond its current branches in Atlanta, Chicago, Denver, Houston, New York, Washington, San Francisco and Seattle. "Other players have tackled mergers to build a missing

skills set, such as strategy," he says. "This is not Luminant's situation." Luminant, he contends, has its strategies lined up and will use acquisitions to open in new cities.

Digitas, formed by direct marketing agency Bronner Slosberg Humphrey and formerly called Bronnercom, is looking to raise \$200 million with its upcoming public stock offering. The firm's three biggest clients, American Express, General Motors and AT&T, account for nearly two-thirds of its sales. It also was responsible for changing client MacTemps' name to Aquent Partners.

Jupiter's Gluck says that while this move was also a stock play, "Digitas did an incredible job of reinventing its position." What surprises her is the fact that more direct marketing shops have not followed suit.

Similarly, Snyder Communications of Bethesda, Md., merged the interactive units of its Arnold Communications group in Boston and Blau Marketing Technologies in Chicago with San Francisco's Interactive Bureau to form Circle.com. Clients include Adidas, Bell Atlantic, IBM and Volkswagen. The company trades as a tracking stock, which has gone down since its November IPO.



Matt Freeman, DDB Digital managing partner and co-creative director

"It could be cacophonous, it could be beautiful, but you're going to integrate."

Internet television startup MerlinTV.com. "We wanted to be more aggressive in terms of building capabilities. We wanted to act more like an Internet company and less like an agency, and APL could only go so far."

While those sentiments could summarize the fundamental difficulty traditional shops are facing with interactive marketing, Cauley says the medium is so new it's not too late for agencies to catch up. "Everybody has underestimated how important the Internet is and how big an impact it's going to have, so I don't think they should be put in a corner with a dunce cap on," he says. "But this is still just the beginning. All advertising will be accountable."

AGENCIES TAKE ON CONSULTING

While the rollups attempted to add all aspects of interactive in a single deal, one large traditional shop went a step further by adding consulting services to its interactive mix. Formed at the end of 1998 by combining the various branches of DDB Needham's DDB Interactive, DDB Digital expanded its offerings last year to include everything from site design and advertising to insight into how clients organize their businesses.

Q

"We felt like integrated was the wave of the future," says managing partner and co-creative director Matt Freeman. "To us, it makes all the sense in the world that clients are able to buy integrated services because at the end of the day, the consumer integrates the brand. It could be cacophonous, it could be beautiful, but you're going to integrate."

Even the pure-play interactive agencies evolved in 1999 to more closely resemble both traditional agencies and consultancies. New York's Razorfish, in addition to going public, made a widely respected purchase of i-Cube, a Cambridge, Mass.-based back-end systems provider and consultancy. Organic, San Francisco, added a consulting service, Organic Logistics, and a public relations division, Organic Communications. It also filed for an IPO that was expected to take place early this month.

Agency.com, another interactive pioneer—and, like Razorfish and Organic, part of Omnicom's Communicade unit—purchased

online media buying agency i-traffic and went public. It had added some consulting services through acquisitions in 1998, which co-founder and chief people officer Kyle Shannon says has helped clients make the transition to the Web. "We help companies build interactive businesses," he says. "The result often requires a change within the existing company."

For example, he notes,

clients may need to speed the process of replying to customer queries or appoint someone to decide what information should go on a Web site's front page.

PLAYING CATCH-UP

While some of the interactive agencies bolstered their services from within during the last year, others took an entirely new tack. MacManus' Blue Marble ACG in New York, long a steward of Procter & Gamble brands such as Scope, in September merged with San Francisco's Novo Interactive, which focuses on building commerce sites. The deal was another example of a traditional advertising group playing "catch-up," says Gluck of Jupiter. "They completely missed the boat," she says. "They tried to go it alone."

Meanwhile, another Omnicom holding, Think New Ideas, went from being one of *Adweek*'s top 10 interactive agencies to almost imploding. Amid falling stock prices and rumored management crises, interactive marketing veteran Think, which always had provided traditional advertising as well, merged with back-end consultancy AnswerThink, Miami.

Larry Kopald, chief creative officer at Think, says that in addition to Think's interactive and traditional advertising strengths, the combined company is looking to manage all of its clients' processes. "What we want to do is absolute utilization of what technology can do for them," such as managing inventory, he says. "For us, the merger with AnswerThink was starting with a clean slate."

Then there's Saatchi & Saatchi's interactive arm Darwin Digital, whose clients include Hewlett-Packard and Time on interactive veteran Cynthia Rogers in March in the newly created position of president. Rogers was charged with handling business development and administration, and she created a separate media services group for online media buying in May. By August, she was gone and her duties were to be split up among six agency managers.

New Media. The 2-year-old New York-based division brought

THE AGENCY OF THE FUTURE?

With all of the transitions in the past year, it remains to be seen which business model will prove most effective. Indeed, chances are traditional agencies and interactive shops will continue to resemble each other as each tries to find the sweet spot in the digital economy.

Chris Marriott, senior vice president and director of client service at Circle.com's office in Wilton, Conn., says 1999 proved the agency business is still being defined. Agencies

> "don't know what to call themselves any longer," he says. "A lot of what we're seeing is companies trying to be all things to all people. They are finding it harder to do that. In theory, it all works great. In practice, trying to take all of these things and apply them across one client engagement is very difficult."

Gluck agrees, adding, "We don't think it's possible for an

Traditional agencies and interactive shops are both trying to find the sweet spot in the digital economy.

agency to do all things and do them all well."

Marriott argues that agencies can't fully assist clients unless the clients themselves understand what can be done and create internal positions to coordinate everything from marketing to customer service and the back-end technology. Without that type of coordination, the agency staff creating the banners can't "break out of a silo" within the client. They're limited to working just with marketing and don't participate in making other decisions.

Steven Marrs, managing partner and chief operating officer of DDB Digital, contends the traditional agencies will continue to evolve and will be more qualified to provide integrated services for clients. "They expect us to build the store, stock the shelves, sell the product and be accountable for the whole process," Marrs says.

Though consulting firms like McKinsey and interactive agencies may attempt the same mix, Marrs says, they lack traditional shops' marketing savvy. He adds, "If you don't understand the consumer and have the ability to build a business, you're going to be left behind."

Drew Sievers, vp and general manager of Novo, agrees. "The Internet is evolving the way markets are created," he says. "Real product evolution will be dictated not by companies, but by consumers. This phenomenon requires that traditional agencies partner much more closely with the product development teams than they have in the past. Agencies must not approach the Internet as simply a new medium like radio or TV, but as a fundamental new marketplace that demands the collaboration of marketing, technical, creative and business strategy."

"My ad has the holiday blues."

February 14, 2000

Case Number 119: Kathy Olvany Riordan

Director of Media Planning, Kraft Foods. Subject hoped to overcome seasonal depression by meeting new friends at holiday gatherings. Treatment: Introduction to a support group through Case #119

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home-page sponsorship on FoodTV.com, a name-brand Select site in the DoubleClick Women and Health Network. Link to a co-branded mini-site designed for healthy customer interaction. Banners featuring the subject's favorite holiday recipes, menu plans and cooking tips, all available for download in a festive environment. Results: Subject reported feeling "extremely jolly" thanks to high click-throughs on sponsor icon and repeat visits to co-branded site. See complete patient file at

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Nartha Stewart

Living well on the World Wide Web. Interview by Michael Schrage

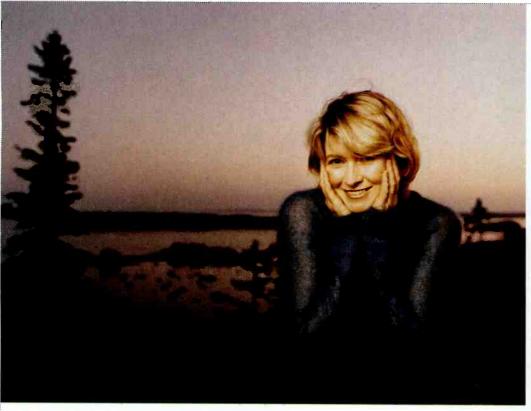
artha Stewart once only seemed as ubiquitous as the Internet.

on her board. Martha Stewart is wired and Stanley Kubrick, of all people, deserves much of the credit.

There is no irony at all in Stewart's apparent comfort moving between physical and virtual sites to grow gardens or develop e-commerce experiences. She brings the same level of self-discipline and rigor to her research online as she does to her design lines. In fact, she now uses the Web as a research medium as much as a marketplace. This is someone who, both literally and figuratively, does her homework.

What's particularly intriguing about Stewart's astonishing entrepreneurship at this time is how skillfully she appreciates how new media enable new forms of cross-promotional creativity. The line between content and commerce is vanishing, yet Stewart's advice and expertise seem to transcend both the business and ethical issues that convergence creates. Her collaboration with Martha Stewart Living Omnimedia CEO Sharon Patrick—a former McKinsey & Co. consultant she met climbing in Nepal—has made her company something more than For Women Only. Stewart is going after couples, she's going after families, yes, she's even going after men. The Internet—inextricably intertwined with television, her magazine and her design arrangements with Kmart—is proving to be an integral driver for the kind of content and interactions she's trying to create with her community of customers. Just as importantly, the Internet is increasingly the medium where she is defining and refining the brand equity of her eponymous company. Martha Stewart really is becoming marthastewart.com—and she is profiting from that transformation.





IQ: What do people not understand about Martha Stewart and her brand?

Martha Stewart: I think one of the biggest misconceptions is that the brand was carefully designed, carefully executed, carefully thought about from day one. It was not. The brand was an extremely fortuitous result of extremely hard work. I believe that content and inspiration are truly the way to get someone's attention.

I've always considered myself the ideal [Martha Stewart] customer, the perfect example of the curious homemaker who needs help. I started brand Martha when I wrote my first book [*Entertaining*, published in 1982] to fill a void—entertaining. I started a magazine [*Martha Stewart Living*] to fill a void—living. I started a television show [*Martha Stewart Living*].

I wanted to be comprehensive, expansive, all encompassing. I wanted to take a subject, not a brand. I took the subject of living. Martha Stewart just happens to be the name of the brand "Living." Other people are now picking up [that] name. I don't even own Living.com.

You convey the impression of being a very rigorous planner. How comfortable are you as an improviser?

I conceptualize first. I think first. I think all the time. I think 100 percent of the day. I think while I am sleeping. I used to be able to keep it all in my head, but now I have about 10 different jobs [to think about] so I kind of jot down little notes.

I have a good example right here. This is the craziest thing, this happened in the car today. I just happened to notice when I was going through my mail last night when I got home at 11 o'clock, and I said, "God. I've never seen that catalog before." (Holds up a catalog liberally sprinkled with yellow Post-it notes.) This is a catalog for truck drivers, garbage men, farmers, and it has all these amazing things in it. Now this is what happened this morning at 5:30 on my way to CBS, this is what I did. Great catalog, hundreds of TV and magazine ideas, lots of products, too.

-

Neat design.

No, it's not about the design, it's not about the design. It's about the content. (Picks up copy of her own catalog.) "Good things for traveling." Okay. Here is a page that includes all the kinds of things that I take with me when I go on a trip but it's edited, edited, edited until you don't have to go anywhere else.

How painful is the editing process for you?

Oh, it's the best. It's so much fun.

Stop! It's not difficult for you to throw stuff out?

No, it's not about throwing out. It's about accumulating a table of ideas and me going over and

picking out all the things that I think are perfect. It's so much fun. And I have the the whole staff, Martha By Mail [the company's mail order catalog] all doing the same thing now really well. They are extraordinarily good editors.

But how do you articulate the design sensibility you have? It's hard. You have to find [like-minded] people.

Is that acquired by observation, or interaction with you?

They do it by first being really good researchers. This is research for me, going through a catalog like this. I had so much fun because I learned a lot. I know a lot about gloves, but I saw gloves in here I had never seen, and I also realized that there are gloves that do things that other gloves can't possibly do, like let you stick your hands in hydrochloric acid.

I have this hypothesis that one of the things that accounts for your sensibility is that you didn't start your professional career as a journalist. You began by researching and selling stocks. Selling big chunks.

Right. You had to know something really in-depth and also service a client as opposed to a reader.

Going to Barnard College was really where it started. Barnard College was really hard, and I took research-based courses. So when I wrote my thesis on the architecture of the Louvre, I went to Paris and found original manuscripts and original drawings. That was the way I was taught. I'm really good at research and I'm really crazy about it. So this, once we've researched all these gloves, we then take the 5 or 10 best —it might have to be 10 because there's lots of gloves that you might need at home—and put them in here. (Opens a desk drawer.) We might have them made in our colors or we might have them made with something a little bit different here or there depending on the manufacturing.

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Do you commission designs?

We don't commission anything. We have all designers working right here [for] Kmart, Martha By Mail, Martha Stewart Home.

You have designers on-site?

Everything's here. They have to be here because I can't see it elsewhere, I don't have time to go.

You outsource manufacturing?

Oh, definitely.

Do you envision a time in the next 12 to 24 months when instead of

showing me what you've gotten in your U.S. postal service box, it's all going to be online? And along those lines, why not Martha Stewart the search engine?

We're working on that now. You go to Yahoo!, and you're totally confused.

On my television program we do [Internet] segments all the time. Last week I did a whole segment on how to order flowers via the Internet. We're doing another segment this week on how to teach a total novice, how to use your computer to search the Web. [We're using] my mother. My mother's already mastered e-mail. We have this guy who writes about computers and the Internet for a lot of newspapers, he's sort of a scholar, he's coming to work with my mom to teach her how to surf the Web because she wants to do that now. She feels comfortable with the computer now and she's only been at it for a little less then a year. She e-mails all her relatives and all her friends, but now she wants to learn the next step.

When did you first go online?

Oh, years ago.

E-mail?

Years ago. I got my first computer, an IBM, I think in 1982.

That was one of the first ones.

Very first little PC. Silly little thing. I still have it. I keep it in my attic. Actually, [my interest in computers] and what they could do for me really began with the movie 2001: A Space Odyssey. I think my husband and I, we and two friends were up in the Berkshires and we sat around for days and days discussing 2001. We went to see it 10 times.

Oh my God, you're one of those!

Oh, yes. Not as much as my husband was or my friends. [The year] 2001 seemed very far away, [yet] I started to think about what the computer could really do for me, the homemaker, and

it's happened, and much faster then even I imagined. I'm always a very optimistic person. Optimism is my forte, and also the speed with which [I do] things.

I would have said curiosity.

Well, curiosity is a part of optimism. I'm always looking for the next really thoughtful thing. I'm interested in technology that lets me run my house without having to use a personal computer. I've already been approached by a company wanting to do a joint venture for a local area network for the home.

Do you use a Palm Pilot?

I have a Palm Pilot. I started off with my little Wizard and

then I had the Palm and now I'm waiting for my Web phone. I try everything. I have my Sony Vaio.

Are you an early adopter? Oh, yes. Right away.

Does being an early adopter of technology make it more difficult for you to stay in touch with regular people?

I'll tell you, it's harder for me to make a phone call than to send an e-mail, and it was never like that. I was like the original phone person. How many hours a day was I on the phone? I mean hours.

Do you like e-mail? Do you chat online?

Chatting online just to chat online isn't the best use of my time. However, we do have regularly scheduled chats with me and other editors at the company on the Web site.

[Personally], I don't have time to chat. I don't go to chat rooms. Forget it. I have a real strong theory about

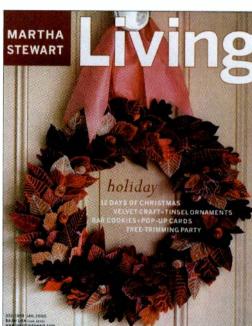
the computer and e-mail. It is that I and my programs that I am writing right now and developing are going to save you time, not waste your time. We want to make time so that you can enjoy other things like your family, that you can go away skiing, you can go sailing, and then the computer is going to save that time for your really good activities. It's just going to make things happen faster.

Are you surprised at how quickly the Net became a medium for women as opposed to just being a guy thing?

I'm worried about that, because I, as a woman, do not want to spend my time in front of my computer screen. I want that computer to do everything I want it to do, period. If I want to do research, fine. [Not that] I trust everything that's on the Net, either. I don't trust the research, I don't trust a lot of the stuff that you've got on there.

What about virtual communities? Reading between the lines it seems you don't care too much for the IVIIIage model of interaction. I personally don't find it a need. I have a circle of friends who

"Nobody wants to sit at their computer and read Time or Martha Stewart Living." – MS







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I trust, who have lots to say, who are really intelligent and I would rather chat with them than with a bunch of strangers. I'm not lonely for friends. I think that you sort of almost eliminate the need for friends, that you think you're going to find people online. I don't think that's a real world; I don't think we're going to sit in our homes in front of our screens and forsake the rest of life. And I don't ever want that to happen.

So that's a design sensibility for you. You want the machine to be a time saver and to complement ongoing things; you don't want it to be a focus. Exactly. When you say design you mean both software and business?

Yes. And business in terms of how you want it all branded, that Martha

Stewart online is not asking you to spend more time on the Web, it's asking you to spend more effective time on the Web.

And less time, hopefully, as it gets faster and access becomes faster. [For example], I'm dying to cook roast beef 101, but I forgot the recipe. Okay, there it is [on the Web] and it shows me in real-time video.

When did you "get" the Web?

Actually, I got it before it was there. My friends will tell you that. I think I got it after seeing HAL in 2001, when I [wondered what] HAL could do for me.

When we look at the Oxygens, at the Merediths or the iVillages, how do you contrast their positioning to yours? Well, I think Meredith as a content

company has been superb. I love their publications. I know we have been compared to them and we're a mini-Meredith in one very small way: publishing. In publishing, I'd be thrilled to be Meredith. Forget the rest of it because they don't have all the rest that we are doing. Oxygen is a new company, and I haven't really studied Oxygen.

i'm sure they've studied you.

Oh, they have, but I don't know, a few of my friends work for Oxygen, I know what they're doing ... but I think they're more entertainment oriented, they'll be help oriented, they'll be service oriented. That's not what we're focusing on.

Come on. You're service oriented. What about your licensing business? That's worth about a billion in revenue a year, too.

We don't license anything. That's another huge fallacy or a misconception. My name, Martha Stewart the brand, is not on any product anywhere that we have not designed.

You're absolutely right in the traditional licensing sense you do not just slap your name on something.

No, we get royalties, but we're not a licensing company.

"I don't think we're going to sit in our homes in front of our screens and forsake the rest of life. And I don't want that to ever happen."

But that's a big part of your business, the actual design and development of product innovation so you're not just a "how to."

Well, it's a tremendous number on our bottom line, that's really what those royalties are, if you want to call them that. But really, they are fees for our design.

What have you learned from that experience of almost total vertical integration? Does it make it easier for you to cross-design and crosspromote your designs?

What we want to do is be able to distribute product in every single retail category from mass market to the highest end. We started mass market; we didn't start at the top.

Do you think it would have been a mistake to have begun at the high end and gone down?

> Oh, not at all. It's just a totally different approach. When I started to write books, I figured I work hard on them and I wanted to sell those books to as many people as I possibly could. So when Kmart approached me 13 years ago to be a lifestyle consultant and work on sheet and tabletop designs in a very modest program-I mean this was a program that they said, "Oh, well, maybe you'll sell about \$100 million worth," now we're selling a billion-I thought, gosh, this ties in really well with what I'm doing with my books. If every Kmart store, and there are 2,100, sells 10 of each of my books-and at that point I had 10 books—I could live off my book royalties really well and could have fun designing

sheets that are really pretty and will reach a huge audience.

So it was an ancillary business that, in fact, became a focus. Totally.

But suppose it wasn't a Kmart, suppose it had been a more high-end store, a Gumps or a Nelman Marcus?

Then I would have gotten mixed up on that pyramid.

You're saying that Kmart approached you.

They did. I was thinking about it, but I wasn't planning it. They came to me and people said don't do it, your books are high-end. What are you going down there for?

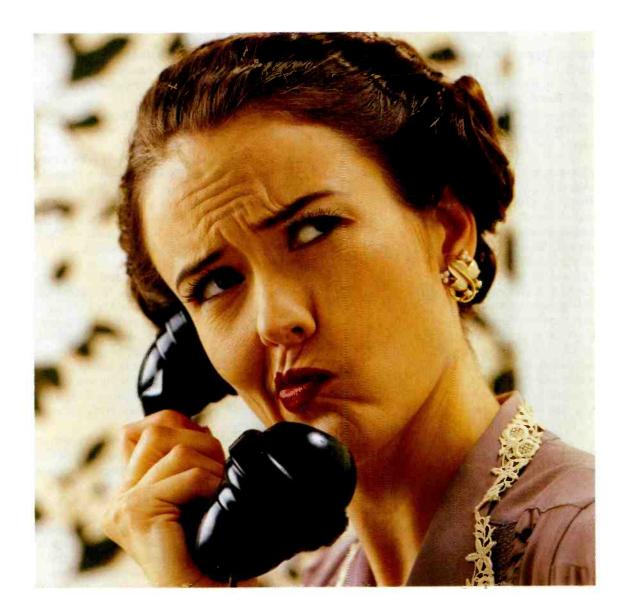
They thought you were going down market.

Oh, I was canceled. A Connecticut Junior League canceled a speech I was giving.

You were canceled for going to Kmart. Yes.



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Wow.

It was horrifying. [But] I laughed; I knew they'd come back. And guess what? It turned out fine.

In terms of branding, Target's repositioning has been quite interesting. What do you think?

Their advertising campaign is wonderful. Go to the store, it's just like Kmart. There's nothing in there that's any different than the other mass markets. In fact, my bedding is better than what's at Target. My garden equipment is better than what's at Target.

Are you happy with how Kmart is marketing your brand in stores?

I wish tremendously that I could be the only bed and bath at Kmart, and that's only about price. To design muslin [for example], which is the most affordable of all beddings, well, I'm not

going to put my name on it. I'm not going to design it. Muslin doesn't wash well, muslin doesn't last long, muslin falls apart. It's not a good product ... but people still need it and want it. And gardening? Unless it is an organic fertilizer for plant food, unless it is nontoxic, my name's not on it.

I make very serious decisions here. We work really hard. I feel very strongly about giving people what they need and not what they don't need.

So you have this mix of planning and serendipity and opportunism?

We've worked at this a long time, [Martha Stewart Living Omnimedia CEO] Sharon Patrick came

around here five years ago and helped very much in what we called strategy. I had a strategy, I had a lot of ideas [and] she gave a lot of focus to where we were going. I also had other very serious people.

How do you prioritize all those ideas and all those opportunities?

To take extreme care with that brand, to do nothing that you will regret later, nothing. That is a serious consideration.

Come on. How do you know in advance what choices you will or will not regret? You can't predict the future.

I have turned down many lucrative endorsement offers. I've made conscious [decisions]. I do not get on the television and sponsor General Electric light bulbs, for example.

There's a difference between being promiscuous and making serious strategic bets that may be the cause for regrets.

The great brands that are thriving have been extremely cautious to not disappoint, they've been extremely cautious to satisfy the customer, they've been extremely attentive to that customer. They don't want to misinterpret.

Disney, in terms of market perception, has taken a bit of a hit.

I certainly think that Michael Eisner is somebody who is very conscientious about the value of the brand and the family experience that he's trying to create. Richard Branson certainly takes chances on how he positions the Virgin brand.

He's very different from a Michael Eisner. Branson is totally entrepreneurial. Eisner is running a company that's a very established company with a very strict philosophy.

Did you read about the early days of Walt Disney? Oh, yes.

And what have you learned from that? Doing Snow White was a "bet-the company" decision. By definition you're taking a huge chance.

It was taking a chance on one man's idea of enjoyment and entertainment, and it was a brilliant concept. What's not so brilliant, if you want to know, is that little living place down at

Walt Disney—I can't remember the name of it.

Celebration?

To me that's cookie cuttering people. Walt Disney didn't cookie cutter people. He gave great stuff to everybody. As soon as you start to tell people what they want, you have to listen. I give people what they want and need; I don't tell them what they want and need. It's a very big difference.

I think most people would say that you've taken significant chances in diversifying and growing the Martha Stewart brand.

Like what? Give me an example.

You do a deal, the arrangement with Kmart, where the store may have gone the Sears route, may not have been good enough as a distributor. And there were arrangements with manufacturers that might not have delivered the quality of product up to your expectations.

But we have quality control. I wash the sheets myself. I count the stitches. Someone bought sheets that had a crooked seam, I made her send them back. It's very basic. And we care so much about our consumer. We care that the quality is good, we care that the price is good, we care that we're not cheating anybody, we care that we are not disappointing anybody. When we disappoint somebody I get on the phone personally. It's not too much trouble for me to get on the phone and call somebody. We don't talk down to anybody, it's another thing we do not do.

How long does it take you when you're talking to a group of people to tell the aspirationals from the doers?

We call them the dreamers and the doers, but okay, there is a big distinction. Most people start off being dreamers and when they are converted to doers then Martha by Mail is a success.

So one of the interesting metrics for success is the conversion rate.

And the conversion rate is by one hour a day on television with



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an original program. One hour a day at night on the food network. We're on 21 times a week on television.

How does your Web site do?

Oh, it does tremendously. We had one million visitors or two million visitors in December.

How good of a job are you doing in terms of cross promotion? What have you learned about it?

Well, I have been accused of probably being the best crosspromotion person in the world. I think that is what's happened as we have extended what we do. We relate everthing to each other.

Cross promotion as an issue now ranks higher in your priority queue list than it did in 1995. If I were you, I would basically insist that with every point of purchase the Martha Stewart URL is there. Guess what?

lt is.

We are investors in Bluelight.com, and Bluelight.com is the way that we are now going to get an even vaster audience. Maybe people who can't get the pillow shams to go with their sheet at their Kmart in Palm Beach, Fla. can go to Bluelight.com and get those shams. It's going to be a mirrored site with Marthastewart.com so that people can access it through Marthastewart.com or they can access it through Bluelight.com and come to marthastewart.com. "You cannot have an in-depth Web site without really good accurate, absolutely trustworthy

content. Think of one."

It's very neat. I call it Martha's Web, like Charlotte's Web.

What was your reaction to the AOL/Time Warner announcement?

I thought, as Sharon said, we were very prescient because we've been talking about this forever: Content must marry technology. It's the only way to go. Time Warner asked me, how many years ago, to be on Pathfinder and I refused. We are still friends and we always were friends no matter what you read, but one of the things that Time Warner tried to do was create this Pathfinder. I knew right away that it wasn't right.

How did you know that? What level of expertise do you have to say that the Pathfinder approach is not reasonable or rational?

You are giving away what you have spent a fortune creating. Nobody wants to sit at their computer and read *Time* [or] *Martha Stewart Living*. It's much nicer to look at the paper and the beautiful pictures instead of the little pictures there.

What do you think of broadband?

I've been waiting for it, but I still don't think you're going to have one screen. I really think you're going to have two screens. I do not want to watch my television program on a little screen that also has all kinds of stuff there, my reminders and my calendars.

Is that a reflection of you?

I think it's both me, the person, and me, the homemaker. The homemaker doesn't want to sit there and have things flashing, interrupting something enjoyable. The homemaker wants a self-designed program wherever [they happen to] spend most of their time.

The homemaker of 20 years ago would never have had a Paim Pilot. Now they do.

But they don't want to hold things in their hands because they have to do other things with their hands. They have to tie their

kids' shoes. They need a device that they can talk to. I went on to voice activation, I love that stuff.

I have many things I want this thing to do for me, but I'm slightly more complicated because I have a lot more things. I have five houses and I like to know what's going on in every house. I think about what I want that computer to do. I want it to do some very serious record keeping, serious calculating. We're working on a very exciting program now for our Web site called "How to make a bed." Everybody needs a bed.

You always have content linked to some sort of action or activity. Right.

It doesn't make it content anymore.

You cannot have an in-depth Web site without really good accurate, absolutely trustworthy content. Think of one.

You're talking about all these different things that you're doing. You're now a publicly traded company. How do you prioritize your opportunities? Mitch Kapor, who ran Lotus, once used the phrase "Insurmountable opportunities." How do you both as an individual and as an entrepreneur prioritize, and then how do you beat yourself up over those prioritizations when you talk with Sharon?

Well, my motto is "Living is limitless," okay, and because it's limitless my day will never end, my opportunities will never end.

So how do you prioritize? And what's the difference in the way you prioritize now versus three years ago?

Three years ago I was really still organizing my mind. Now my mind is pretty much organized thanks to what happened last year with the IPO. I learned more about my company than you can imagine. It's fascinating. The bankers served one amazing purpose and that was to teach me about my own company.

So you tend to be productive with John Doerr.

John has had a lot of different kinds of models come across his

hile he was driving to work, your 60-second radio spot ran four times.

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desk. We were the first real company that started off with content going toward e-commerce. It was a very different thing for him. It still is a different thing for him. We're working on it right now, but what I learned last year was how limitless our opportunities were. I learned that prioritizing is really not exactly what's important here. It's not really about prioritizing, it's about clarifying. Clarifying what are your core areas of expertise that you've chosen to spend your time on. How do you get those core areas to as wide an audience as possible? How do you really teach people? If somebody said, "Oh, Martha, that is a horrible idea," I'm thrilled because I really don't want to scare people, I don't want people to think I know it and they don't know it. But I'm also very outspoken and I will tell them if I think that what I'm thinking [is not] horrible. I will tell them that, too, and we will argue about it.

That makes for a lot of tension.

But that's good. Tension is good when you're trying to expand. If you don't have tension and you don't have confrontation and

you don't have discussion, you're not going to grow.

"If you don't have tension and you don't have confrontation and you don't have discussion, you're not going to grow."

When will we see Martha Stewart Kids?

March. It's all happening at once. We had Baby Baby at Kmart.

So you're inherently a mass-market person, you're inherently in mass audiences.

I believe that everybody should have access to the best information possible. That's not exactly mass. I am a total egalitarian and always have been, and I think opportunities exist for everyone, not just for a special few. Nobody should have to overpay for opportunity.

But then you become susceptible to self-deception issues. But I don't let myself get self-deceived. I really and truly don't.

What's the ratio of males to females on your TV show?

Our fastest growing audience is men.

That's your smallest audience. Obviously it's going to be faster growing.

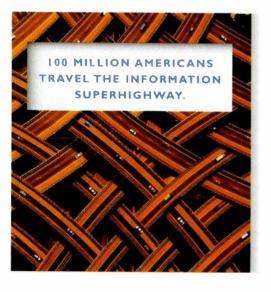
Okay, but I can argue the other way: That this is the fastest-

growing part of our audience and it is. Men are watching the program on their treadmills.

When will it be 40 percent male? Maybe in seven years.

When do you think we're going to be seeing comparable orders from the e-commerce side of the house as from the paper side of the house? When will I predict that? I would say maybe in two and a half years.

That fast? I'm an optimist, remember.



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Hard facts and some not-so-tangible factors make these 10 interactive agencies winners in our book.

As the online advertising industry

has grown and evolved, so too have the shops that create and execute so-called interactive ad campaigns. That used to be a cut-anddried affair—basically designing plain-vanilla banner advertising. Not anymore. Today, an

Interactive agency is Involved In everything from creating banner ads to building e-commerce infrastructures. And as Interactivity becomes more mainstream, interactive agencies are increasingly involved in the business process as a whole. As one agency principal puts it, "We want to out-Andersen Andersen Consulting." Yikes.

51

All these changes made it more of a challenge than ever when we at *IQ* set out to select the industry's leading interactive agencies. We chose this year's winners based on a short list of quantifiable attributes: recent client wins, growth in company size and scope, and annual revenue. That's the easy part. Taking the selection process to the next level, we factored in the intangibles that separate the best from the rest.

Because we based our choices on qualitative judgments as well as hard facts, it's not always possible to quantify what makes these shops so great. But you know excellence when you see it—whether it's an especially memorable execution of a new Web site, the introduction of a proprietary killer technology or the way a company can transform the same old banner ads into something fresh and exciting.

Here, then, are the 10 agencies we have singled out as the best of 1999, in no particular order. We've also identified five other noteworthy agencies that struck us as ones to watch in the year ahead. Congratulations to all the winners!

Organic San Francisco

West Coast firm evolves to offer more services to clients and their customers.

hree was the charm for this goal-oriented San Francisco company in 1999. The number of employees tripled, revenue for the first three quarters reportedly nearly did the same and the company added three new offices—in Detroit, London and Singapore achieving a company goal of having a presence in North America, South America, Asia and Europe.

Organic also made the transition from interactive agency to "professional services firm." As part of that evolution, it set up two new divisions: Organic Communications, a full-service public relations department, and Organic Logistics, which aids clients in handling their orders and fulfillment. Logistics figures out, for example, how to get products ordered online into customers' hands.

Organic president and CEO Jonathan Nelson says the Logistics division is the last piece of Organic's own customer service strategy, important because the firm has had an ongoing goal of being "customer-centric"; that is, of helping its clients build e-businesses that truly serve the needs of the clients' own customers.



Organic helped Compaq Computer develop a site showcasing Compaq's sponsorship of a tour by Sting.

Organic had been successful at building strong sites and helping clients find customers, but sometimes the clients stumbled when they tried to fill orders. "We were great at driving traffic to our clients' Web sites and causing sales to happen," Nelson says, "but our clients were not very good at managing relationships with their customers."

The full-service strategy has led to more big client wins this year. Washington Mutual of Seattle called on Organic to strategize and imple-

ment the further development of its online mortgage site, wamumortgage.com. What attracted Washington Mutual to Organic was that it "offers a comprehensive and integrated set of services," says Genevieve Smith, senior vice president and marketing director, mortgage bank and financial services divisions. "It also has the capability of building leadingedge customer-service applications. If a firm chose to use that, it helps set its Web site apart from the rest of the dot.coms."

Tommy Hilfiger Corp., New York, also signed Organic in 1999 to extend its brand online through the design and development of tommy.com, including original audio, video and editorial content. And Organic worked with Compaq Computer Corp. to develop a site showcasing Compaq's sponsorship of a worldwide tour by musician Sting, positioning the Houstonbased computer maker as a Net-savvy company.

In August, automotive giant DaimlerChrysler, Auburn

Hills, Mich., tapped Organic to enhance its Internet presence and to build Web sites serving dealers and consumers for its Dodge, Chrysler, Plymouth and Jeep brands world-



"Organic's history has been built around creating a better and better

customer experience." — Jonathan Nelson, CEO

wide. This venerable auto company felt confidence in the fact that Organic, too, has been around for a long time, at least by Net standards. (Organic was founded in 1993.) "They have a broad experience with other major companies," says Daimler-Chrysler's senior manager of interactive communications Michael Morton, "and are bringing that experience to our business today." He adds that Organic's carefully defined clientservices process ensures that the e-business aspects are in place before the user interface is even considered. "Their primary objective in their process," he says, "is to ensure the infrastructure is correct."

Organic, in general, has found success with traditional companies—a full 76 percent of clients come from the world of bricks. Organic aims to help them adjust to what Nelson calls a simple idea: "We believe the power has shifted from the producers of goods, services and media to the customer, and the Net has effected the change." As the Internet has given people more information about the available goods and services, they're no longer limited to patronizing their local businesses. "As a result of this choice," Nelson says, "the customer is in charge. Organic's history has been built around creating a better and better customer experience, whether that's the end customer in Topeka or Taiwan."

Organic has never had an identity crisis. Says Nelson: "People look at us and say, 'You're a design company.' No, we're a business company, we make businesses for people."—Susan Kuchinskas





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- Gina Larkin, Advertising and Promotions Manager, Riffage.com

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Razorfish New York

sk Jeff Dachis to describe his vision for Razorfish, the interactive services firm he co-founded with childhood buddy Craig Kanarick in 1995 out of an apartment on Manhattan's Avenue C, and he says without hesitation, "There is one focus, one vision: digital change management." Ask Dachis, the company's notoriously outspoken president and CEO, how he is able to impart that vision to Razorfish's 1,200-plus employees across its multiple locations, including international outposts in Stockholm, Lon-



don, Oslo and Mannheim, Germany, and he replies, "There is one leader: me. Everyone knows how it works and you either buy into it or you don't. If you don't, then you leave."

Taken at face value, Dachis's statements might be written off as Silicon

"We broadened what we can offer clients, including broadband, wireless and legacy transformation."

- Jeff Dachis, president /CEO

Alley bravado. But for all the hype and attitude, Dachis has proven himself a shrewd leader, successfully taking Razorfish public last year to the tune of \$33 million. Clearly, behind the facade lies real substance.

In fact, for all of the too-cool-for-school shenanigans led by Dachis and his colorful partner Kanarick—Razorfish's chief scientist and vice chairman, who is known among the downtown set for his brightly hued suits and hair—Razorfish's recent assignments have been surprisingly utilitarian, including creating London-based banking network NatWest's intranet systems along with the interface for its ATM machines.

Not exactly the kind of sexy stuff you'd expect from Dachis. But building e-businesses has been the company's core mission since its inception. While creating interactive advertising and Web sites is included in Razorfish's bag of tricks, Dachis has long promoted strategic relationships over one-shot deals with clients. And now, with the advent of multichannel distribution outlets, Dachis says Razorfish will continue to offer clients on-the-edge solutions. "We really broadened what we can offer our clients, including broadband, wireless and legacy transformation," he says. "We crossed a lot of platforms and devices to distance ourselves from the competition."

Razorfish's portfolio was further diversified in 1999 by work for CIEOS, a Totowa, N.J.-based consulting firm that provides technology solutions for, of all things, dental offices.

Downtown agency goes public, while staying focused on strategic relationships.

"We created a flat-panel display screen that patients can keep on their laps and watch pay-per-view movies or surf the Web while the dentist is working on their mouths," explains Dachis. "And the dentist can have a similar display screen on which he can point to the work he is doing in the patient's mouth."

In 1999, Razorfish continued to up its profile with two major acquisitions: Europe's Spray Network, which has offices in

Stockholm, Oslo and Hamburg—forming a global strategic communications network—and Cambridge, Mass.-based i-Cube, a digital strategy, interactive design and technology services company with several European offices. Prior to the acquisition, i-Cube had been working with Nissan Europe to build a multilingual automotive Web site, reportedly the largest of its kind, catering to 33 countries in 27 languages. The first phase of the project was completed in October, and Nissan is continuing to devel-

op its online international presence with Razorfish.

Dachis boasts that during the past eight months, Razorfish has increased in value from \$300 million to \$4.3 billion. Asked to predict what 2000 holds in store, he says, "It's going to be the year the old-school big businesses are toppled by the faster, more aggressive youthful companies."

As Razorfish becomes part of the establishment of interactive advertising, Dachis is convinced



At the Electrolux site, users can enter a house to read about powered appliances.

the future for agencies like his rests not in the notion of "electronic" anything, but in facilitating communication bet ween the messenger and the receiver. "It's not about e-business, e-solutions or e-anything," says Dachis, "it's about creating better user experiences with digital technologies whatever they may be."—Joanna Sabatini and Kipp Cheng





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AGENCY.COM New York

hange is a good thing—at least for Agency.com. In fact, anticipating and embracing change is at the heart of the company's philosophy. "If we get seduced into thinking that we have it all figured out and we don't recognize change, then we're in big trouble," says Kyle Shannon, co-founder of the New York-based Internet professional services firm.

Indeed, it's Agency.com's ability to adapt to clients' differing needs—whether that calls for Web-site building, e-consulting or Internet strategizing—that has secured the company a berth on *IQ*'s annual leading interactive agencies roundup for five years in a row.

While some competitors have opted to take the road most traveled—such as focusing on building or consulting on e-commerce infrastructure and designing creative banner ads—

Shannon and Agency.com co-founder and CEO Chan Suh have championed the cause of redefining and reinventing the business of an Internet professional services firm for the 21st century.

In the past year, Agency.com has witnessed myriad changes,

chief among them a relocation of its

headquarters from cramped NoHo

offices to spacious, swanky digs in New York's financial district. And

while Agency.com issued its initial

public offering last December, the

company still found time to make

key acquisitions, including Copen-

hagen-based interactive television

"We're here to change

the way businesses



Kyle Shannon, left, and Chan Suh. do business for good." — Kyle Shannon, co-founder

company Visionik, Amsterdam-based interactive services firm Twinspark Interactive People and New York-based interactive direct marketing company i-traffic.

The 1999 acquisitions went smoothly compared to the spate of acquisitions made the year before. Shannon concedes that the merger and acquisitions activity at the end of 1998—fueled largely by an investment from advertising holding company Omnicom Group—required a transitional period and a certain amount of "logistics," such as incorporating a unified vision and mission across the company's multiple locations.

"In 1998, we were still fairly small, still fairly autonomous in terms of the companies we had acquired," says Shannon. "They were still doing their thing and we were still doing ours. But we made a conscious choice to bring all of these companies together. So the last half of 1998 was the most insane. It was really a get-to-know-you process."

Once the novelty of becoming a global giant settled in, Shannon says 1999 was a year of refocusing. It also was time

> to distill the essence of what makes Agency.com—with its fabled birth in 1995 as a two-guys-and-a-Mac shop—the company that it is today, with its 1,200-plus employees worldwide and agency-of-record contracts with such big-name clients as Bank of America, Colgate-Palmolive, 3M and Heineken.

Shannon last month was appointed to the company's new position of chief people officer from chief creative officer. It's a wider role

that Shannon hopes will allow him to better react to and act upon the needs of his company's employees as well as better serve Agency.com customers. As Shannon describes it, his duties as CPO will be a hybrid of in-house contrarian, team inspirer and head cheerleader, a role that Shannon, who began his career as an actor, relishes.

"The dirty little secret is that this is a creative business and creativity is messy," he says. "But if you try to institutionalize creativity too much, you end up losing the creativity. It's a constant balance between having enough process so that it's not chaos and anarchy, enough innovation, and enough free-thinking, pains-in-the-ass who question everything."

With its estimated projected 1999 revenue in the neighborhood of \$100 million, Agency.com continues to look beyond the limitations of so-called "interactive services" firms, recently expanding its practice to include interactive TV consultation services and broadband initiatives for clients like British Airways and Tele Danmark.

So while the interactive powerhouse continues to change internally, for Shannon, changing the world externally continues to be para-

mount in his personal vision for the industry.

"We're constantly reevaluating what we do," says Shannon. "We're not the same company we were three months ago. We're here to change the way businesses do business for good." And change, after all, is what Agency.com does best.—*Kipp Cheng*





Hip-hop clothing brand FUBU tapped Agency.com to create its Y2G.com site.

Adaptability is this firm's foundation and strategy.

Q





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Red Sky San Francisco

Awards and accounts keep coming for this low-key shop.

ed Sky has something more important than buzz it has mystique. The 81-person San Francisco shop with \$10 million in revenue hasn't updated its Web site in a year and seldom sends out a press release. Yet people adore the company.

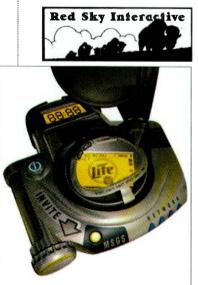
That includes people in the business, who listed Red Sky as a leading agency in *IQ*'s annual survey. One fan is Doug Keeley, president of ICE, a New York company that produces every-

thing from live events and video to Web casts, CD-ROMs and Web projects. He admires Red Sky because "they are quirky and obviously creative, yet they're pretty solidly rooted." Pointing to the company's bigbrand clients, Nike, Levi's and Absolut, Keeley says Red Sky's work "shows a good balance of creativity and strategy, which I think is often hard to find."

And the industry has seen fit to shower awards on the company's work—its Absolut DJ, Nike.com site and promotional CD-ROM, "Red Sky on the Frontier," all earned recognition.

Client wins in 1999 were Sprite and toy-maker Bandai America. The Sprite engagement is under secrecy but the goal is to hit the teen boy market, and it won't be with just a Web site.

The result of Red Sky's one-year-long engagement with Cypress, Calif.-based Bandai, the world's third-largest toy manu-



Red Sky created the Beer Pager for Millerlite.com.

facturer, is a product for Bandai's Power Rangers action figure series, which will have a sneak preview at the Toy Fair this week in New York. Brian Goldner, executive vice president and COO of Bandai America, says the new product "takes the Power Rangers insight of empowering play and brings it to the next level, which is interactive play."

Goldner adds that Bandai and Red Sky have a partnership rather than an agency-client relationship. "Tim Smith [founder and CEO] and Joel Hladecek [chief creative officer] are both kids at heart and super-smart about their business," he says, "which has helped us to raise our game."

Red Sky continued its relationship with Miller Beer brand by creating the Beer Pager, launched last December, for Millerlite.com. This downloadable application sits on the desktop and lets users page groups of friends to suggest they get together at a local bar. Users get an intriguing graphical "appliance" that, when clicked on, seems to open in various ways to reveal a clock and a free e-mail paging system.

"Providing value and entertainment is one of the hardest things in interactive marketing," says Hladecek. "We're moving past that 'communicate-the-value-of-my-brand' marketing to actually providing something of value."

While the Beer Pager was built to solve Miller Lite's needs, Smith and Hladecek say they've been toying with the model of creating original digital stuff and then soliciting major brands to attach to them—what they refer to as "the full-click

"We're moving past that 'communicatethe-value-of-my-brand' marketing to actually providing something of value." — Joel Hladecek, chief creative officer

> mode" of working. The hitch with the full-click mode is resources—it takes a lot of person-time to create digital gizmos. But Smith thinks that given the flush environment of the industry, the time may be right.

> Rounding out the company's successful year was its continued relationship with Nike. Red Sky put out the second version of Nike movie maker, which lets users edit an online commercial, and Nike ID, where they can design their own shoes.

> On the management side, the company recently snagged Dewey Read, former creative director of the Microsoft Network, Redmond, Wash., to come aboard as executive creative director. At MSN, Read was involved with the company's experiments in broadband, as well as with developing interfaces for the Web network.

> While Red Sky has developed a firm relationship with TBWA/Chiat Day in Los Angeles, meeting almost every week with its creative directors, it hopes to continue its travel away from the ad agency space, to focus on content and entertainment. "We want to be in there arm wrestling with ILM or Pixar," Smith says, "not with interactive agencies."

> Smith and Hladecek are most jazzed when they start thinking blue-sky. "The big convergence," Smith says, "will be new forms of artificial intelligence, untapped existing iconic resources like Daffy Duck or Elvis and online real-time peer-to-peer networking. I want Elvis for my operating system: Elvis tells me when I've got mail, replies to e-mails, shops for me, searches for me. This is what we dream about."—Susan Kuchinskas

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EURO RSCG New York

he notion of interaction is a driving force at Euro RSCG Worldwide—so much so that the interactive arm of the New York-based ad network is changing its name to Euro RSCG Interaction effective today.

Why the change from Euro RSCG Interactive? For one thing, Euro RSCG executives jokingly call "interactive" the most overused word in the business these days, with "integrated" a close second. More importantly, says George Gallate, global director for Euro RSCG Interaction, also based in New York, "Interactivity allows interaction with the consumer, the brand, each other. It's not about repurposing some e-commerce engine for every Johnny-come-lately who wants to get on the Web. It's all about interaction."

In fact, it was a common desire to connect that turned a group of loosely affiliated agencies into this closely knit mar-



keting machine. "Nobody was networking anything before Bob Schmetterer

"We have brand-building savvy and we 'get' the Internet." — George Gallate, global director

took over as chairman and CEO of Euro RSCG Worldwide in 1997," Gallate says. "He got 15 of us together, and we expected it to be antagonistic, but it was like magic. We put all our work on the table, we totaled our billings, and we realized, 'We are a force to be reckoned with.'"

That's even more the case following a banner year. Projected 1999 revenues for the interactive unit neared \$121 million up from \$79 million in 1998. The staff grew from 420 to 793 employees. And it was "a great new business year," during which Euro RSCG Interaction "won lots of clients and lost almost none," Gallate says. The network's list of 200 clients reads like an international who's who—Intel, Dior, Peugeot, Dell, Microsoft, Air France, Volvo, New Balance, even the Spice Girls. Work on many of these accounts netted Euro RSCG Interaction more than 20 awards in the past year.

The network is also focused on "winning and building brands for the new century," Gallate adds. "We probably have more of the key technology, telecommunications and health-care companies than any other group." One of its more creative efforts in this arena was an "All Media" interactive game that Euro RSCG Interaction, Netherlands, created for Nokia. The integrated campaign combined TV, print and radio ads with a public relations effort to highlight what Gallate calls "a superupbeat treasure hunt" using messaging on mobile phones.

Dot.coms are a big part of the story. "We won 39 dot.com accounts last year," Gallate says. "We have an amazing fit with clients that want to build dot.com businesses because we have

Collaboration and interaction make this global ad network a force to be reckoned with.

brand-building savvy and we 'get' the Internet." Among Euro RSCG Interaction's new clients are jobhunting.com, classifiedwarehouse.com and usbid.com.

That's due in part to the agency's passion for the Internet. "We practice what we preach," Gallate says. "We run our business on the Internet." About 5,000 employees regularly log on to the Euro RSCG Worldwide intranet, and some accounts--like Intel, which involves 18 network members, headed up by Gallate as global brand manager---are managed online.

> Another thing that sets Euro RSCG Interaction apart is its global reach, Gallate says. "It's not about dots on a map," he declares. "It's about knowledge. We leverage the local culture, talent and resources. We have people who know Beijing as it is, or Helsinki or São Paulo."

> With 40 agencies and nine media specialists in 26 countries, Euro RSCG Interaction has more dots on

the map than many networks. Expansion has been largely through startups, with some strategic acquisitions, according to Gallate.

The seven executives making up the leadership team—who hail from all over the globe—meet every six weeks face to face, while a larger group convenes three times a year. That reflects the network's collabo-

rative style. "We don't have one guy at the top," Gallate says. "We manage by interaction. We share knowledge, clients, resources, even pitchwork."

Schmetterer is a big proponent of collaboration. "If you don't get people together in a room, they get sucked up in the daily work and don't connect with the vision," he says.

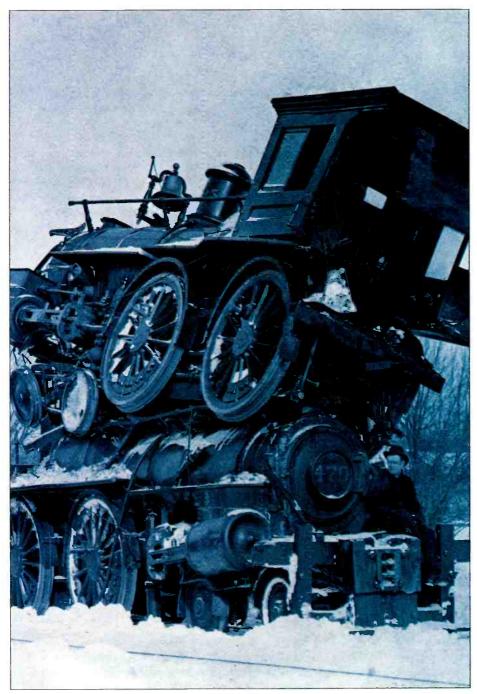


The New Balance site illustrates Euro RSCG Interaction's usual focus on brand and interaction with consumers.

While Schmetterer believes the Internet is still "on the fringes at most agencies," he sees that changing—and soon. In the meantime, Euro RSCG Interaction is leveraging its interactive expertise to make the most of opportunity. "This is a golden age in the history of advertising," he says.—*Eileen McCooey*



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Modem Media Norwalk, Conn.

he mouse roars supreme," says G.M. O'Connell, chairman and CEO of Norwalk, Conn.-based Modem Media. That understanding of the online consumer's power helps explain the steady growth of this veritable Internet granddaddy, which—now 13 years old—is once again ahead of the curve. At a time when other companies are just beginning to emphasize customer-service functionalities, Modem Media spent much of 1999 developing and marketing its customer-focused Me-business services, which build Web sites with user needs foremost in mind.

"Many other companies in our space are approaching the Internet from more of a

server perspective," observes O'Connell in explaining the company's Me-business strategy. "But if you're not driven by customer needs, you might create a lot of solutions based on technology that won't result in commerce."

Modem Media also passed a number of milestones during the course of the year: Its 1999 Q3 revenues rose 98 percent from the same period last year to a record \$21.1 million, the agency extended its global reach and it added such big-brand clients as 3M Consumer and Office Markets Group and General Electric to a roster that already includes household names Citibank, IBM, Delta Air Lines, JC Penney, John Hancock, Sony and Unilever.

Modem Media—which officially changed its name from Modem Media.Poppe Tyson in November, more than a year after parent company True North Communications acquired Poppe Tyson—spent the latter part of 1999 pitching new accounts around Me-business. By year's end, it was set to launch the comprehensive Me-business Network, a marketing platform that enables clients to distribute and track



Modem Media created me-focused Internet solutions for Delta Air Lines. information and applications delivered across multiple IP-enabled channels to specific customers.

The acquisition last December of San Francisco-based Vivid, the Internet engineering and information architecture company that plans to merge into Modem Media's San Francisco office by the end of the month, also is

With another successful year under its belt, Modem Media proves anew that experience is not a dirty word.

part of the company's Me-business strategy. Heading up the Me-business Network is Bill Zierolf, who joined Modem Media in October as senior vice president of corporate business development. Zierolf came over from Mountain View, Calif.-based Aspect Development, a provider of enterprise-wide component and supplier management systems, where he was vice president and general manager.

Globally, the company added offices in Munich—established when Modem Media acquired MEX Multimedia Experts GmbH, a Munich-based developer of interactive business solutions—Tokyo and Singapore. Offices already existed in São Paulo, Brazil (an affiliate office, opened in

'98), Hong Kong (also '98) and London (opened in '97). The company's experience in spreading a message worldwide helped, in '99, to bring aboard not only 3M and GE, but London-based insurer CGU. To date, some 18 percent of Modem Media's revenues are earned from international work, not surprising given that many of the company's top clients already have international clout and presence. O'Connell expects that number to increase to 25 percent this year.

"Companies don't want to be guinea pigs for a global network," says O'Connell. "We have a proven solution."

"Companies don't want to be guinea pigs for a global network. We have a proven solution." — G.M. O'Connell, CEO

The only blip on the radar screen has been the company's breakup with client AT&T, an eight-year-old relationship that ended in Q2 when AT&T consolidated its interactive account with Boston-based Strategic Interactive Group (now Digitas). At the time, the move was described by an AT&T spokesperson as a mutual parting of the ways. O'Connell notes: "We felt that the relationship with AT&T was getting diluted. So rather than go down a path where we felt what we were bringing to the table was not going to be utilized, we decided to resign our business."

Up next? Working with any and all new channels important to its clients—whether that's wireless or interactive TV—and carving out an awareness of the new Me-business strategy in the marketplace. In short, for this agency, business as usual.—*Roberta Bernstein*



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OgilvyInteractive New York

Offshoot agency is growing a global network.

gilvyInteractive has rapidly earned a reputation for creating quality online marketing campaigns for its clients. Living up to its renowned parent company's heritage, this completely integrated unit of OgilvyOne Worldwide won 20 industry awards last year. Honors included a Grand Clio and a Cyber Lion Grand prix in the "rich media" and "beyond the banner" categories for its online work for the IBM e-culture campaign.

Realizing that it takes more than superior frontend marketing for an agency to be a leader in the interactive space today, OgilvyInteractive, New York, has been growing its technical skills and steadily expanding its staff worldwide during the past year.

"What intrigues me is taking the Ogilvy mar-

keting powerhouse and lending its capabilities to the interactive world," says Jeanette McClennan, who came on board last October as president of OgilvyInteractive, North America. "I am not at all intimidated about growing the technological competencies we need to continue being a leader in that space."

That's no surprise given McClennan's background. Formerly vice president and managing director of Organic, New York, and a founding member of Prodigy Services Co., White Plains, New York, she has been in the interactive marketing and advertising business for 18 years.

OgilvyInteractive and its clients are discussing tools such as interactive programming and Webcasting. "We're trying to decide if it would be best to build these capabil-



ities inhouse or to acquire or invest in a company that has them," McClennan says.

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Oglivy's global reach helped it win AmEx's international account.

"We want to grow organically, but this doesn't prevent us from also making acquisitions and partnerships."

OgilvyInteractive, which started in 1998 with 10 offices serving 25 countries, has since grown to 32 offices serving 40 countries. The global network began expanding significantly with the appointment of Mike Windsor as global president of OgilvyInteractive in September 1998. Last year, OgilvyInteractive made the most of its acquisitions outside the United States, including the purchases of London-based new media agency NoHo Digital and DataSearch, a consulting firm in São Paulo, Brazil. Last month, OgilvyInteractive entered a joint venture with Acxiom, London, an international database marketing service provider, to form Levante Global in London.

An established global network is certainly one of OgilvyInteractive's assets and a factor in its recent win of the American

Express international interactive account. American Express also is working with Strategic Interactive Group, Boston (now Digitas), which is handling the account in the United States. "American Express hired us

Anticipating needs "will keep us ahead of the curve." — Jeanette McClennan, president



because they want us to work on a credit-card processing system that needs to be shaped for each market, so it is important that we have trained interactive folks in Asia and Europe," says McClennan.

During the past year, OgilvyInteractive began to notice a change in the types of assignments it was receiving. While clients were considering the Web as another venue for advertising, they also were asking the agency to help them use the Web to manage parts of their business, such as the distribution of products to their customers. "For instance, Perrier has been talking to us about coming up with a Web initiative to handle water replenishment, while Sears wants to convert a big part of its business online," McClennan says. "Companies are thinking about new management issues and changing what [employees] think about their brand with the use of intranets."

OgilvyInteractive must have the resources to satisfy all of its clients' diversifying needs, and even be able to offer them services they did not know they needed. Anticipating needs is critical, in McClennan's view: "This will keep us ahead of the curve."

At the same time, staying ahead of the curve "should also be a magnet for attracting younger people," she adds. Although OgilvyInteractive recognizes the importance of recruiting people with the necessary technical skills, it still believes the most successful agencies in the interactive space will be those with the resources to provide marketing solutions to their clients. "With due respect to the Harvard B-school crowd and the engineering schools of the world," McClennan says, "marketing is the one discipline you need in the interactive sector that does not play to youth—and it is something you cannot learn from a textbook."—Joanna Sabatini

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Q

Grey Interactive New York

n an industry dominated by renegade startups founded by 20-something Silicon slackers, Grey Interactive stands apart because of its decidedly unstartup-like parent company. But to conclude that Gi is merely the new media extension of Grey Advertising Worldwide—a stalwart in the traditional ad biz—would be wrongheaded. To be sure, the 7-year-old full-service Internet advertising and marketing shop does benefit from the halo effect of its corporate parent, which has a client roster that reads like a who's who of corporate America brands. However, Gi's own litany of successes are all its own.

"We have a tremendous amount of independence," says Orin Wechsberg, co-managing director at Grey Interactive. "The primary underpinning of not only Gi but all of the specialized companies [at Grey] has always been an entrepre-



neurial vision to the business, as opposed to being dictated to."

The entrepreneurial spirit that

"We have the best of both worlds." — Orin Wechsberg, co-managing director

pervades Gi has helped the company attract and retain clients ranging from such traditional marketers as Procter & Gamble to dot.coms like autobytel.com. Wechsberg believes that Grey's global network and years of experience allows Gi to implement quickly and across many channels of distribution. It's an enormous advantage that puts Gi in the enviable position of being able to leverage the resources of its well-established parent while providing clients with the cutting-edge technological solutions and attention-to-detail care usually offered at smaller agencies.

"We have the best of both worlds," says Wechsberg.

In the traditional world, Grey Advertising Worldwide boasts satellite offices in 23 countries. In the new media world, Gi's 200-plus employees already have outgrown three office spaces since the group moved out of Grey Advertising Worldwide's New York headquarters in 1996. Currently, the integrated media group known as Grey New Technologies, which is composed of Gi, media.com and <kpe>>, has more than 850 employees in various New York offices. Estimated 1999 projected revenues for the consolidated group is \$106 million, up from \$75 million last year.

According to Wechsberg, being in a separate location from the main Grey offices has allowed Gi to be close to its downtown clients and has helped Gi find its own character. "When we became a business, we really needed to be in our own milieu," Wechsberg says.

Along with co-managing director Norman Lehoullier,

A strategy rooted in old-media discipline lets this firm have it both ways.

Wechsberg has built a shop whose approach to building e-businesses is grounded in many principles and disciplines of traditional marketing.

"We both come out of traditional business, where marketing was at the forefront. It wasn't about technology," says Wechsberg. "We take a disciplined marketing approach in a very undisciplined landscape. Our attempt is to always take a marketer—and that means traditional as well as dot.com—through a process that allows them to take advantage of that discipline."

> The combination of methodology and out-ofbox creative has won Gi assignments in 1999 from Wal-Mart and the global assignment for Whitehall-Robins, as well as retaining Liz Claiborne and additional P&G clients. Gi's work for Cover Girl and Pringles has won numerous industry awards.

In the case of Wal-Mart, Gi was chosen to create the mass market retailer's Web

presence, even though Grey Advertising does not have the traditional business.

"I don't think I can quantify it, but I'd say that the majority of business here and abroad is non-Grey clients," says Wechsberg.



Key acquisitions for Gi in 1999 included U.K.-based Module Communications, Ann

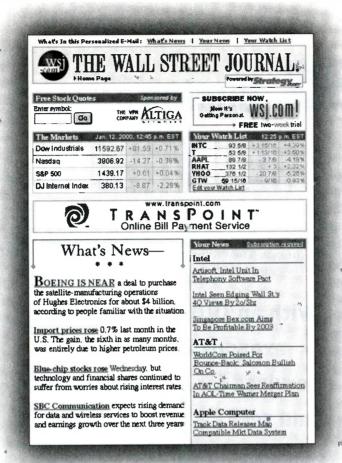
Arbor, Mich.-based Beyond Interactive and Mexico's iWeb. The Grey Interactive Europe group launched last year to address the needs of pan-European clients.

The bottom line for Grey Interactive is creating the perfect match between the work and the client, always with an



Grey Interactive's work for Cover Girl won numerous Industry awards in 1999.

eye toward the consumer. For Wechsberg and Gi, technology and design, while important, play only parts in a whole, and are not the end. As Wechsberg puts it, "You don't design for the sake of design, and you don't offer technology for the sake of technology."—*Kipp Cheng*



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Digitas Boston

ast year, interactive services overtook traditional direct marketing and media advertising in a big way as the primary source of billings and revenues at Digitas. "The shift reflects client needs," says Kathy Biro, president of the Boston agency, which recently changed its name from Bronnercom. "This is by design. The future is interactive and integrated. We bet the company on it."

That would place Digitas' interactive revenues in the \$130 million range, a threefold increase from just a year ago. About

The growth in interactive business reflects a natural progres-

700 of the agency's 1,200 staffers now work on interactive busi-

sion for the shop since 1995, when Biro and a handful of employees

were plucked from the ranks of what had been a direct-marketing

specialty shop to form Bronnercom's Strategic Interactive Group.

of the overall organization. When Bronner was a Boston University undergrad 20 years ago, he formed the company as a discount

coupon operation called Eastern Exclusives. It evolved into Bronner Slosberg Humphrey, which was renamed Bronnercom last

year. Kenny, a former consultant with venture firm Bain & Co.,

Digitas intends to trade as DTAS on the Nasdaq exchange.

Founder Michael Bronner turned the chairman's post over to Kenny when the IPO was announced, and Biro became president

In the midst of a proposed public stock offering expected to be made late in the first quarter, Biro declined to discuss specific agency financials. Sources close to Digitas, however, say interactive services may account for as much as 65 to 70 percent of overall revenues, estimated at \$180 million by agency chairman David Kenny late last year before the IPO was announced.

ness at the agency, says Biro.

With an IPO pending, Digitas expands its interactive services for big-name clients and seeks a global presence.

Salt Lake City.

Group is the long-term goal.

Interactive-only accounts include Bausch & Lomb, Dell Computer, Johnson & Johnson, L.L. Bean, Morgan Stanley and Neiman Marcus. A mix of interactive and direct include American Express, AT&T, Delta Air Lines, Federal Express, General Motors, Harcourt and Gillette.

Digitas' interactive workload is split between content development and online marketing, with

the shop doing both jobs for many brands. "It adds to their value for us," notes Sharen Turney, president of Neiman Marcus Direct, who last year hired Digitas to create an e-commerce presence for the high-end clothing store. The agency redesigned Neiman Marcus' site, significantly enhancing the graphics and user interface in an effort to give users an "in-

Kong are on the table. The agency maintains full-service offices

in New York and San Francisco and a telemarketing center in

metamorphosis into a global player. Moving into the ranks of

mega-holding companies like Interpublic, Omnicom and WPP

In a broader sense, the agency is looking to complete its

store experience" while shopping online. Banner ads from Digitas helped drive users to the site

"The future is interactive and integrated. We bet the company on it." - Kathy Biro, president

after its launch in the fall. "Within six months, we had a presence on the Web," says Turney, who has assigned Digitas more work in 2000 in an effort to further upgrade the site. "It's an ongoing process."

For AmEx, the agency developed a site for the client's Blue credit card launch and arranged an Internet simulcast of a pop music concert from New York's Central Park to help promote the event. Digitas supported the site with traditional brochures, direct mailers and a magazine campaign with a strong direct component. John Hayes, executive vice president of global advertising and brand marketing at AmEx, praises Digitas for helping the client "create more channels to talk to customers," an ability he believes all agencies must master to compete in the new millennium.

Digitas executives don't lose any sleep over having too many eggs in one basket. The current e-commerce boom "is the tip of the iceberg" with virtually unlimited growth still to come, Biro says .- David Gianatasio

DIGITAS

Boston, joined the agency three years ago.

Mart Horse for H Service Exception



Digitas created an in-store experience for Neiman Marcus.

Though its initial filing with the Securities and Exchange Commission does not specify a per-share price, sources say it's looking at \$20 to \$25 per share for an offering of about 8 million shares.

The goal is to raise \$200 million. About \$69 million would be used to pay down debt accrued mainly through a \$123 million payout to Bronner when he sold 72 percent of the firm last year to San Francisco investment firm Hellman & Friedman Partners. The remaining money would fund growth worldwide. Office launches in Miami and Hong



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Sapient Cambridge, Mass.

A company takes the leap from high-tech gadgetry to design—and succeeds.

ne of the smartest names in the e-services business spent the last 18 months transforming itself. The result? Sapient, now entirely Internet focused, saw revenues soar 68 percent last year, making it a darling of Wall Street and of clients like Nordstrom, United Air-

lines, Hallmark and iWon.com. The high-flying company based in Cambridge, Mass.—co-founded eight years ago by Jerry Greenberg and J. Stuart Moore, who remain co-chief executive officers and co-chairmen and still share an office—is also the envy of its peers. When IQ editors asked interactive agencies which shops they considered tops, Sapient was one of those mentioned most often. And a close competitor, who spoke on the condition of anonymity, marvels at how quickly Sapient tranformed itself, supplementing its technical skills with

up-to-the-minute design services so that the end product is both good-looking and easily navigable. All this despite the fact that when Sapient started moving toward providing design services in addition to IT consulting, there were those, notes Greenberg, who "thought we were crazy."

With a bow to its consulting roots—both Greenberg and Moore were at Cambridge Technology Group before starting Sapient—the company is largely organized around five pri-





Sapient helped to conceive and launch Hallmark's Web site.

mary industry groups: financial; energy; manufacturing, retail and distribution; media, entertainment and communications; and the public sector. The teams are headed by project leaders who oversee various

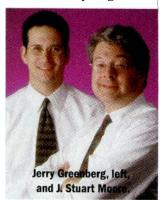
disciplines from business modeling and technical support such as programming to research and design services stemming from a string of 1999 acquisitions.

Now Sapient not only advises, it executes. Last October, it spruced up its front end by buying and folding in Web design houses Studio Archetype and Adjacency (both formerly based in San Francisco) and beefed up its research capability on the back end by snapping up E-Lab (formerly based in Chicago). E-Lab has a staff of 40 consisting largely of anthropologists, sociologists and ethnographers. Their job is to figure out how people behave and how changes in that behavior will affect business environments. E-Lab CEO Rick Robinson is now chief experience officer at Sapient.

Additions in management have included heavyweights

from other industries, including Ed Goldfinger, chief financial officer, who came from Pepsi-Cola International to oversee global operations, and Bruce Parker, a Sapient board member and former CIO of United Airlines, who was named

"Wireless ... broadband, speech recognition. [It's all] coming at a furious pace."



- Jerry Greenberg, co-CEO/co-chairman

executive vice president in charge of corporate development. Sapient, which has more than 2,100 employees in 13 cities around the globe, also opened new offices in Washington, Houston, Denver and Milan, Italy.

While transforming itself, Sapient also transformed client businesses. It helped conceive and launch sites for Nordstromshoe.com, United Airlines (ual.com), Adobe Systems and Hallmark. It moved offline, helping Public Service Electric and Gas in New Jersey, its longest-running client, automate hundreds of employees with a wireless cellular system. It took clients iWon.com and Primestreet.com from concept to implementation in just six months.

The company's focus in 2000, says Greenberg, will be expansion into new markets and trying to stay ahead of user behavior as digital technologies continue to transform both consumer and business behavior.

"Wireless, two-way paging, broadband, speech recognition. All of this is coming at a furious pace," notes Greenberg, who asks, "When might we use the phone line to trade online?" It's the answers to those kind of questions that direct most of Sapient's activities.

The expectation on Wall Street is that the company will grow roughly 40 to 50 percent this year. That would be significantly less than the 68 percent gain Sapient achieved in 1999 when it closed its books on consolidated revenues of \$276 million, but impressive growth by any measure. Greenberg says: "We want to continue to grow this business in a high-quality way."—Judy Warner

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Unes to Watch

Inspired creative and shrewd moves make these five shops interactive rising stars.

@TMOSPHERE INTERACTIVE, New York

Quietly and steadily, @tmosphere Interactive, BBDO Worldwide's nascent New York-based interactive division, has been garnering accounts. Like many interactive arms of traditional agencies, @tmosphere's early online assignments came from existing BBDO clients, including Visa, G.E., the U.S. Navy and M&M/Mars. But since its launch in August, the agency has added new clients to its roster, including RealEstate.com, General Foods and Sonic Innovation. Several new wins are expected to be announced in the upcoming months.

The company's strongest trademarks are intelligent branding and innovative marketing strategies, demonstrated by its online work for M&M/Mars. The agency scattered animated M&Ms throughout various Web destinations, such as Hollywood.com, where the user can tune in to M&M's Eye Candy Theater, which showcases movie previews.

@tmosphere (whose URL is @tmosphere.net) is led by CEO and president Susan Pinkwater. Pinkwater, formerly a senior consultant for Omnicom subsidiary Communicade—the holding company of several interactive companies, including Agency.com—spent a year at Communicade examining interactive agencies worldwide to identify potential acquisition targets for Agency.com. Joining Pinkwater is Mike Campbell, managing director of @tmosphere; he also serves as senior vice president and senior creative director for BBDO New York.

The company expects to grow its current staff of 30 employees. Projected revenues for 1999 and 2000 are \$2 million and \$6 million, respectively.

"There is a space between the [interactive agency and the traditional agency]," says Pinkwater, "and that's where we want to be."—Joanna Sabatini

ICON MEDIALAB, New York

When Swedish Internet consultancy Icon Medialab acquired Internet services company Nicholson NY in November for \$50 million, it created a global powerhouse for existing Nicholson clients such as Motorola, Metropolitan Museum of Art, Chubb Life Insurance, H&R Block, Pfizer and Thomas Publishing.

But the newly minted Icon Nicholson is more than just the sum of its international parts, says its New York-based managing director Chad Galland. What will also set it apart, he claims, is "the Icon cube of skill sets: management consulting, technology, design and communication, branding, human computer interaction, and statistics and analysis." With 18 offices in 11 countries, parent company Icon Medialab's international clout is clearly a boon to the company's roster of clients. In addition to its New York acquisition, Icon Medialab acquired the London-based operation of MetaDesign in December. (MetaDesign, an interactive media branding company, has

remaining independent units in Berlin and San Francisco, both of which are keeping the MetaDesign name.) The newly acquired MetaDesign has become the base for Icon's media branding group. This network has 125 employees, consisting of 35 original MetaDesign employees and 85 Icon employees.

One more deal to

note, broadening Icon

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Icon Nicholson created one of the more sophisticated museum sites around for the Metropolitan Museum of Art.

Medialab's technical skills and expanding its team even further, is the purchase of Stockholm-based Parallel Consulting Group, an Internet consultancy predominantly serving the finance and telecom sectors, with 100 employees.

Icon Medialab has plans to further bolster its carefully crafted infrastructure this year in the United States, both through acquisitions and employee hires.—Joanna Sabatini

IDEUTSCH, New York and Los Angeles

Not all interactive agencies with traditional parents are strong enough to make their own noise. In 1999, iDeutsch did just that, solidifying both its reputation as a creative force and its identity as a team focused on client-specific solutions.

Since its birth in 1995, iDeutsch has evolved from a oneclient shop that was more familiar with losses than gains to an agency boasting a \$16.8 million year in revenue and a roster of blue-chip clients, such as Britannica.com, Pfizer (Zyrtec), Bank One, LensCrafters and Ikea. The 102-employee unit, with offices in New York and Los Angeles, has succeeded in doing this with work that's both innovative and user-friendly. In October, for instance, it launched a high-powered yet intuitive Web site for client Mitsubishi that lets users create their own dream machine minus the extraneous details, countless photos



IDeutsch continues to create user-friendly sites, like Mitsubishicars.com.

and fancy graphics that can make downloading a drag.

IDeutsch also has beefed up its online marketing efforts. "Web sites are only one piece of the puzzle, one tool in the tool box," says Peter Drakoulias, partner in charge of interactive at Deutsch. "If you build a Web site, they won't necessarily come."

Most recently, the agency unveiled new sites for Lenscrafters and Publishers Clearing House, with the site for Pfizer (Zyrtec) due out in 30 to 60 days. In addition, iDeutsch has concentrated on building brand presence on the Web for Britannica.com, Bank One and Tanqueray with banner ads and sponsorships.

In the Mr. Jenkins campaign for Tanqueray, for instance, iDeutsch used ActiveAds to create a banner that combined a 9-hole golf course with promotional messages from co-sponsors. Users could play golf inside the banner by moving Mr. Jenkins up and down and hitting the swing button. Drakoulias reports that players averaged a whopping eight minutes with the game, a time most brands would kill for.—Ann M. Mack

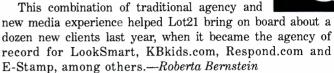
LOT21, San Francisco

Two-year old San Francisco-based agency Lot21 expanded its offerings in 1999 and acquired a noteworthy buzz for its consistently creative work. Founded in January 1998 by Kate Everett-Thorp, Lot21 president and CEO—who left her job as a new media exec at CNET to go it alone—the company creates integrated marketing solutions, and offers services ranging from banners to strategic consulting for clients including BankAmerica, CNET and iOwn.com.

The agency's reputation stems from its ability to create targeted messages and a strong brand presence for its roster of large and small clients. The work has earned kudos from industry types and clients alike. Visuals swing from Jetsonsinspired graphics for Seagate data storage and the highoctane silliness of Unicast's SuperShowdown SUPERSTI-TIAL site to elegant banner ads for the Doug Flutie Jr. Foundation for autistic children.

For client When.com, an online calendar service, Lot21 designed Valentine's Day giveaways and packages, including banners, buttons, text links and jump pages placed on romantically inclined Web sites.

Internally, the company expanded its services in '99 by forming three new divisions to focus on strategic and creative brand building: Lot21 Consulting Services, headed by director Norma Manty; Web Marketing Group, headed by director Geene Rees; and Media Consulting Group, headed by Lot21 media director Mark Stephens. In addition, ad industry vet Michael White was appointed to the newly created position of Lot21 general manager. White, who has over 20 years agency experience, came over from McCann-Erickson/A&L, San Francisco, where he was exec group director.



LUMINANT, Dallas

Last summer, eight Internet companies joined together under the name Luminant Worldwide and simultaneously made an initial public offering. As Luminant has recently completed its "post-IPO realignment," it will be interesting to see how the agency fares in the upcoming year.

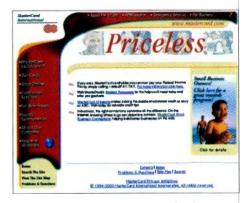
So far, the signs are encouraging. It reportedly has had few problems with integration while continuing to work with clients both old and new. Luminant ended the year with a market capitalization of \$776.8 million. Projected revenue for 1999 is almost \$96 million compared with actual 1998 revenue of just under \$55 million.

The companies brought together under the Luminant banner were Brand Dialogue, InterActive8, Align Solutions, Free RangeMedia, Integrated Consulting, Multimedia Resources, Potomac Partners Management Consulting and RSI Group. The result, says Luminant CEO Gil Marmol, is "the creation of a single firm able to offer our clients a much broader set of services and skills."

The Dallas-based company continues its work with Enron Energy, A&E Television Networks, AT&T Corp., Bell Atlantic Network Services, Mastercard International and United Airlines—all clients the agencies had worked with separately prior to the merger. More recently, Luminant has signed on such new clients as Maybelline and De Beers.

Luminant's new layout includes its Dallas corporate headquarters and client service teams divided into three geographical zones: Eastern, Central and Western. Offices are located in Atlanta, Chicago, Denver, Houston, New York, Washington, San Francisco and Seattle. Luminant also hopes to expand overseas.

Marmol, who is new to the company, previously was a vice president for Perot Systems. Bill Markel, formerly managing partner of InterActive8, and Henry Helibrunn, formerly managing director of Multimedia Resources, comanage the Eastern division. David Quackenbush, previously manager of Net integration for



Mastercard's online communications hub, built by Luminant.

Align Solutions, Houston, is managing director of the Central division. Scott Williamson is the managing director of the Western division; he was formerly vice president of Align Solutions.—Joanna Sabatini



The Top 100 Interactive Agencies



RANK	AGENCY (AFFILIATION)	HEADQUARTERS	1999 PROJECTED REVENUE (IN THOUSANDS)	INCREASE OVER 1998	1999 Employees
1	Saplent **	Cambridge, MA	276,844	67.9%	2011
2	iXL, Atlanta **	Atlanta	214,000*	230.8	1700*
3	USWeb/CKS ** †	San Francisco	170,000*	86.8	1050*
4	Razorfish (Omnicom) **	New York	150,000	983.6	1300
5	Digitas †	Boston	135,000*	237.5	700
6	TMP Worldwide ** †	New York	125,000*	149.2	350*
7	c2o Interactive Architects (EDS)**	Dallas	125,000	177.8	350
8	Euro RSCG Worldwide Interaction (Havas) **	New York	120,900	54.0	793
9	AppNet **	Bethesda, MD	110,000	521.5	1000
10	Grey New Technologies **	New York	106,000	41.3	850
11	OgilvyInteractive ** (WPP)	New York	100,000	66.7	650
12	Agency.com (Omnicom)**	New York	100,000*	278.0	1000
13	Luminant Worldwide (Y&R)	Dallas	95,883	NA	800
14	Organic (Omnicom)	San Francisco	80,000*	188.8	681
15	Xceed**	New York	74,000	19.4	450
16	Modem Media (True North)	Norwalk, CT	70,000*	64.7	600
17	Proxicom** †	Reston, VA	61,000	38.6	700
18	Iconixx	Washington, DC	60,000	NA	275
19	Think New Ideas (Omnicom)	New York	60,000*	40.8	1600
20	Zentropy (Interpublic)	Cambridge, MA	50,000	NA	520
21	Novo Interactive **	San Francisco	50,000	150.0	200
22	Icon Medialab (Interpublic) **	Stockholm	50,000	212.5	1000
23	Risdall Linnihan Interactive	St. Paul, MN	48,600	232.9	52
24	circle.com (Snyder) **	Baltimore	48,000	242.9	400
25	Framfab **	Stockholm	38,000*	192.3	750
26	Webnet-marketing	Bethesda, MD	36,000	242.9	40
27	Wunderman Cato Johnson (Y&R) †	New York	35,900	12.2	NA
28	Siegel & Gale Interactive	New York	31,000*	158.3	280
29	Rare Medium	New York	29,000	107.1	600
30	Darwin Digital (Saatchi)	New York	28,000	154.5	112
31	R/GA Interactive (True North)	New York	27,900	55.0	120
32	DDB Digital (Omnicom)	New York	27,400	204.4	375
33	Stein Rogan + Partners (True North)	New York	25,000	72.4	30
34	Critical Mass (Omnicom)	Calgary, Alberta	21,500	148.6	165
35	Kirshenbaum Bond & Partners †	New York	20,600	108.1	90
36	Aris †	Bellevue, WA	20,000	NA	100
37	Giant Step (Burnett)	Chicago	20,000	33.3	170
38	141 Interactive (Cordiant)	New York	18,000	125.0	160
39	US Interactive	Philadelphia	17,000*	25.0	350
40	Magnet Interactive Communications	Washington, DC	17,000	70.0	185
41	Macquarium Intelligent Communications	Atlanta	16,800	61.2	105
42	iDeutsch	New York	16,800	180.0	102
43	Human Code**	Austin, TX	15,300	155.0	185
44	Campbell-Ewald Interactive (Interpublic)	Warren, MI	14,200	69.0	78
45	TVisions	Cambridge, MA	13,400	116.1	140
46	bluedingo/gb	New York	12,000	26.3	90
47	Tonic 360	San Francisco	11,500	NA	60
48	HSR Business to Business	Cincinnati	11,000	57.1	71
49	Quantum Leap (Leapnet)	Chicago	11,000	182.1	90
50	Red Sky Interactive (Omnicom)	San Francisco	10,600	107.8	81
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The Top 100 Interactive Agencies



RANK	AGENCY (AFFILIATION)	HEADQUARTERS	1999 PROJECTED REVENUE (IN THOUSANDS)	INCREASE OVER 1998	1999 Employees
51	Frankfurt Balkind Interactive	New York	10,500	50.0	60
52	CyberSight (MDC)	Portland, OR	10,000	100.0	65
53	eyescream	Portland, OR	10,000	185.7	24
54	KPE	New York	10,000	233.3	125
55	Four Points Digital (Whittman-Hart)	Chicago	10,000	400.0	105
56	Lowe Lintas Interactive (Interpublic)	New York	9,500	NA	59
57	The Jack Morton Company (Interpublic) †	New York	9,300	8.1	21
58	BrainBug (Tempus Group)	Farmington, CT	9,250	670.8	35
59	Concrete Media	New York	9,000	NA	75
60	UCI Web Group**	Boca Raton, FL	8,644	38.5	122
61	Genex	Los Angeles	8,500*	41.7	75
62	Grafica	Chester, NJ	8,500	70.0	27
63	Lot21	San Francisco	8,500	325.0	100
64	vivid studios	San Francisco	8,456	57.9	98
65	Digital@JWT (WPP)	Detroit	8,000*	108.0	100
66	Clear Ink	Walnut Creek, CA	8,000	166.7	140
67	Western Initiative Media Worldwide (IPG) †	Los Angeles	7,500*	15.4	16*
68	rpinteractive (Rubin Postaer)	Santa Monica, CA	7,500	25.0	45
69	DVCi Technologies **	Morristown, NJ	7,500	400.0	80
70	T3 Media	New York	7,000	75.0	95
71	Cythere	Paris	7,000	84.2	
72	ICE Integrated Communications	New York	7,000	133.3	100
73	SF Interactive	San Francisco	7,000	250.0	225
74	Resource Marketing †	Columbus, OH	6,980	106.5	90
75	Cramer-Krasselt Interactive	Chicago	6,600	214.3	58
76	Gr8	Baltimore	6,269		41
7	Sterling Interactive	New York	6,000	152.8	57
78	Multimedia Solutions	Englewood Cliffs, NJ	5,700	100.0	15
79	Knowledge Strategies	New York	5,000	54.1	52
30	K2 Design	New York	4,800*	233.3	60
31	Digital Pulp	New York		-25.0	41
32	SixtyFootSpider (True North)	Dallas	4,750	105.3	35
33	i-frontier	Philadelphia	4,400*	NA	45
34	White Horse Studios		4,400	344.4	43
35	The Screen House	Portland, OR Boston	4,361	36.3	44
36	Colle & McVoy (MDC) †	Minneapolis	4,200	180.0	60
37	Kingswood Interactive (Backe)		4,100	51.9	32
38	MediaHippo **	Philadeiphia	4,000	14.3	12
39	Targetbase Interactive (Omnicom)	Los Angeles	3,500	25.0	60
39 90	Ryan Interactive (Umnicom)	Irving, TX	3,453	46.5	29
91	Lighthouse Interactive (Blattner Brunner)	Westport, CT	3,200	NA	15
2	BlairLake **	Pittsburgh	3,100	47.6	32
3		New York	3,000	36.4	38
94 94	Mediasmith Renorado Internetivo (Denteu)	San Francisco	2,700	237.5	30
94	Renegade Interactive (Dentsu)	New York	2,660	40.0	18
	Marketing.comm †	Overland Park, KS	2,600	134.7	25
96	Brierley & Partners †	Dallas	2,554	49.4	20
97	Contentlab	San Jose, CA	2,500	NA	9
8	Providence Communications	San Jose, CA	2,500	400.0	39
99	MFP Interactive (MDC)	New York	2,400	207.7	28
100	Martin Interactive (Interpublic)	Richmond, VA	2,300	27.8	22

It's a matter of style.

Web & New Media

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Proofreaders Retail copywriters Sales promotion copywriters

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How do music sites rate? From magazine-sponsored sites and

y now there are hundreds of music sites on the Web, offering CDs, MP3s, news, reviews, song samples, photos and chat rooms. We took a look at 10 leading content sites where you can learn about artists and genres. Some have shops where you can buy CDs or download MP3 files, and others connect you to e-comm sites, but make no mistake, the sites reviewed are in the content business. They strive to build comfortable environments in which users can read and learn about a broad range of music. They're not to be confused with Web radlo stations or sites maintained by a particular artist or record label.

While tracking Web-site popularity is a new science, there are some things we can say for sure. First off, we know that MTV.com gets more hits than any other music content site, according to Milpitas, Calif.-based Nielsen/NetRatings. We also know that SonicNet.com and RollingStone.com are duking it out for second place. Smaller and lesser-known sites like TheSource.com and Pitchforkmedia.com cover music often ignored by more heavily trafficked sites.

We surfed these sites using an Apple iBook with a 56K modem, a 300 megaherz G3 chip and 32MB of memory. Those users with high-speed connections will probably avoid some of the difficulties encountered. MTV's online sibling to indies, the offerings could be gold—or one-hit wonders. By Rodd McLeod

BILLBOARD.COM

The Point: The music business' brand-name trade mag divides its Web site into two sections: One for members, with detailed chart info, and one for consumers. This review concerns the consumer site, which delivers industry news and chart information to music fans who tend to be somewhat older than the typical MTV.com user.

Vital Statistics: Based in New York, launched in 1996 and owned by BPI Communications, owner of *Adweek* magazine, among others.

Content: Billboard is mainly known for its charts, and it is here that the site delivers big time. There's so much fresh, easily

accessible information that any music fan looking for numbers will find this indispensable. Add to that business news, like a feature on the war heating up between Ticket.com and Ticketmaster, and you have a worthy site. The album reviews and artist news, however, can be somewhat pedestrian. Look & Feel: The design is



clear and colorful, managing to encompass news, reviews, charts, photos and text quite fruitfully.

Usability: While most downloads on this site worked well, I encountered big headaches with both Billboard Minutes, a short audio-video news show that stuttered at me incomprehensibly on repeated tries, and the song samples feature in the album review area. Considering that I spent 10 minutes downloading and installing the Liquid Audio plug-in, this was a real disappointment.

Bottom Line: Although its more whiz-bang features fell flat, for a music fan looking for charts and a business perspective, Billboard.com is a great find.



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Q

MTV.COM

$\star\star$

The Point: MTV.com offers news, interactive features, videos and chat to a massive audience of young music fans, ages 12–24.

Vital Statistics: Based in New York, launched in September 1995 and part of the MTVi Group, a unit of MTV Networks, owned by Viacom.

Content: When I first checked out MTV.com's video newscast with Bryan McFadden, it kicked off with a rocket exploding, followed by more than a minute of news—about sports. Huh?



As Beavis might ask, how does MTV.com suck? Let us count the ways. The news stories are plentiful, but too short. The area on Shows didn't offer much info (the Lyricist Lounge page suggested I tune in to watch it on TV, and had no links for clips!). It took several minutes to download the brief intro to the feature on Da Brat before making me download page two, which also took several minutes to download. Give MTV.com points, however, for having plenty of video clips

and artist links, not to mention a fine Choose or Lose site, featuring the truly amazing search engine called: "Find Out What Any Candidate Has Said About Anything." It's the bomb.

Look & Feel: The site features an engaging mix of text and photos that makes some sections—especially features—quite fun.

Usability: Featuring the slowest downloads of any music site I visited, MTV.com tested patience repeatedly. A lack of redundant buttons made surfing—already slow—torturous, and videos, MTV's obvious strength, don't look or sound very good without the kind of high-speed connection that relatively few users enjoy these days.

Bottom Line: Despite a considerable investment in chats and politics, MTV.com simply doesn't cut the mustard where it counts—on music information.

MUSIC365.COM

★★★ 1/2

The Point: A U.K.-centric site that aims to please a wide range of music lovers (ages 18–45) with daily news, reviews, chats and RealAudio and RealVideo clips.

Vital Statistics: Based in London (soon opening an office in Paris), launched in November 1998 and owned by the 365 Corp., which also owns Football365.com and Rugby365.com.

Content: Music365.com boasts excellent reporting and reviewing. While the news selection is slimmer than at some other sites, what's here rocks. The new-release preview, for example, is funny and filled with inside dope on upcoming releases by Radiohead, REM, All Saints and plenty more. Features are also thoughtful and informative.

Look & Feel: Heavily tinted with blue, Music365.com sports a

mellow techy look. The photos are especially rich and beautifully lit.

Usability: Downloads here were quick, and the multicolored code bar made moving section to section a breeze. It took some work to get the RealVideo clips running, but once started, they were fine.

Bottom Line: Music365-.com is the definitive site for those interested in pop music in the U.K.



PITCHFORKMEDIA.COM

★★**★** 1/2

The Point: This assiduously archived database of record reviews concentrates on the nonmainstream pop beloved by smarty-pants collegians ages 18–24. It grows by 20 reviews each week and throws in some offbeat news to boot.

Vital Statistics: Based in Chicago, launched in November 1995 and privately owned by editor Ryan Schreiber.

Content: There's already plenty of passionate-but-sophomoric writing about indie rock and techno in the world, but what makes this site special is its hyper-creativity and acidic popculture smarts. Instead of running lame best-of-the-millennium lists, Pitchforkmedia featured the 50 worst guitar solos (Lynyrd Skynyrd came in second). Instead of a heard-it-allbefore review on British popsters Supergrass, Pitchforkmedia ran a fictional time travel account explaining the glories of Britpop to George Washington at Valley Forge. It also nods toward offbeat hip hop, flagging rapper Mos Def as "baby-butt smooth"—not bad for an indie rock site.

Look & Feel: The clean, black and white design at work here is surprisingly easy on the eyes, despite very small text. Simple but effective.

Usability: Again, there's nothing too complicated here, so pages loaded up quickly via my 56K modem. Besides the site's inability to produce a much-ballyhooed staff page, everything else worked quite well—including the archive,



stuffed full of more than 2,000 reviews of oft-ignored records. A more complex search engine will debut this spring.

Bottom Line: As the Web has exploded, its cheerleaders have predicted a glut of interesting niche sites that would connect far-flung audiences online. With Pitchforkmedia's resplendently unique coverage of independent music, the prediction seems to be coming true.

When asked whether his website can tailor individual offers to millions of different customers, the CEO of coolsavings.com (in sunglasses) replied, "Absolutely."

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QONLINE.CO.UK

The Point: The online version of England's Q magazine offers daily music news and reviews with a U.K. slant aimed at men 25–40 who spend considerable cash on CDs. Site will relaunch in April as part of the broader-based Q Music Network.

Vital Statistics: Based in London, launched in fall 1998, owned by the large U.K. magazine publisher Emap.

Content: The news, meted out in the traditional below-the-belt English style ("Billy Corgan's Manager Calls Him a Baldy Twat in a Dress"), is up to date but not terribly in-depth. It's in the reviews section that Q achieves. With access to the magazine's database of 19,000 reviews, from short capsules to longer, discursive critiques, Qonline cannot be denied. Well-written



reviews on the latest releases (the new Primal Scream, slated for March release, is already here) include RealAudio song samples in the body of the text, which make the reviews truly multimedia. Look & Feel: The design is undistinguished, and some minor adjustments (like dating the reviews on the list page) could vastly improve the site.

Usability: Downloads

were no problem, but Q Studio, which is supposed to allow users to loop beats and riffs to create a personal soundtrack, didn't work. Potentially the site's coolest feature, Q Studio was a disappointment—especially because I took the time to make sure that my system met the tech requirements.

Bottom Line: Growing by 200 reviews per month, Qonline knows its major strength, but the upcoming relaunch should offer more.

ROLLINGSTONE.COM

The Point: A part of Chicago-based Internet music network Tunes.com, this Web proxy for the venerated rock bible is trying to leverage the legendary *Rolling Stone* brand in an effort to attract Gen Y-ers who likely would recognize The Wallflower's Jakob Dylan before they would Bob Dylan.

Vital Statistics: Editorial and creative teams based in New York (a shout away from the print publication's offices), launched 1996, then relaunched as part of Tunes.com in 1998 and acquired by Redwood City, Calif.-based EMusic in 1999.

Content: An obvious mix of content and commerce (links to CD vendor/partner CDNow are featured throughout), the site feels like a shill for the magazine on first glance ("Subscribe now!"). However, a deeper exploration of the content offerings reveals the depth and authority you'd expect from *Rolling Stone*, including useful music reviews and complete discographies for bands from A-Ha to ZZ Top. The problem: Site suffers from the same affliction of its offline counterpart, namely, it looks like it's hanging on to bygone days of rock 'n' roll.

Look & Feel: With its clean design and intuitive navigation, the fast-loading site appears to favor simplicity over multimedia doodads to elegant effect.

Usability: Lots of scrolling down pages. The site might want to consider a tweak to bring more content up top, because much of the belowthe-fold offerings get buried. **Bottom Line:** Despite some strong youthful content (a Jessica Simpson giveaway, a prominent interactive Mariah Carey cover story), the site still relies too much on golden oldies, best exemplified by an



online feature story on old-guy rockers Yes .- Kipp Cheng

SONICNET.COM

The Point: SonicNet.com targets lovers of all genres of music, and offers news, Net radio, extensive links and reviews. Vital Statistics: Based in New York with offices in San Francisco, launched in 1994 and part of the MTVi Group, a unit of MTV Networks, owned by Viacom.

Content: With the most in-depth reporting and reviewing of all music news sites, SonicNet is the clear winner in the music-site sweepstakes. To give only one example, several sites covered the

arrest of Foo Fighter Dave Grohl on charges of DWI in Australia. Only Sonic-Net's report quoted a cop Down Under and named Grohl's Aussie lawyer. This is the kind of going-theextra-mile at which SonicNet excels. Additionally, the site



covers more genres of music than other sites, from hip hop to free jazz to country to metal.

Look & Feel: The clean, rather techy look makes it clear that SonicNet is a Web site first and foremost, not a magazine or TV station.

Usability: Downloads were fast, links for song samples sat in the body of review text—and loaded up quickly—and pages were studded with redundant buttons, making surfing a joy. However, Radio SonicNet, a complex platform offering personalized listening to literally scores of stations (genres and artists' picks) didn't work well at all. It probably works fine with a high-speed connection, but if you've got a 56K modem, don't waste your time.

Bottom Line: SonicNet is the most wide-ranging and smartest music site out there.

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THESOURCE.COM

**

The Point: This online adjunct to *The Source*, the hip-hop magazine, offers news and entertainment covering rap artists who aren't already major stars. Like the magazine, the site is intended for teen males.

Vital Statistics: Based in New York, launched in September 1998 and owned by the magazine, published by David Mays.

Content: Firstly, there's just not enough here. I'm prepared to cut TheSource.com some slack, as it's being revamped to include lots of concerts, videos and Web casts from hip-hop artists who don't get covered by *Vibe* and MTV. This could conceivably fill a niche, because many hip-hop concert tours and radio stations don't make it to every region of the country. As the site stands currently, however, the news is slim, there are few features and not even the articles that appear in the magazine are available. That's just stingy. There were some solid



interactive features and videos, along with a bunch of great top 10 lists ("Kool Keith's Top 10 Porno Stars," "Common's Top 10 Chicago Restaurants"). Look & Feel: The bold white-and-red-on black design is sharp. **Usability:** When videos loaded up properly (Grandmaster Flash, Eminem), the site rocked. When they didn't (the Sugar Hill

Gang video didn't have any sound!), the site tanked. Because video and Web casts are the direction that TheSource.com is heading, they need to get this stuff bumping. It would help if users had high-speed connections.

Bottom Line: While TheSource.com has some problems, it actively covers an underserved group of undeniably popular artists. This gives the site a real opportunity.

VIBE.COM

The Point: The magazine that's helped define the look and style of urban music in the '90s brings news, interactive features and chats to a Web audience of hip hop and R&B lovers, male and female, ages 18–35.

Vital Statistics: Based in New York, launched in 1993 and owned by the Vibe/Spin Ventures LLC part of Miller Publishing Group, with a partnership with OnRadio of Scotts Valley, Calif.

Content: Like the magazine, Vibe.com has much to offer: music news, provocative interviews, wonderful photos and plentiful reviews. Also like the magazine, Vibe.com emphasizes sizzle over substance. The news is almost never indepth, and much of the writing is stylish but shallow.

Look & Feel: Vibe.com is far and away the prettiest music site



I've seen on the Web. Despite being busy, its distinctive overlay of pastels on a black background, highlighting text and rich photos, is a pleasure to behold.

Usability: Unfortunately, this is also a slow-loading site,

perhaps the price paid for the lovely look. On the annoying ad tip, a separate little Nike window sometimes opened up and slowed downloading. On the plus side, both audio (Eastsidaz) and video (Ving Rhames) clips worked like charms, and were offered in several for mats and speeds for ease of use.



Bottom Line: While the downloads drag and the writing's not as thoughtful as it should be, Vibe.com is packed full of MCs, singers, film stars, athletes and important—and often under-appreciated—figures in black music.

WALLOFSOUND.COM

$\star \star 1/2$

The Point: Wallofsound.com aims to deliver music news, reviews and insider buzz to a Web-savvy audience of mostly male music fans in their 20s.

Vital Statistics: Based in Seattle, launched in April 1997 and part of the Go Network, owned by ABC and Walt Disney. Content: There's not much wrong with Wallofsound.com, which offers plenty of well-reported (as opposed to lifted-

from-the-wire) news and nicely crafted reviews, not to mention some thoughtful feature stories. The problem is that everything is done pretty well, but nothing is done spectacularly. Record reviews, for instance, tend not to be terribly opinionated. Sure, there's an interesting Q&A with Crosby Stills Nash



and Young, and a decent bio of Macy Gray, but the site lacks an overall editorial punch.

Look & Feel: A warm design in light blue and black makes reading pleasant.

Usability: If the site does have a strength, it's its sheer usability. Every page loaded quickly, and improving a feature like the hundred best-ever singles by including 100 audio samples is awfully cool.

Bottom Line: Wallofsound.com is a solid music site, but in a crowded field, it needs to either kick ass like SonicNet, or develop a niche. Either way, what's here is worth seeing. ■

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MOVERS

NETWORK TV

Kevin Sullivan was named vp of communications for NBC Sports, replacing Ed Markey, who left late last year to take an executive position with Gund Arena in Cleveland. Sullivan joins NBC from the Dallas 2012 Olympic Bid Committee, where he was a communications executive. Prior to that, he spent 18 years with the Dallas Mavericks franchise of the NBA, where he handled public relations...Mark Mandel, director of ABC Sports media relations, was promoted to vp, ABC Sports media relations. He will continue to oversee all aspects of public relations and communications for ABC Sports...Dene Stratton was named vp of planning and control for ABC Inc. She had been senior vp/general manager of DIC Entertainment, a subsidiary of ABC parent Walt Disney Co., since 1997. In her new post, she will work closely with the ABC business units on annual operating plans, fiveyear plans and financial analyses.

RADIO

David Kendrick was promoted to president and COO of Feed the Monster Media, an Internet radio company. Kendrick was formerly senior vp of sales, marketing and affiliate relations. FTM also announced that Bob Buziak, former president of RCA Records and Sony's Tri-Star Music Group, was named to its board of directors...Fran Epstein was appointed general manager of ABC's KMIC-AM Radio Disney in Houston. She was most recently an advertising and media consultant for Reynolds Media and the Perrault Company...Virgil Thompson was named Rock format coordinator for Cox Radio's nine Rock stations. Thompson retains his responsibilities as operations manager for KISS-FM, KSMG-FM and KLUP-AM in San Antonio.

TV STATIONS

Univision Communications has promoted **Charles Stuart** to vp of national spot sales, effective Feb. 22. He will oversee 10 offices throughout the country. Stuart is the general sales manager of Univision's owned-andoperated San (continued on page 22)

The Media Elite

With This Show, I Thee Wed

ost people come back from a day at the beach with sandy bottoms and a burn. Pat Finn returned from an outing at Santa Monica

beach with the concept for a new syndicated show that caught one of the few big buzzes at the recent National Association of Television Programming Executives convention.

The idea for *Wed at First* Sight, which one-ups The Dating Game by taking newly met couples right to the altar, came out of a

beachside brainstorming session among Finn and eight female members of his In-Finn-ity Productions creative team.

"When a few of my single co-workers complained of the difficulties of dating, we all thought that skipping the entire process and having a couple meet and wed on the first day would make an unusual television concept," says Finn, a happily married father of two preteens. "Apparently, others



Finn: Eliminating dating

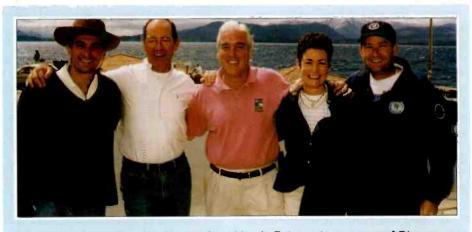
agreed, given the immediate response rate of over 1,500...to an ad to get applicants for the pilot."

Finn is best known as the host of

game show Joker's Wild (when it went into syndication), and he has produced dozens of game and musicthemed shows. But the onehour Wed, being shopped for daytime slots by distributor Universal Worldwide, marks his first major foray into syndicated programming and his highest-profile project to date.

Though it took Finn all of three months to go from his

own first date to "I do," he thinks the instant marriages facilitated by his show could actually beat the national divorce rate of about 50 percent. "We check credentials carefully before setting up our married-wannabes and allow either party to back out if cold feet sets in," he explains, adding, "Whoever said love at first sight couldn't last?" —Marc Berman



From tangoing in Buenos Aires to kayaking in Patagonia, a group of Discovery Channel advertising clients actively explored Argentina recently as guests at the network's fourth annual wilderness expedition race, filmed for *Discovery Channel Eco-Challenge: Argentina*. (From left) Tim Spengler, senior vp/general manager, Western Initiative Media; Chuck Fruit, vp/director of media and marketing assets, the Coca-Cola Co.; Bill McGowan, executive vp, ad sales, Discovery Communications; Anne MacDonald, managing director, global consumer, Citibank; and Phil Kelley, executive manager, retail marketing support, American Isuzu Motors.

Leyner in *Wonderland*

hen humorist Mark Leyner got a call late last year from writer-actor-producer Peter Berg asking to meet him at Creedmoor Psychiatric Center in New York, he was



intrigued. Besides doing the occasional social commentary for *Esquire* and *Time*, Leyner had written four novels in seven years and was "no longer looking forward to the monotony of putting out a book every two years," he says. Berg was

"Psyched" about his familiar with TV gig: novelist Leyner Leyner's writing and had seen a

shelved pilot he wrote for MTV about an English punk surgeon, called *Iggy Ville*, *M.D*.

Leyner arrived at Creedmoor to find Berg filming the pilot for his show *Wonderland*, an hour drama that ABC has picked up and scheduled for a late-March premiere. The show delves into the lives of doctors at a psychiatric hospital. The pair hit it off, and Leyner spent the next month at New York's Bellevue Hospital, where he observed psychiatrists at work to write his first episode. He and Berg, in a "marvelous collaboration," co-wrote a second episode, and Leyner penned another solo.

So how does a writer whose work has been described as "shocking" and "manic" make the transition to primetime network TV?

Pretty easily with this show, it seems. Many of the things he saw at Bellevue were more outrageous than he could have made up, Leyner asserts, and he was wove them into the episodes in his trademark writing style. "A person who has read my books would know I wrote the show," he says.

Says Leyner of the new direction his career has taken: "I'm really elated about screenwriting. I hope to continue doing it." — John Consoli

MOVERS

(continued from page 21) Francisco station, KDTV-TV, which he joined in 1995 after leaving Cox Communications' San Francisco Fox affiliate KTVU-TV...**James T. Aitken** was named president and general manager of Belo's Texas Cable News network, replacing Skip Cass. Aitken was the director of program development for Belo's Dallas ABC affiliate WFAA-TV.

INTERNET

Judith Coyne, former editor in chief of now defunct *New Woman* magazine, has been named vp/editor in chief of Women.com Networks.

MAGAZINES

Jason Klein, president/COO of Times Mirror Magazines, has been named a vp of Times Mirror Co....Geraldine Rizzo has joined Hachette Filipacchi's George as associate publisher from Condé Nast's corporate sales department, where she oversaw brand development and custom pub-



Aitken upped at Texas Cable News

Rizzo tapped to join *George*

lishing projects...Debra Brandt has been promoted from ad director of Meredith Corp.'s Traditional Home to publisher of sister book Golf for Women...Kathy Keenan, former ad director for MicroMedia Affiliates, publisher of Latingirl, has been named associate publisher of Latingirl...Audrey Arnold, former associate publisher at Sport, has joined Movieline as group publisher of all its media properties, including Movieline and teen movieline magazines and their respective Web sites. Steven Levitt, publisher of Movieline, will also serve as publisher of teen movieline.

SPOTLIGHT ON...

Louise "Weezie" Kramer

Regional VP, Entercom Communications

ew general managers have caused as much of a stir as "Weezie" Kramer did when she announced last month that she would end a 12-year run as a top Infinity radio exec in Chicago to join Entercom Communications in the new post of regional vp. With a no-nonsense (many would say tough) business style, Kramer is the kind of manager owners want to keep. As one of Infinity's rising stars, Kramer was made general manager of WJMK-FM, following 10 years at WMAQ-AM, where she survived several ownership changes from RKO to Westing-

house to CBS/Infinity. She was also Infinity's market



Recruited for being able to see the big picture in radio

captain for its eight Chicago stations and the general manager of the Infinity Promotions Group.

Despite rising success at Infinity, Kramer decided to take Entercom's offer. "It was an opportunity to move to another level in a regional role," she says.

In her new position overseeing the operations for Entercom station clusters in five markets (Milwaukee; Wilkes Barre-Scranton, Pa.; Buffalo and Rochester, N.Y.; and Sacramento, Calif.), Kramer joins a growing number of managers whose responsibilities dwarf those of yesteryear's group operators, before the Telecommunications Act of 1996 allowed owners to amass hundreds of stations. For Entercom and other groups moving quickly to consolidate, recruiting regional managers such as Kramer will be the key to exploiting operating efficiencies across hundreds of properties.

"In this regional world," says Kramer, "you have to see the big picture and cross-pollinate good practices from market to market." —Katy Bachman

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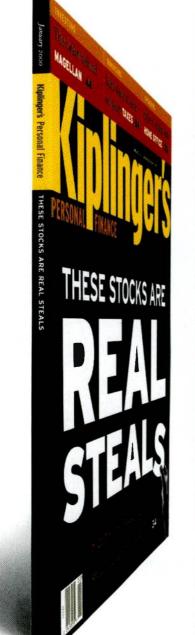
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Inside Media OF THE MARKET

NBC Sports Does First High-Def Telecast

NBC Sports aired its first telecast in highdefinition television on Feb. 13 when it aired the NBA All-Star Game in both analog and digital. The network used six cameras, six videotape machines, two Infinit character generators and one Telestrator in its side-by-side airing of the game. The HDTV telecast also included views from robotic cameras in the locker rooms and several wireless microphones on players and coaches. Live audio feeds of each of the wireless microphones was also available on the Web site NBA.com. The HDTV telecast was transmitted by the 21 NBC affiliated stations that are currently broadcasting a digital signal, in large and midsize markets including Los Angeles; Philadelphia; Grand Rapids, Mich.; and South Bend, Ind.

Gap Vet Byrd to Market the WB

Carl Byrd, who was a member of the inhouse creative team that branded The Gap clothing stores' image worldwide, has joined the marketing department of the WB as vp of special projects. He will spearhead major marketing campaigns for the TV network. At the Gap, Byrd worked in four different ad mediums and on campaigns involving top music artists.

AMI to Launch Spanish Enguirer

National Enquirer publisher American Media is expanding with the launch of Mira, a spanish-language version of National Enquirer, and AMI's Auto World Weekly. Mira launched last week in five test markets-Houston, Chicago, Miami, San Francisco and Puerto Rico-with a circulation of 100,000. Its editor is Roger Toll, former editor of Mas and Snow Country. Auto World Weekly will launch June 15, with William Jeanes, former editor in chief of Car and Driver, as editor. American Media's other publications include supermarket tabloids The Star, The Globe and The Sun.

Rodale Plans Men's Health Teen Spinoff

Rodale Press is extending its Men's Health brand with the launch of a similar magazine for male teens. MH-17, which will have a companion Web site, is expected to hit newsstands in September with a circulation of 125,000. The Web site will be up

and running this spring. Taking the top editorial role will be Jeff Csatari, former deputy editor at Men's Journal. Rodale will publish two issues of the new title this year and take it bimonthly in 2001.

Scholastic Adds Sports Properties

Scholastic has acquired Soccer 7r. magazine and other assets of Fairfield, Conn.-based Triplepoint Inc., which specializes in soccer magazines. Included in the purchase are Soccer Jr., a 500,000-circ bimonthly; Soccer for Parents and Coaches; and Web sites soccerjr.com, footballjr.com, baseballir.com, hockeyir.com and basketballjr.net. The buy builds on Scholastic's recent agreement with NBC Sports to produce Olympics-themed programming for teens.

Stuff Ups Rate Base

Dennis Publishing's Stuff will increase its rate base again, from 550,000 to 750,000, effective for the second half of 2000. It increased to 550,000 in January. The men's lifestyle magazine came out five times in 1999 and will publish eight issues this year. Stuff launched in October 1998 with a circulation of 275,000. Dennis also publishes Maxim, another men's lifestyle title.

Black to Redesign E&P

Editor & Publisher has hired magazine design firm Roger Black Consulting to do a redesign. To be completed in April, the effort aims to update the 116-year-old weekly newspaper trade title, which Mediaweek parent BPI Communications acquired last fall from E&P Co. E&P, now a part of BPI's Adweek Magazines group, was last redesigned in 1998.

Hearst-Argyle Boosts Bracco

After lifting Kansas City, Mo., ABC affiliate KMBC-TV to the market's No. 1 station for news, vp and news director Brian Bracco was promoted to the new position of group news executive for KMBC owner Hearst-Argyle Television. Bracco had been KMBC's news chief since 1987. In his new post, Bracco will oversee the news departments of the group's 26 TV stations. The company recently axed all outside news consultants in favor of inhouse direction.

Tribune Co. Wraps Qwest Deal

Chicago-based Tribune Co. last week completed its previously announced deal to acquire the remaining interest in Qwest Broadcasting, owner of Atlanta WB affiliate WATL-TV and New Orleans WB affiliate WNOL-TV. Tribune had owned 33 percent of the group and made a deal last November to buy the remaining majority interest from Quincy Jones and Don Cornelius. Tribune now owns 22 television stations, 10 in the top 12 markets.

Catamount Buys Third Station

Catamount Broadcasting has completed its previously announced \$14.8 million purchase of Fargo, N.D., CBS affiliate KXJB-TV from North American Communications. The buy marks Norwalk, Conn.-based Catamount's third station acquisition, all CBS affiliates, since its inception two years ago.

Granite Enhances Web Sites

Furthering its commitment to the Internet, Granite Broadcasting plans to stream video content via digital bandwidth on its stations' Web sites. Utilizing technology provided by SkyStream Networks, developer of Internet media routers, and Harris Corp., a leading digital transmitter manufacturer, Granite has been experimenting with the Web sites of its San Francisco ABC affiliate KNTV-TV and WB affiliate KBWB. Granite owns nine TV stations reaching 7 percent of the country.

SRI Survey Supports Convergence Theory

Among the highlights from a recent survey by Statistical Research Inc., one in five people who use the Internet during the prime-time TV viewing hours cited TV advertising as the source that informs them about most of the Web sites they visit. In addition, 11 percent of prime-time Internet users reported visiting a Web site the night before as a result of seeing TV advertising. SRI plans to make available the complete survey results in the next few weeks.

CMR Adds Net Ad Tracking Company

Competitive Media Reporting announced last week that its InterMedia Advertising Solutions, founded in 1996 to monitor Internet advertising expenditures, will be rebranded as CMRinteractive. The move comes as VNU-USA is looking to divest CMR, as required by federal regulators in connection with

VNU's acquisition of Nielsen Media Research last October. IAS was formerly run by a management team that included CMR executives and used CMR resources, so the move was logical, said Joe Philport, CMRi president. "We thought it was important to state CMR's commitment to measuring the Internet," Philport said. "It will provide a better linkage with more traditional advertising." CMRi plans to deliver its reports through the Internet by the end of the first quarter. In the future, CMRi data will be reported in AdSpender, CMR's periodic multimedia advertisingexpenditure report.

Stand-Alone Internet Radio Due This Spring

Banking that Internet radio will become as popular as traditional radio, Indian Wells, Calif.-based Kerbango Inc. has begun to market a stand-alone Internet radio that can pick up 4,000 global Internet audio channels. Shaped like a toaster with a small screen and a built-in Real Networks' Real Player for audio, the stylized Kerbango radio is also capable of tuning in traditional AM and FM radio stations. While the Kerbango is not a PC, it still needs a power outlet and Internet connection. The company plans to introduce the radio at retail in the spring priced at less than \$300.

AdAuction Adds Radio, Int'l Divisions

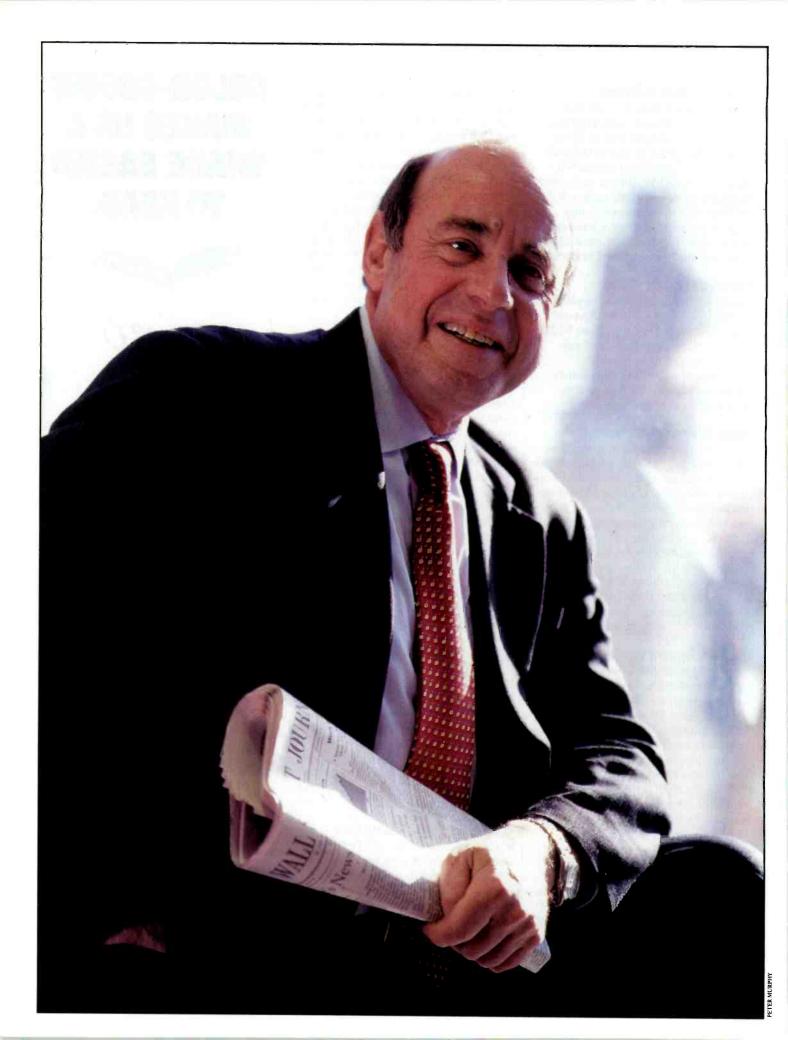
AdAuction.com, the online media buying Web site where avails are auctioned off, is expanding its media offerings beyond online and outdoor space to radio and international. Radio-industry veteran Frank Woodbeck, most recently vp of affiliate relations for ABC Radio Networks, was named to head up the radio division as senior vp. To head its international effort, AdAuction has named Connie Pettit senior vp of international. She was formerly vp and managing director for the Multichannel Advertising Bureau International.

Cumulus Buys Sales Training Shop

Cumulus Media, owner of 311 radio stations, has plenty of account executives to take advantage of its recent purchase of the AdVisory Board, a sales training company serving the radio business. TAB will operate as a wholly owned subsidiary of Cumulus and will provide services to Cumulus and other noncompeting broadcasters. The purchase price was not disclosed.

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Two years ago, Peter Kann looked like yesterday's news. Now, with Wall Street bullish on Dow Jones, the CEO is drawing praise. Even, grudgingly, from the Bancrofts.

By Alec Foege

nce again, Peter Kann was in a scrape. As *The Wall Street Journal*'s only resident correspondent in Vietnam, he had grown accustomed to risky situations while trawling the continent for fresh tales to fill his wry, writerly dispatches. Those news-sniffing tendencies would later help win the reporter a Pulitzer Prize at age 29 for his coverage of the India-Pakistan War. But on this day in 1971, he was staring down the barrel of a gun in Savannakhet, Laos, a forsaken village along the Mekong River that, as Kann blithely wrote in the *Journal*, "does boast passable coconuts, three Laotian generals, six licensed opium dens and, for truly dedicated dog-lovers, packs of mange-ridden mongrels baying their passions into the fetid evening air."

Unable to return to Saigon the way they'd come, he and a friend settled upon an alternate route through Bangkok, some 1,000 miles out of their way. One leg was by sampan, a little ferry to transport them across the muddy Mekong.

Arriving at the dock, they were met by

'Having pushed

the idea, it didn't

appropriate for

me to say no."

seem very

an armed Laotian immigration officer, who demanded official documentation. He scrutinized Kann's upside-down passport before rejecting it. An entry stamp from another town elicited a similar negative response.

Finally slapping his forehead with his palm, Kann exclaimed, "I know what you want," the friend remembers. And with that, he reached into his wallet with a flourish to pro-

duce some official-looking paper, an irrelevant interview request. Upon seeing it, the officer apologetically waved the men past. Safely on board, Kann chuckled at his good fortune. Clearly illiterate, the guard had no idea what he was supposed to be reading, but Kann had instinctively known how to play the game.

"Customs is a mere formality," he would dryly report, "since Savannakhet's main industry is smuggling."

Laos wasn't the only place where Kann would save his skin with bravado and panache. Quick, creative thinking has also served him in his current role as CEO and chairman of Dow Jones & Co., parent of the *Journal*, the financial weekly *Barron's*, *Smart Money* magazine, various foreign editions and news services, the Ottoway chain of community newspapers, and the Dow Jones Industrial Average, the pulse of American capitalism.

Just two years ago, Kann's future was in serious doubt. Despite a rip-snorting bull market, Dow Jones' revenue and stock price were stagnating, following a grim decade for America's premier business-news publisher when it looked like an ink-stained dinosaur. Members of the Bancroft family, who retain controlling interest in the public company, complained to the press about their foundering investments. Telerate, a financial data service purchased for \$1.6 billion over a period in the late 1980s, was bleeding multimillions, providing additional

ammunition for the growing legion of critics who began questioning publicly whether allowing a former journalist to run Dow Jones, a company tradition, was still a wise strategy. Gossipy magazine stories cited the rapid ascent of his wife, Karen Elliot House, now president of Dow Jones' international operations, as evidence that Kann had lost sight of the bottom line.

Now it appears that Kann has

weathered the storm, rescuing his company-and his job-with remarkable finesse. Dow Jones, riding the wave of the current economic boom, saw earnings increase 40 percent in the fourth quarter of 1999, to \$77.2 million, with net profit for the entire year soaring 27 percent to \$222.4 million. Since 1996, ad lineage in the Journal is up 50 percent, thanks largely to the newspaper's leading role as the outlet of choice for print-based technology advertising. Circulation is scaling new heights in Asia and Latin America. A recent deal with von Holtzbrink, the German financial publisher, is expected to raise the company's profile and profit stream in Europe.

Under Kann's direction, Dow Jones has aggressively moved into electronic publishing, which now accounts for 20 percent of the company's sales. *The Wall Street Journal Interactive Edition*, one of the few major print derivatives to charge for online content, has accumulated 375,000 subscribers, two-thirds of whom say they would not otherwise take the newspaper. The introduction of new Web enterprises such as Factiva, a news service owned jointly with Reuters, and Dowjones.com, geared toward small businesses, also points to a rosy cyber-future.

After languishing for the better part of the decade, the company's stock has soared more than 40 percent since February 1999 and remains near an all-time high.

Ensconced one morning in his corner office at the World Financial Center in downtown Manhattan, the 56-year-old executive comes off as easygoing but hardly complacent. Stockier and balder than in his intrepid journalist days, Kann still appears at the ready with his loosened tie and rolled-up shirtsleeves.

"Some others have had a good year, but we've had a better year," he says in cultured tones, his words punctuated by the sounds of incoming e-mail. "And it isn't just one year."

Dow Jones, an American brand nearly as sacrosanct as Coca-Cola, seems to have recovered almost miraculously. "In general, the family is obviously pleased with the improvements in earnings and outlook and stock price," says Roy A. Hammer, the family's trustee and a senior partner at the Boston law firm Hemenway & Barnes. "Peter Kann as CEO has primary responsibility for implementing the three-year plan and has been exceeding and/or meeting targets."

Adds mutual fund guru Michael Price, a major Dow Jones stockholder and former critic: "Running that paper for the last couple of years has been like sailing with the wind behind your back and a big spinnaker out."

In recent months, Weekend Journal, a Friday-only section started in 1998, has drawn more women readers and new categories of advertisers with its snarky take on the arts, luxury goods and travel. The Journal Sunday, a four-page finance and career guide, is folded into 16 newspapers such as the Denver Post and the Orange County Register. An alliance with CNBC has also provided Dow Jones with longsought-after television exposure, both in the U.S. and global markets, giving the company its first quarterly profit in TV since getting into the business in 1993.

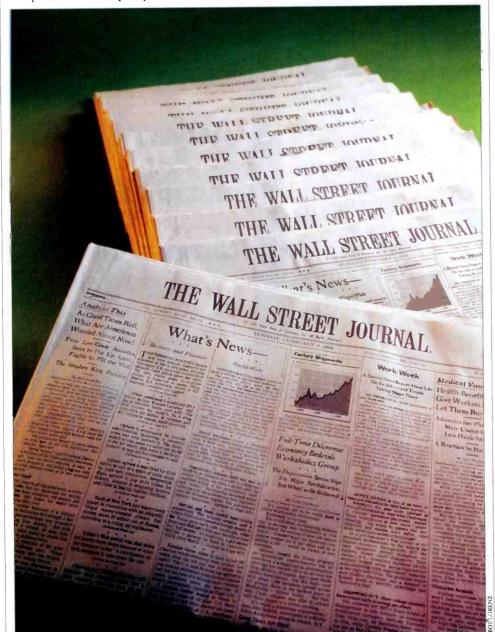
"Business people need more and more reliable, relevant information, and they are willing to pay for it," Kann says. "I think we are better positioned to serve them both in a broad sense and in subsets of the business community, here and around the world."

Besides, Kann argues, the negative reports were mostly exaggerated, "certainly exaggerated from any source that implied the whole company was problemridden." He points out that the failure of Telerate (later known as Dow Jones Markets), which the company off-loaded in May 1998 for a paltry \$510 million, obscured the fact that the print side of the business has been robust under his watch.

Not that Kann has quelled all of his detractors. Snipes Bancroft family member William Cox III, one of his most vocal critics: "Anyone who's squandered in excess of a billion and five of stockholders' money, yeah, I still have a big problem with that."

This illustrates one unassailable fact: Kann's hold on the job is inexorably linked to the company's stock price.

On paper, the Bancrofts have seen their collective stake in Dow Jones stock soar to an estimated \$2.35 billion, based on 42 percent equity in the company as of the Feb. 9 market close of $62^{1}/_{2}$. Last year, for



the first time since 1995, Dow Jones increased its dividend, to \$1 per share, providing a palpable vindication of Kann's stewardship. But it's clear that the new generation is holding the keeper of the flame to a higher standard.

Still, Kann seems more comfortable in his job. He is even willing to broach publicly the once-taboo subject of his wife's ascension. "To the extent Karen House is a question, the answer would be she went through a number of steps in her career from diplomatic correspondent to assistant foreign editor to taking over responsibility for overseas editions," he says. In the same breath, he mentions that the *Journal Europe* and Asian *Journal*, under her direction, have set records in every year since their founding.

"If there was some low point in that period," he says with an arched smile, "it was probably when some magazine had paparazzi camped out on my front lawn in Princeton, N.J., trying to snap pictures of my kids."

Good thing Peter Kann learned early how to operate in the limelight.

A sa 9-year-old growing up in Princeton, Kann ran a neighborhood news bulletin, the *Jefferson Road Snooper*. "My mother was the production department in the sense that she had to type most of it with carbon paper," Kann says. "Then I would go around selling it for five cents a copy down the block and at the same time collecting news for the next issue."

Throughout high school, he wrote for the *Princeton Packet*, a community newspaper best known for its owner, Barney Kilgore, the revered Dow Jones president credited with formulating the *Journal's* magazine-style front-page features. "Although when I first started working there, I was pretty much oblivious to *The Wall Street Journal*," Kann recalls. "I mean, I knew it existed, but I'd never read it, and I certainly didn't know who the publisher was."

Fortunately, Kann, the son of Jewish refugees from Austria (his father, the late Robert Kann, was a leading authority on the Hapsburg Empire at Rutgers), had an innate feel for the media's power. At Harvard, he was the *Harvard Crimson*'s city editor, a beat that allowed him to shadow John F. Kennedy on a 1963 tour of Cambridge. Not that he was overly awed. After waltzing into a reception to chat up the presi-

dent, he asked a Secret Service operative why it was so easy to get in.

"Don't worry," the man said. "We haven't lost one in more than 50 years."

Three weeks later, Kennedy was assassinated.

Says Hearst Entertainment president Bruce Paisner, a Crimson colleague, "He always had an eye for those kinds of unusual, slightly offbeat details.'

Hired out of college by the Journal, he did stints in the bureaus in Pittsburgh and Los Angeles before begging a transfer to Vietnam in 1967. There, 24-year-old Kann eschewed gory combat coverage for poignant humaninterest stories. "I spent a lot of time wandering the countryside and talking, as best as one could, to the Vietnamese," he says.

While sometimes criticized for his dispassionate objectivity, few debated his literary abilities. Says Seth Lipsky, a friend and former colleague, "He was the best writer on the Journal at the time, many people

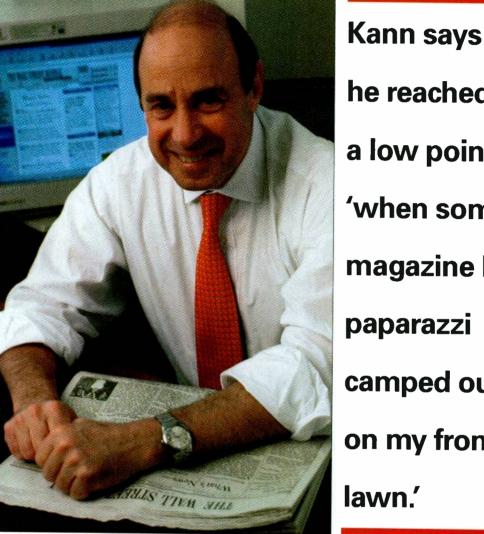
thought." Still, Kann humbly discounts his Pulitzer, awarded in 1972, as a simple case of circumstance. "If there's anywhere where I would have thought I might have won prizes, it would have been more for Vietnam or Cambodia," he says.

In fact, his most lasting contribution of the era was his pitch for an Asian edition of the Journal. His bosses in New York liked the suggestion so much that they asked him to head up the launch in 1976. "I was somewhat ambivalent," he says, "but having pushed for the idea, it didn't seem very appropriate for me to then say no."

Though the U.S. had lost Vietnam,

Kann felt it would ultimately win the war of ideas. Washington Post publisher Donald Graham marvels at his old pal's prescience. "Clearly, Peter sensed what was happening in Asia far earlier than almost anyone else. he says.

about 20,000 copies at the time, its boisterous air would linger. Within months of his return to New York in 1978, Kann was named associate publisher of the Tournal and a Dow Jones vice president. In 1980, he made Pearlstine the Journal's



The rise of the Asian Wall Street Journal, hatched in a dilapidated printing plant on the Hong Kong waterfront, signaled the start of a heady time for capitalism in Asia. Decamped in an elegant apartment on Victoria Peak with his young wife and daughter, Kann led the Journal's crusade for, in patriarch Clarence Barron's words, "free men and free markets." He and friends held cocktail parties on a Chinese junk in the harbor and arranged for blacktie poker games. Among the guests was Norman Pearlstine, the new paper's managing editor.

Though the Asian Journal sold only

he reached a low point 'when some magazine had paparazzi camped out on my front

national editor.

One of Kann's biggest supporters in this period was Warren Phillips, Dow Jones' chairman from 1975 to 1991 and a former foreign correspondent himself. In the meantime, his business confidence grew exponentially. "Starting a newspaper is probably good experience for a lot of things," Kann says, "certainly in terms of understanding that people in an organization all have different roles, but also that you can actually connect them."

Kann rode that Ayn Rand-like notion of teamwork through the go-go '80s, another hale period for the Journal. With

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Pearlstine installed as managing editor and Kann leading the charge, the paper nurtured top young journalists like Bryan Burrough and John Helyar (*Barbarians at the Gate*), Susan Faludi (*Backlash*) and James Stewart (*Den of Thieves*) in a time when business news suddenly seemed glamorous. Vividly gothic tales of Wall Street buccaneers such as Michael Milken

and Ivan Boesky, along with blow-by-blow accounts of the S&L scandals, pushed the *Journal*'s circulation to new heights—it now sells more than 1.8 million copies per day—and drew record numbers of ads.

Francis X. Dealy, a former Dow Jones employee and author of a waggish tell-all about the company, attributes the smooth sailing to Kann's unflappable demeanor. "Kann is very Clintonesque," Dealy says. "He's exceptionally charming, very bright, and he's a smoothie. You leave the room after 20 minutes with him and you feel so warm it's incredible."

But times for Kann would soon get tougher. A falling-out with Pearlstine, now editor in chief at Time Inc., led to the latter's departure. Kann's 1986 marriage to second wife House,

then the *Journal*'s Pulitzer Prize-winning deputy foreign editor, fed ugly talk of nepotism. And while Warren Phillips was instrumental in Kann's rise to the position of *Journal* publisher in 1989, and to Dow Jones chairman in 1991, he also initiated the purchase of Telerate, a then-popular electronic source of up-to-the-minute reports on the bond market and other financial data. The deal would ultimately haunt Kann as Phillips' successor.

In its mid-'80s heyday, Telerate dominated the electronic financial-news market with 100,000 terminals on the desks of securities traders, bankers and brokerage firms. By the time Dow Jones purchased it, competitors like Bloomberg and Reuters had the upper hand. The advent of the Internet would later place all such hardware-dependent services at a strategic disadvantage.

While Kann as chairman proudly wore the Phillips mantle—both, for example, had a taste for meticulous journalism—he says he did not share his mentor's enthusiasm for Telerate. "I think it made the company more difficult for investors to understand," Kann says. "Telerate, while it delivered some news, was not fundamentally a content business in the sense that our other businesses are."

By contrast, Kann lavishes praise on *The Wall Street Journal Interactive Edition*, which augments the full content of the print

'I don't think he's got the business acumen to run an institution like Dow Jones.'

–William Cox III

paper with stock quotes, updates, company profiles and other features. "The basic lesson I draw is that companies can be very good at a number of things, and we are," he says. "One can also discover one is not at all good at something else."

Bill Dunn, a former Dow Jones executive vice president who helped acquire Telerate, puts it more bluntly. "When push comes to shove, Peter Kann had no interest in it," says Dunn. "He only cared about *The Wall Street Journal.*"

Indeed, it is tempting to wonder whether Kann's background as a journalist, and relative lack of business experience, translates into a sentimental fondness for the company's news properties to the detriment of investors. This might explain why Dow Jones has retained its Ottoway newspaper group, which owns 19 daily community newspapers, such as the *Cape Cod Times*, and 15 weeklies in 12 states. Acquired in 1970 by then-president William Kerby over a golf game with publisher James Ottoway Sr., the division clearly strays from the company's current focus on financial news distribution.

"Ottoway Newspapers [was] something I inherently understood," Kann says. "The dynamics of community newspapers in a way are a microcosm of stuff I had already been doing."

Under Kann's watch, Ottoway's operating margins have increased from 15 percent to 31 percent. The chain now accounts for 24 percent of Dow Jones' operating income. If Ottoway seems an odd fit for the company, says newspaper analyst Michael Price of Franklin Mutual, "It's a billion-dollar asset that they can monetize at some point. Though I'm not sure staying in that business helps the company's [price/earnings ratio] because community newspapers is a different business than financial publishing."

here is a certain irony that Dow Jones and The Wall Street Journal remain as synonymous with oldfashioned newsprint as The New York Times and The Washington Post. After all, Dow Jones & Co., formed in 1882 as a ticker service by Charles Dow, Edward Jones and Charles Bergstresser, was one of the world's first electronic publishers. When the premiere edition of the Journal hit the streets in 1889, its stories were little more than reprints of the Dow Jones bulletins. But ever since 1912, when Clarence Barron, the rotund Bancroft forebear who purchased Dow Jones a decade earlier, anointed himself the Journal's publisher, good writing has been as integral as reliable financial information. "Throw out the baby with the bath water if it means sacrificing a brilliant metaphor for clarity," Barron counseled young hires.

Kann believes this dual history makes the company uniquely attuned to the strengths of both print and interactive. "I think we're now a reasonably healthy mix of the two," he says. "The larger part of the revenue still clearly comes from print. But by comparison to almost any other company out there, other than a Yahoo!, if you look at real electronic revenues, we're way up there," he adds, citing Dow Jones' \$400 million in revenue from electronic publishing last year.

A particular source of pride for Kann is *The Wall Street Journal*'s refusal to dumb things down. Bucking the trend toward shorter articles and news bytes, the signature front page survives as a quirky mix of Kids influence 80% of family Pparel

NICKELODEON

f you want the

amily business, talk to the junior partners

76% of

Kids influence 74% of est

There's a whole nation of kids out there deciding which family car to pile into, what pair of street dragging pants to wear, what brand of drink to slurp and which computer to boot up. And this influential bunch watches Nickelodeon more than any other TV network. Welcome to Nickelodeon Nation. Land of opportunity.

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interpretive financial stories and in-depth features not necessarily tied to the headlines. "The existing readership, when you ask them, likes the paper very much the way it is," Kann says.

Even online, Kann thinks the traditional format distinguishes a superior product. "In a world where people get bombarded with bits and pieces of news, having something that they can reflect on that helps them put things in context is actually useful." Then again, he remarks, one could look at the front-page "What's News" column, a daily list of the news briefings, "and see them almost as Internet clicks."

Oddly, it is the Journal's very reputation as a pillar of American letters that helped cause a fuss a few years ago, when two scions of the Bancroft family wondered why their chunk of posterity wasn't paying off. In 1997, Dow Jones stock was trading at about the same price as a decade earlier. That year, 42-year-old William C. Cox III, son of a current board member, and his 35-year-old cousin Elizabeth Goth, daughter of another, broke with the family's longstanding policy of staying quietly in the background and delivered their various complaints to the press. At least one targeted Kann's corporate vision as an ongoing source of discontent.

Changes followed, no doubt prompted by the scuffle and the Bancrofts' clout: Even though Dow Jones is a public company, the family controls 68 percent of the voting shares. New board members were installed, including Harvey Golub, CEO of American Express, and Bankers' Trust chairman Frank Newman. Ken Burenga, president of Dow Jones during the Telerate debacle, and others left the company. Heads rolled, but somehow Kann survived.

But while the recent upward trend seems to have mended the family rift, criticism of Kann has not disappeared. "Don't get me wrong, I think he's a very nice person and a terrific writer," Cox says. "I just don't think he's got the business acumen to run an institution like Dow Jones."

Cox points out that advertising from Internet startups has bolstered revenue at all newspapers. An Internet entrepreneur himself, Cox wonders how well-positioned Dow Jones will be in an economic downturn, which leads to an even more fundamental question: Can this turnaround be credited to Kann's strategic vision, to his skill at energizing a oncemoribund brand? Or is it, rather, the somewhat inevitable result of a historic economic boom?

Kann admits the Internet revolution has played a huge role in fueling Dow Jones' comeback, but he clearly deserves credit for leveraging the brand to exploit the gold rush. "Coming out of a print background, I take a certain amount of

pleasure in seeing all these dot.com companies using *The Wall Street Journal* to say, 'Hey, we exist.'" He knows that some forms of print publishing will not have bright futures. "I would not want to be a generalinterest news magazine at this point," he says, adding that he believes a targeted publication like the *Journal* will thrive in the online environment.

Kann clearly believes in the future of electronic publishing but he doesn't think papers such as the *Journal* will become obsolete. "I think [print and interactive] can coexist very well," he says, painting a picture of a total *Wall Street Journal* subscription that readers will use "in different ways for different purposes at different times."

"I'm not being Pollyannaish or euphoric because I understand business conditions are very good these days," he says. "But the new products we have are awfully strong, both competitively and comparatively."

It's telling that Kann, considered an important voice of contemporary conservatism for his role in shaping the *Journal*'s editorial page, counts distinctly un-Clintonesque Harry S. Truman as a personal hero. A photo of the former president hangs on his office wall. He sees Truman as "the antithesis of a personality or presidency focused on style and fashion and political correctness" and "someone who actually knew right from wrong and had great instincts and great judgment on big issues, not always on little ones," a man who "said what he thought and did what he said."

Like his hero, Kann is often lauded for having the courage of his convictions. When profits and the stock price were languishing, he endeavored to maintain his strategy of building platforms to exploit the Dow Jones brands, especially the *Jour-nal*, by concentrating on the core business of informing the financial consumer. Now those hard decisions are paying off.

The marketplace is rife with talk that Kann is positioning Dow Jones for a takeover, despite his repeated denials and the presence of a 1934 family trust that would make such a course, at the least,

'Running that paper [recently] has been like sailing with the wind behind your back.' –Michael Price

complicated. Yet of late, the company has been dumping its interests in nonessential businesses such as print mills.

In the climate that produced the pending America Online-Time Warner merger, every major media company in America feels the need to reassess its long-term goals. General Electric and the Washington Post Co. have been bandied about as possible Dow Jones suitors. "Look, you could sell Dow Jones tomorrow," says Michael Price. "You could pick up the phone and call Warren Buffett or Kay Graham or Jack Welch and sell that company for a hundred bucks a share tomorrow morning."

Kann fairly winces when he is informed of such prognostications. "It's not going to happen," he says. "It may have appeared in rumor mills or whatever, but the Bancroft family is absolutely united in wanting this and insuring that this will continue to be an independent public company." In Alec Foege is a senior writer for People magazine and a former contributing editor for Rolling Stone. He lives in New York. Think of it as a _____ Post-it[®] Note...

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Culture 1

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T. Rowe Price Equity Index 500 Fund (PREIX). For more than nine years, our Equity Index 500 Fund has helped investors like you closely track the S&P 500°. Of course, all index funds are managed to mirror the index, but some succeed better than others. While many funds impose loads and have expenses of as much as 0.96%," our combination of no sales charges, competitive expense ratio with no 12b-1 fees, and efficient portfolio management offers the opportunity to maximize the potential of your investment.

You may invest in a mutual fund for performance. But you might also invest for convenience. That's why our funds are backed by a commitment to the services that make a difference-knowledgeable representatives, 24-hour access to your account by phone or the Internet, portfolio allocation tools, consolidated statements, and more. Add our low investment minimum of just \$2,500 (\$1,000 for IRAs), and you'll know why our Equity Index 500 Fund stands apart. As with any stock fund, there will be price fluctuation.



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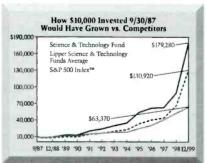
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T. Rowe Price Science & Technology Fund (PRSCX) invests primarily

in stocks of companies that seek scientific or technological advances. Since its inception the fund has successfully identified many dynamic opportunities, outperforming its Lipper Category Average and the S&P 500. Despite this outstanding record, investors should be aware that triple-digit performance is highly unusual and cannot be sustained. Past performance cannot guarantee future results. No sales charges.





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100.99%, 38.90%, and 30.16% are the fund's average annual total returns for the 1-, 5-, and 10-year periods ended 12/31/99, respectively. Figures include changes in principal value, reinvested dividends, and capital gain distributions. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. (Source for Lipper data: Lipper Inc.) The S&P 500 is an unmanaged index that tracks the stocks of 500 U.S. companies.

For more information, including fees and expenses, read the prospectus carefully before investing. T. Rowe Price Investment Services, Inc., Distributor, STF052758

MTV Around the World

Week of 2/7/00

MTV U.S.

A

Artist	Title
1. Christina Aguilera	What a Girl
Wants	
2. Red Hot Chili Peppers	Otherside
3. Backstreet Boys	Show Me the Mean-
ing	
4. Britney Spears	From the Bottom
	of My Broken Heart
5. Eve	Love is Blind

MTV Europe

Artist	Title
1. Britney Spears	Born to Make You
	Нарру
2. Gabrielle	Rise
3. R.E.M.	The Great Beyond
4. Andreas Johnsen	Glorious
5. Donnel Jones	U Know What's Up

MTV Brazil

Artist	Title
1. Five	If Ya Getting Down
2. Silverchair	Miss You Love
3. Sandy & Junior	Immortal
4. Raimundos	Me Lambo
5. Blink-182	All the Small Things
	U

MTV Australia

Artist

- 1. Macy Gray
- 2. Killing Heidi
- 3. Christina Aguilera
- 4. Len 5. Vanessa Amorosi

©2000 MTV

- Title I Try Mascara What a Girl Wants Steal My Sunshine Absolutely Everybody

CULTURE TRENDS

MTV Around the World

Week of 2/7/00

MTV Russia

Artist	Title
1. Backstreet Boys	Show Me the Meaning
2. Mummy Troll	Kamavela Net
3. Jamiroquai	King for a Day
4. Detsi	Shozi
5. Rage Against	Guerilla Radio
the Machine	

MTV Latin America (North Feed)

Artist	Title
1. Moenia	No Dices Mas
2. Shakira	Si Te Vas
3. Aleks Syntek	Tu Necesitas
4. Foo Fighters	Learn To Fly
5. Ricky Martin	Shake Your Bon Bon

MTV Latin America (South Feed)

Artist	Title
1. Ricky Martin	Shake Your Bon Bon
2. Lius Miguel	Dormir Contigo
3. Pet Shop Boys	New York City Boy
4. Liya Kuryaki	Jennifer Del Estero
& the Valderamas	
5. Backstreet Boys	Show Me the Meaning

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College TV Network Video Playlist

Playlist submitted by College Television Network for week ending February 7, 2000

Artist Bob Marley f/ Lauryn Hill	<i>Title</i> Turn Your Lights Down Low	Rotation Heavy
Our Lady Peace	Is Anybody Home?	Heavy
Santana f/ Wyclef & Product	Maria Maria	Heavy
Stroke 9	Little Black Backpack	Heavy
Vertical Horizon	Everything You Want	Heavy
311	Flowing	Medium
Aimee Mann	Save Me	Medium
Ben Harper	Burn to Shine	Medium
Big Kenny	Under the Sun	Medium
Collective Soul	Needs	Medium
Creed	What If	Medium
Destiny's Child	Bug-A-Boo	Medium
Dixie Chicks	Cowboy Take Me Away	Medium
Eiffel 65	Blue (Da Bo Dee)	Medium
Folk Implosion	Free to Go	Medium

EAST SERVICES & RESOURCES



EAST SERVICES & RESOURCES



EAST SERVICES & RESOURCES



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44 Beaver Street, 6th Floor New York, NY 10004

To ensure adequate seating capacity is available, all potential proposers should call (212) 837-8158 prior to the scheduled mandatory pre-proposal conference and provide the estimated number of company representatives planning to attend.

The deadline for proposals is anticipated to be no later than May 3, 2000. Proposals should be submitted to:

Assistant Commissioner Ronald Blendermann Agency Chief Contracting Officer NYC Department of Sanitation

51 Chambers Street, Room 801 New York, NY 10007

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Visit our website at http://www.adweek.com

> e-mail: adweek@adweek.com

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Growing and fast paced Media Planning and Buying Company is looking for a Senior Broadcast Buyer. Our ideal candidate will possess at least five vears of Spot Television and Radio buying experience, strong verbal and written communications skills and a passion for the local market broadcast business. Knowledge of barter a plus. In return, we will offer a very competitive salary, excellent benefits package, a generous 401K plan and a wonderful work environment.

Please fax resumes in confidence to: (212) 557-2801

★ ★ USE ADWEEK MAGAZINE TO GET NATIONAL EXPOSURE ★ ★ ★

HELP WANTED

Chancellor Marketing Group, a division of AMFM, is in search of a Management Supervisor, Sales Promotion Manager and Account Supervisor for its full-service sales promotion office located in Rockville,MD.

Management Supervisor

This is a sales management position responsible for growing a marketing services business through client development, marketing, training and planning. You'll be working with your account supervisors to develop programs such as integrated marketing campaigns, GWPs, event tie-ins and cross marketing to help major retailers and national manufacturers move product. The ideal candidate is very bright, creative and highly persuasive. He or she combines five years of experience with project management skills, strategic thinking, budgeting and a full understanding of the sales process.

Sales Promotion Manager

We are in search of someone who is able to help us create and implement marketing programs for Fortune 1000 companies. This position requires an ability to search for marketing partners and communicate expectations clearly. You'll be working to find major events that need sales representation, developing a calendar of opportunities that can be sold and playing the role of the creative head in major pitches. The ideal candidate is very bright, creative, organized and focused on results. He or she combines three years of project creation and implementation experience. Being able to typeset and manage the projects that are sold is a must.

Account Supervisor

We are seeking a highly motivated salesperson to sell and service sales promotions, marketing programs and events to local, regional and national retailers, manufacturers and direct marketers. Requires an ability to create, sell and pay close attention to the details. An understanding of consumer and trade marketing, packaged goods sales and/or retail operations required. Phone skills, client needs analysis skills and partnering skills are a must.

Our company encourages entrepreneurial and futuristic thinking and we back it up with a working environment where people and ideas come first. You'll enjoy the best training available, unparalleled support, healthy compensation and benefits. Please mail resumes to Rose Ann Domenici, Managing Director, 1801 Rockville Pike, 4th Floor, Rockville, MD 20852. EOE.



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We're **Communications Plus**, a fast-growing Madison Avenue direct marketing agency with first-rate clients. If you think you could be a Plus to our team, tell us why. Fax our HR Dept. (include salary requirements) at **212-686-9687**. Or email us at **cphr@commplusny.com.** EOE

Sr. Art Directors/Jr. Art Directors: Conceptual with excellent sense of design and type. Mac proficient with solid knowledge of production. Good presentation skills.

Sr. Copywriters/Jr. Copywriters: DR experience, team-oriented, and presentation skills. Financial services and Insurance background a must.

Traffic Manager: 1+ years direct marketing or agency experience. Detail-oriented/self-starter w/excellent organization and communication skills.

Web Developers: Minimum 2 years experience developing Web based applications. Must be proficient in HTML, Java Script and Flash.







You thought you'd never get this opportunity — a chance to combine groundbreaking interactive technology and compelling content, name recognition and a medium with limitless possibilities. Your search has just ended. Because, if you truly understand the power of interactive media, then you understand that no place but AOL can offer you the challenge you're looking for. Here, you'll be working with a product that didn't just put online on the map, we blazed the trail that everyone else is following. So, right off the bat, you're promoting a product that accounts for more than 55% of at-home Web or online time, and prime-time usage that's even higher than CNN Headline News. AOL — it's what you've been searching for.

SR. & ASSOCIATE SALES PLANNERS

You will support all levels of Interactive Sales and Business Development to develop comprehensive sales plans that meet the needs of prospective and current clients. The categories of clients that they will focus on are: automotive, entertainment and finance (banking, insurance, personal finance and real estate). Candidates must have in-depth knowledge of AOL multibrands and creative abilities to construct proposals, understand the fast-paced industry and become channel and category experts. Requires skills in media basics and media planning experience at either a traditional or new media company. Must have a BS/BA degree, along with 4-6 years of professional experience for Sr. Planners, and 2-3 years of experience for Associate Planners. This is an excellent opportunity to leverage traditional media planning skills to a new industry.

We offer an outstanding compensation package, including an attractive salary, stock options and excellent benefits. Please insert position code 01ABM014 on all correspondence. Send your resume via one of the following: e-mail (ASCII text only): careers@aol.net; FAX (fine mode): (703) 265-5769; mail: AOL, Human Resources, 22000 AOL Way, Dulles, VA 20166. EOE.

AOL. UNLIKE ANYTHING. ANYWHERE. www.aol.com/careers

Graphic Designer

Hands on pro with minimum of two years experience in ad agency, design firm or corporate setting. Handle visual concept and design execution for marketing materials, ads, posters, promotions and web graphics. Assist Creative Director in all phases of the process. Ability to assist in guiding staff in use of design software and basic design concepts.

Mac proficiency a must, PC knowledge a plus. Expertise in Quark, Illustrator, Photoshop. Familiarity with prep and printing in four color process and spot color. Seeking an exceptional individual to join a dynamic team-oriented environment in Northern New Jersey.

Interested candidates should mail resumes with salary requirements to:

MPA Confidential Box #675 300 Route 27, Highland Park, NJ 08904

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HELP WANTED

WANTED:

One Really Good Account Sup. One Really Good PR Person

Minimum: 10 Years Experience

You are a control freak. You've never been asked off a business. Promoted faster than your peers. Clients try to hire you. Old bosses try to hire you. No matter what your client's problem, you always have an idea on the spot. And now you're looking for something new, better – the next level.

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If you are the *you* described above, you will love us. Send a resume. If you aren't, don't. You will hate us in the morning.

Fax to P. Salerno at 215 772-2819

Email to: psalerno@domusnet.net

SMART, STRATEGIC ACCOUNT SUPERVISOR NEEDED FOR SMART, STRATEGIC AGENCY

We are a young but established, full-service advertising agency in Silicon Alley. We need a bright, individual energetic, with demonstrated excellence strategic thinking, marketing communication, staff management and relationship building. Excellent compensation packages, fun workina environment, diverse accounts, great team of people. Send resumes to 212-604-9804 or info@toolbox.com

TOOLBOX

SALES & MARKETING OPPORTUNITIES

USA WEEKEND, a division of Gannett Co., Inc., is the nation's fastest growing newspaper magazine with 44 million readers and several career-building positions available:

DIRECTOR OF CONSUMER DIRECT ADVERTISING New York City

If you are an experienced, proactive sales manager who can motivate a staff, put your talent to work here. You will meet with existing clients to build on our success and develop new business with direct response advertisers. Our fast-paced weekly requires good strategic and people skills. You will need a bachelor's degree; 5 years' experience in direct response magazine advertising; knowledge of merchandising; and good presentation skills.

ACCOUNT EXECUTIVES New York City, Los Angeles, Chicago

Join a sales team that thrives on year-over-year success. You'll position national advertisers to reach one of the largest and most responsive audiences available. You will work with team support to identify new clients, make presentations, and network to produce new revenues. These positions call for selfstarters with a bachelor's degree, 4 years' ad sales experience in media; an ability to use market research; plus strong writing and presentation skills.

MARKETING DIRECTOR New York City

An experienced magazine marketing pro will work across departments to increase ad sales and circulation plus develop this exciting brand read by millions of GenXers and Baby Boomers. Develop PR, national ad campaigns, and marketing/promotions programs. Ideally, you will be a proven strategic thinker who can write powerfully and inspire creativity from staff. A bachelor's degree, 8 years in advertising/marketing, solid presentation skills, and Microsoft Office proficiency are required.

SENIOR COPYWRITER New York City

If you are a creative and strong writer, we'll rely on you to create a consistent "voice" in marketing materials directed to advertisers and newspaper clients nationwide. Collaborate with Marketing, Editorial, and Creative Services teams to tell our powerful story. You'll need a college degree, 3 years' copywriting in media sales, quick turnaround, and proficiency in Microsoft Office. We use QuarkXPress.

SENIOR RESEARCH ANALYST New York City

If you are a creative and strong writer, put your talent to work here. We'll rely on you to create a consistent "voice" in marketing and promotions materials directed to advertisers and newspaper clients nationwide. You will collaborate with Marketing, Editorial, and Creative Services teams to develop branding. You must have a college degree; 3 years' copywriting in media sales; quick turnaround; and proficiency in Word, Excel, and PowerPoint (QuarkXPress for Mac is desired).

RESEARCH ANALYST New York City

We are looking for an experienced team player to provide media and marketing analyses to our sales team. You will be expected work efficiently to retrieve and analyze data from MRI to contribute to reports and presentations for sales. Requirements include 2 years' research experience, a bachelor's degree, an ability to work quickly and accurately, and proficiency in PC use of Microsoft Office, IMS/Telmar, and the Internet.

We offer: very competitive compensation and excellent benefits packages. We value diversity in our workforce and encourage those of diverse backgrounds to apply. For strictly confidential consideration, fax your resume, indicating position of interest, to: HR Department-AW, USA WEEKEND, Fax #: (703) 558-3928





Account Directors and Supervisors

AG Worldwide (formerly Arnell Group) a highly charged creative environment is seeking experienced Account Directors and Supervisors to lead branding efforts for recently won fashion, luxury, lifestyle and entertainment business. These positions require energetic, smart team players with leadership savvy who can write and speak effectively and strategically. Successful candidates will have five to ten years experience with developing branding, marketing and creative strategies and relationship building. Online experience is preferred, but not required. Please fax your credentials to our representative at 212 869 5535 or e-mail in doc format to resultsg@aol.com. No phone calls or walk-ins, please.

ACCOUNT EXECUTIVE

Major advertising industry trade magazine seeks a seasoned account executive for its New York based technology account assignment. The ideal candidate has 5+ years experience, plus the proven ability to work at client and agency levels. An outstanding growth opportunity for an ambitious sales professional with excellent communication, negotiation and organizational skills.

For consideration please fax resume and salary history to:

Kristina 212-536-5353 No calls.

HELP WANTED

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EXECUTIVE OPPORTUNITIES SPORT & SOCIAL CLUBS OF THE US Vice President, Marketing

Experienced executive needed to identify and develop creative, integrated marketing opportunities including: internet, sponsorship, public relations, communications, advertising, special events, and much more. Requires: 10 years experience in Integrated marketing with 3-4 years managing a staff or 6 or more. MBA preferred. Full understanding of sponsorship, pr, and the internet. Sponsorship sales experience is highly desirable.

Vice President, Sponsorship Sales

Experienced executive needed to develop national sales opportunities including title sponsorships, signage, sampling, internet exposure, advertising, and a variety or other special programs. Will be responsible for identifying potential partners and closing deals. Requires 8-10 years experience in sales and marketing with the last few years in management. Full understanding of sponsorship and the Internet is a must.

Both positions will be motivational leaders for the company and a hands-on managers and mentors for the national marketing and sponsorship departments. Must thrive in a non-traditional, entrepreneurial environment with previous work experience in a small to midsize company. Must be aggressive, organized, enthusiastic, and willing to roll up your sleeves and pitch in with the rest of us.

If interested, please send your resume and letter of Interest to: Sport & Social Clubs of the US, 625 North Michigan Avenue, Suite 1600, Chicago, IL 60611 Fax 312/587-8474, EMAIL: jobs@ssus.com

Sport & Social Clubs of the US is the leading national sports marketing and event management firm providing recreational sports leagues, parties, tournaments and travel to young professionals nation-wide. For more information on our company please visit our web site www.sportsandsocial.net

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Got us a high-tech client. Need us a high-energy Art Director. One who has experience working in fastmoving, high-tech, biz-to-biz arena. One who can spot opportunity through the fog of organized chaos. One who isn't Mayor of Prima Donnaville. One who won't go brain dead in front of clients. One who can lead a creative team. One who is a human sponge for the constant flow of information. One who revels in the print medium. Yes, a tech junkie with a creative bent. Just one. That's all we need. Send samples of brilliance to cordell@brainsonfire.com. Brains on Fire is, by the way, an extremely hot marketing, advertising, branding firm with considerable attitude.

Brains On Fire

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Send Us Camera Ready Art Work. Your ad will stand out from the others and get better results, if you are creative and design an ad that sells your jobs to potential employees Call 1-800-7-ADWEEK and get the details.

MEDIA DIRECTOR

Do you have 8-10 year's experience in all forms of media planning and buying? Are you interested in working in a full-service, fast growing mid size agency in Orlando FI? Good negotiating skills, presentation skills and fastfood experience essential.

Fax in confidence to: Marjorie Dobbin Fry/Hammond/Barr 407-849-0817 or email marjorie@fhbnetcom DFWP

ADVERTISING SALES

Major trade publisher seeks sales pro to join great team. Manage accounts and develop new business for children's fashion trade publication. Must have minimum of 2 years sales experience, preferably publishing or agency. Experience in fashion a plus. Competitive salary & excellent benefits. Submit resume to: HB Roy BC

HR, Box BG Fairchild Publications 7 W 34th Street, NY, NY 10001 or fax: 212-630-4295 EOE

CLASSIFIED ADVERTISING/February 14, 2000

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Speedvision and Outdoor Life Network, two fast growing cable enterprises, has an immediate opening for a Media Research Analyst. Position requires 3 to 4 years' cable/ agency experience. Primary responsibility will be as liaison and central source of information for all our sales offices across the U.S. Candidate will interface with sales, marketing and Internet teams.

Candidate should have hands-on experience with Nielsen Galaxy and MRI or Simmons databases. Must be detail oriented, strong written and verbal skills and be able to present complex ideas into easy to understand format for sales management. Must be PC fluent with strong working knowledge of Microsoft Office. Benefits include a competitive salary, 401(k) plan, medical, dental and vision plans, and tuition reimbursement. EOE WF/D/V

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RINGLING BARNUM











HELP WANTED

*4

あんちゃうかんしょう う

Feld Entertainment Searching For Key Brand Leaders!

Feld Entertainment[®], the world's largest producer of live family entertainment, is looking for strategic leaders who are creative thinkers, to direct and manage the future growth and development of our diverse and exciting live family extravaganzas. We need imaginative and seasoned leaders to join the team that produces the critically acclaimed Feld Entertainment productions, including **Ringling Bros. and Barnum & Bailey[®]**, **Disney on IceSM**, and **Siegfried & Roy[®]** in Las Vegas. The following great opportunities are available in this Northern Virginia-based corporation:

Director of Brand Marketing, Ice and Stage Shows

The Director of Brand Marketing is responsible for overseeing the collaborative efforts of the brand, creative, production and accounting teams. This position leads the development and implementation of all marketing promotions and advertising plans. The Director further acts as liaison between the Brand group and the production unit and is responsible for building professional skills of employees.

Position requires a marketing degree and an MBA with a minimum of 7 years brand marketing experience, preferably in the entertainment field. Individuals must have strong organizational, analytical and communication skills and be able to lead multifunctional teams.

Assistant Brand Manager Ringling Bros. and Barnum & Bailey®

The Assistant Brand Manager for **The Greatest Show On Earth**[®] is responsible for being the liaison between the Brand group and the field marketing team, as well as having involvement in all promotional activities. Responsibilities include participating in the development and monitoring of sound business plans and marketing strategies leading to the long-term success of the Ringling brand. Additional responsibilities include budget management, analysis of research and program development.

Position requires a college degree, advanced degree preferred, and 3 years brand marketing experience, preferably in the entertainment field. Also must be able to interface with internal and external personnel on multiple levels. Individual must have strong organizational and analytical skills, as well as having excellent written, oral and presentation abilities.

Applicants should indicate the position of interest and send resume with salary history to: Feld Entertainment, Dept DBISBAWP, P.O. BOX 3238, Scranton, PA 18505-0238; Fax: 888-435-3939. EOE/Drug-Free Workplace.

ADVERTISING SALES MANAGER

Publisher of THREADS magazine is looking for a manager to run its highly endemic ad-sales program. Candidate must have a strong interest in sewing and garment construction, along with the leadership and management experience needed to direct the activities of a small sales staff. Job also requires heavy telephone sales work, 15% national travel/year, and computer spreadsheet skills. We offer a competitive salary, sales incentive plan, & excellent benefits. Please send resume and salary requirements to HR.

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Contact: Lee Rudnick, President DBI Media Executive Search Ph: 212-338-0808 Ext. 5 Fax: 212-338-0632 E-Mail: dbimedia@mindspring.com www.dbiny.com

ADVERTISING OPERATIONS

National newspaper and online network looking for bright, organized. high-energy person for NY office. Primary responsibilities: to support Sales and Operations. Day to day duties: develop cost proposals, communicate w/advertiser clients, insertion order and material trafficking. Ideal candidate is customer service and detail oriented, able to handle multiple tasks and meet tight deadlines. Min. 3 yrs. in advertising. Microsoft Office. Positive work environment, competitive salary, benefits.

Send resumes with salary history to: Jennifer Pickens

Tribune Media Services 435 N. Michigan Ave. Chicago, IL 60611

E-mail: tmsjobs@tribune.com Equal Opportunity Employer

Strategic Planner

If you are a creative thinker who loves to delve into the consumer mindset, we'd like to talk.

Boston-based, fun, fast-paced, growing strategic planning and marketing research firm is looking for a strategic planner with 3-5 years experience. If you have experience in both qualitative and quantitative research, please send your resume to:

> Box 850. ADWEEK 100 Boviston St., Ste. 210 Boston, MA 02116

AD SPACE SALES

ADWEEK Magazines seeks dynamic, eager and imaginative inside sales rep for our classified advertising department. Although this is a full-time inside sales position, we're looking for someone with the intelligence and poise of an outside sales pro. 1-3 years experience preferred. Salary & commission + benefits. Fax resume & salary history to: Harold Itzkowitz, (212) 536-5315

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- Production Manager -

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We are seeking a Production Manager with 5 years experience in all phases of estimating, pre-press, color offset and web printing in the production of catalogs, marketing collateral, direct mail, point of sale materials, and digital media. Must be highly organized and detailed, possess strong negotiating and scheduling skills, and enjoy a fast paced work environment. Competitive salary and health / dental and 401K match.

Please e-mail your resume and salary requirements in confidence to productionmanagerwanted@hotmail.com.

Make us laugh. Make us cry. Make us lust after you.

Wanted: a writer who loves writing. A facile wordsmith with a burning curiosity about everything. What else? Someone who can work in a team environment and like our clients as much as we do. Bonus skills: Food experience, blazing speed and a great sense of huma. We offer national clients who hire us 'cause of our smart creative, and an opportunity to produce lots of great work. In one of the fasting growing markets in the Southeast. Interested? Send a resume and the stuff you're most proud of to mike@brainsonfire.com.

Brains On Fire

KIDS **MARKETING AGENCY**

Kids Marketing Agency seeks SENIOR MARKETING PROFESSIONAL with kid product experience and a MARKETING ASSISTANT to join our entrepreneurial, privately held Stamford, CT based agency which specializes in new products, advertising and market research. Opportunity to work with many blue chip clients. Research experience is a plus.

> Please fax resume and current salary to: Just Kid Inc. at 203-353-8699

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Established New York City Outdoor Company seeks account executive with a minimum of 2 years experience calling on ad agencies and advertisers direct. Base salary plus commission. Excellent benefits. Lucrative sales territory. Great working environment.

Please fax resume in confidence to V.P. Sales at: 212-265-9436

MEDIA PLANNER

Growing full-service 4A ad agency is looking for an experienced Media Planner to join our media department. Candidates should have a minimum of 3+ years ad agency media experience with at least 2 vears experience in national and regional print planning. We're looking for a creative thinking self-starter with an entrepreneurial spirit. Strong presentation skills and experience presenting to clients important. Forward resume in confidence via e-mail to MediaPosition@Imo.com or fax to 703-875-2199 or mail to

Laughlin, Marinaccio & **Owens Advertising** 2000 N. 14th Street Suite 380 Arlington, VA 22201

Laughlin, Marinaccio & Owens Advertising

ART DIRECTOR

Hartford, CT shop seeking an AD with big ideas and the talent to turn them into works of art. If you have 4 plus years experience and don't mind working in an environment that's fun, friendly and stimulating, send your resume along with five non-returnable samples to:

O'Neal & Prelle P.O. Box 1139, 95 Elm St. Hartford, CT 06143-1139 Att Creative e.o.e.

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Top ten advertising agency has many openings due to promotions:

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Duties include creating ads for many different media properties, events and services. Also responsible for presentation materials, ad sections, sales literature.

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> Wally Lawrence ADWEEK Magazines New York, NY 10036

SALES REPRESENTATIVE

Leading entertainment Promotions & Advertising co., specializing in the college market, is looking for an energetic and outgoing individual to sell promotions and advertising to corporate clients on east coast. Must have previous sales experience, good proposal writing and client management skills. Send resume to: HCI, Box 4206, Burbank, CA 91503.

Classified Asst: Michele Golden

RATES for Employment and Offers & Opportunities

MINIMUM: 1 Column x 1 inch for 1 week: \$184.00, 1/2 inch increments: \$92.00 week. Rates apply to EAST edition. Special offers: Run 2 consecutive weeks, take 15% off second insertion. Frequency, regional-combination, and national discounts available. Charge for ADWEEK box number: \$35.00 per insertion. Replies mailed daily to advertisers. Readers responding to any ads with box numbers are advised not to send samples unless they are duplicates or need not be returned. We are not responsible for recovery of samples.

1-800-7-ADWEEK Classified Manager: M. Morris

The identity of box number advertisers cannot be revealed. If ADWEEK must typeset ad, charge is \$25.00. Deadline for all ads in ADWEEK EAST is Wednesday, 4:30 p.m. If classified is filled prior to closing, ads will be held for the next issue. Classified is commissionable when ad agencies place ads for clients. No proofs can be shown. Charge your ad to American Express, Mastercard or Visa, ADWEEK CLASSIFIED, 1515 Broadway, 12th fl. New York, NY 10036. 1-800-723-9335 Fax: 212-536-5315.

1515 Broadway, 12th Floor

HELP WANTED



SixtyFootSpider, a division of True North Communications, is a full-service Internet communications company that specializes in creating complete, turnkey interactive solutions. We are headquartered in Dallas, Texas with additional offices in Seattle and New York City. In the year 2000, we are planning to aggressively expand into various markets across the U.S.

We are looking for smart, fun, creative people to be a part of our team. That's where you come in. Our rapid growth has created openings in the following positions:

Account Supervisor

Client Service & Strategic Consulting team leader, with at least 4 years interactive agency, or e-business-related, experience. Core responsibilities include developing and managing productive relationships with all clients, strategically evolving interactive marketing solutions for optimal R.O.I., pursuing and developing new business and ensuring exceptional training and growth for account services team. Efficient and effective team management and problem-solving skills are a must.

Account Executive

Serves as primary client contact and account team leader, with at least 2 years of traditional and/or interactive agency experience. Core responsibilities include developing and implementing strategic plans, leading core team of cross-functional disciplines, and continuously evaluating and applying current best practices and the latest methods in interactive technology solutions for our clients.

Assistant Account Executive

Core support player on the Client Service & Strategic Consulting team. Core responsibilities include coordinating and supporting the client account team in all respects, conducting research and situation analyses, tracking relevant industry and competitive interactive developments and training for Account Executive-level responsibilities.

Associate Creative Director

We are looking for a self-starter with solid management and decisionmaking skills to come in and lead a group of art directors and writers down the path of creating stellar, yet strategically based, interactive work. Must have a minimum of 2 years of creative management experience in interactive projects such as website development, banner ads and rich media advertising. Solid presentation skills and the ability to build a rapport with clients a must.

Copywriter

We always start with the concept and, as a copywriter, you will be involved in the process of generating concepts for website development, banner advertising and other interactive projects. Your responsibilities will also include writing headlines and content in line with the concept for a given project. A minimum of two years of agency writing experience is a must, and interactive experience is a plus.

Art Director

Must be a strategic thinker with the ability to conceptualize and execute strong visual designs for websites, banner advertising and other interactive projects. Responsibilities include: innovative and smart interface design, managing the design process, presentation of work to client and defining photography and illustrations needed for projects. Requires a strong knowledge of the latest web development tools as well as persuasive communication and presentation skills.

Submit all inquiries to:

SixtyFootSpider

750 W. John Carpenter Frwy., Suite 600 Irving, TX 75039 ATTN: DBailey Fax: 214-492-5606 E-mail: dbailey@sixtyfootspider.com

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We are rapidly growing in the *Danbury, CT* area and have the following opportunities in our Marketing Department.

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Director, E-commerce and Database Marketing

Create click-thru sales solutions for Microcast and our content and advertising partners. Work with internal and external resources. Extensive direct marketing and operational experience required.

Director, Advertising and Marketing

Lead trade and consumer advertising initiatives. Guide overall corporate branding and look. Work with in house Creative Services and Web Design teams, as well as external advertising resources. 5+ years ad agency creative and team management experience.

Director, Research

Audience and Market Research positions available. Develop sales positioning and consumer product and service development. Create impactful sales and marketing tools. Comprehensive knowledge of media measurement and the Internet required. Analyst positions also available.

Marketing Managers

Functions include business development, research and analysis of market trends. Collaborate with sales, content and network development to attract new customers. 3+ years media marketing experience with strong analytical skills required.

Senior Producer

Work with advertising and programming clients to produce and edit for web-based content. 5+ years broadcast production experience, with particular focus on television news required.

Marketing Coordinators

Assist Marketing team in all advertising, promotion, research and operation functions. 1+ year ad agency or media experience required.

> P.O. Box 3739 Danbury, CT 06813-3739 Call our Employment Hotline @ 203-205-7390 Resumes to: employment@microcast.net or fax: 203-791-8586 www.microcast.net An Equal Opportunity Employer

HELP WANTED

ADVERTISING BREAKING new GROUND in

Online Advertising Mediaplex, a publicly traded internet company (MPLX), is a leading provider of eBusiness marketing and technology solutions that enable companies to optimize internet advertising for sales, direct marketing and brand building. With our proprietary MOJO Works™ technology, we enable advertisers to deliver the right message to the right target in real time, then measure and optimize success of the campaign. We are booming, and are actively seeking talented individuals with technology or advertising experience who want to break new ground

We have the following positions available in our New York office:

ASSOCIATE MEDIA DIRECTOR

You will lead the media team; develop strategic direction for interactive media plans; integrate internet activity with media & marketing objectives; provide analysis of current interactive trends; oversee activity/training of supervisors, planners/strategists & assistants; and drive creative uses of internet media to maximize impact of client web presence. Requires 5+ years traditional media planning, with 2+ years interactive media exp.; excellent leadership, communication & client interaction skills; and comprehensive knowledge of the Web & current trends. Reg. # 23300

MEDIA STRATEGIST

You will develop & implement media plans, client presentations & business pitches; hire, train & manage Media Planners & Assistants; supervise the media planning process from start to finish; and work with Campaign Analysts in reviewing client post-buy reports. Requires 2 years interactive media experience, with a background in traditional media planning a plus; experience managing employees & teams; excellent communication, multi-tasking & client interaction skills; and comprehensive knowledge of the Web & current trends. Req. # 23400

MEDIA PLANNER

You will plan, buy & execute online strategies for client accounts; help to identify & achieve new online media objectives; present plans to clients; work with client services to implement each campaign, and assist in analyzing, interpreting & presenting site track-ing & audit data. Requires 1 year interactive media exp., with a background in traditional media planning a plus; knowledge of research resources such as Media Metrix, Jupiter & Forrester: strong client contact skills; and excellent communication & negotiation skills. A 4 year degree or equivalent preferred. Reg. # 23501

ASSISTANT MEDIA PLANNER

You will assist Media Planners & support the Media Department; create itineraries; contact sites for inventory availability; conduct research with @Plan; help implement each media campaign; review new sites, technology & industry trends; and train to become a Media Planner. Requires a background in media & understanding of the Web; strong communication, organizawww.mediaplex.com tion & multi-tasking skills; and strong Excel/database skills. Reg. # 23600

At Mediaplex, we offer a fiercely competitive salary and benefits package, including stock options, a 401k and other attractive incentives, as well as a fun environment and room for rapid growth. To apply, please forward your resume, noting Req. #, to:

Attn: Tom Davis, Mediaplex, Inc. 177 Steuart St., 2nd Floor, San Francisco, CA 94105, Fax: (415) 704-3288, E-mail: jobs@mediaplex.com (Please insert Req # in the subject line.) Principals only. No phone calls please. EOE



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GiGAd Team Forming!

If you are looking for next "hot site" on the Net and would like to have the first advantage; look at e-learning and FreeEdu.com. John Chamber, CEO of CISCO claims that education on the Net will be the next big killer application. Besides having thousands of Web-enabled interactive courses, FreeEdu.com has a patent-pending performance based advertising technology called GiGAd. We are looking for seasoned professionals to help us bring this dynamic product to the market. Position available: VP of marketing, PR, Editor, and A.Es. Ideal candidates must

have least 3 years of in advertising industry, strong Internet marketing and advertising knowledge. We offer an attractive compensation package that includes stock options. Work location is in South Hackensack, New Jersey. Please e-mail your resume to



vliang@freeedu.com or fax to (201) 807 9815

SENIOR COPYWRITER/ CREATIVE DIRECTOR

You are passionate about doing great work. It's bold, funny, warm or startling. And you know what it means to produce a creative strategy. We're The Halo Group: bright, hot, progressive and looking for a "strategically aware" creative writer. You'll be part of a team of advertising and marketing pros who've abandoned long commutes. You'll develop print, radio, TV, and direct mail work as well as advertising in new media. Merge your major account backgrounds with ours.

Fax resume to: 516-543-0027 Email: info@thehalogroup.net

SALES

ACCOUNT MANAGER

PC WORLD, the leading technology publication, is looking for an Account Manager for its New England territory. Will be responsible for servicing and expanding existing business as well as pursuing and maintaining new advertising opportunities for PC World in both its print and online editions. Must be able to develop long-tern partnerships with key clients and agencies. The ideal candidate will have strong presentation and negotiation skills combined with creative sales techniques. A proven track record of fulfilling sales goals, solid contacts in the computer industry, and prior experience selling print and/or online space for a major computer/ business publication required.

If your career goals include being a key member of a dynamic, successful sales group, you will want to meet our team. PC World offers competitive salaries, superior benefits, and an ongoing commitment to employee development. Please fax your resume to W. Silverman at: 201-587-7318. or e-mail to wayne_silverman@pcworld.com. FOF

PC WORLD

CATCH A CREATIVE GENIUS

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Catch a Creative Genius ADWEEK **CLASSIFIED**

CLASSIFIED ADVERTISING/February 14, 2000

Group	Manager
aloup	manager

wanted by Advertising & Marketing Research Firm in Fairfield, CT. Must have Bach in Psychology, Communications, Marketing & 3 yrs exp overseeing fullservice project mgmt & client services. Respond to: HR Dept: K. Maintanis, Millward Brown. Inc., 425 Post Road, Fairfield, CT 06430.

PRODUCER

HELP WANTED

Democrat Media firm seeks experienced Producer for New York City office. Duties: film shoot, post production. scheduling. edit. Requires: recordkeeping, etc. related experience, attention to detail, proven ability to make decisions under pressure.

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We're looking for a PR professional who's ashamed of the lame, predictable, spin-doctoring and gladhanding that passes for PR in this country. Someone who knows the ropes, but breaks the rules. Someone eager to take PR to another level. A high-energy strategic thinker who wants the opportunity to build a department within a creative marketing, advertising and branding company that's growing like a sonuvabitch. Send resume and relevant support material to mike@brainsonfire.com.

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- Direct links to the ADWEEK MAGAZINES Archives. Just by clicking on the company's name, subscribers to ADWEEK Online's premium services can search the Adweek, Brandweek, Mediaweek, and MC archives for news and features about an employer. The more you know, the smarter you'll search.

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MORE: (Specify)

*Not applicable to Advertising Services Categories

AD COPY (Attached additional sheet if needed)

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			AMER.EXP.	
Signature				
Cardholder's Name				
Card #		Expires		

NA	ME	

PHONE

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CULTURE TRENDS

MTV's Buzzworthy

Culture 3

Buzzworthy songs are usually by new, up-and-coming artists who MTV believes have special potential. Of the videos designated as Buzzworthy, the vast majority have been certified gold or platinum.

Week of 2/7/00

Artist/Group: Pink Song/Video: "There U Go" Director: David Myers

This fuchsia bombshell is about to blow the spot up. Sending the warning that she is not one to be messed with in her debut video "There U Go", Pink is LaFaces latest rising star. Her self-titled album, due out in March, contains a medley of musical influences from Mary J. Blige to Fleetwood, as witnessed on the possible second single, "Players".

Artist/Group: Incubus Song/Video: **"Pardon Me"** Director: **Steven Murashige**

This five-member band from Calabasas, California has finally made a mark with this video off their recently released album, <u>Make Yourself</u>. Not new to the music scene, Incubus started out as a garage band back in 1991, and moved up through the ranks to eventually release their first full-length record, <u>S.C.I.E.N.C.E.</u> in 1997. Their newest offering blends funk and alternative metal, with a little rap/rock thrown in for good measure.

©2000 MTV

The Hollywood Reporter's Box Office

For weekend ending February 7, 2000

This Week	Last Week	Picture	3-Day Weekend Gross	Days In Rele	Total case Gross Sale
1	New	Scream 3	34,713,342	3	34,713,342
2	3	The Hurricane	4,940,420	40	37,559,916
3	4	Stuart Little	4,713,252	52	128,636,752
4	2	Next Friday	4,286,355	26	45,536,739
5	1	Eye of the Beholder	4,213,996	10	12,014,004
6	5	The Green Mile	4,017,133	59	120,403,882
7	7	Galaxy Quest	3,312,708	44	62,940,730
8	6	Down to You	2,707,955	17	16,551,741
9	8	Girl, Interrupted	2,556,403	48	24,906,736
10	9	The Talented Mr. Ripley	2,488,414	44	75,610,389
11	10	Toy Story 2	2,254,993	80	237,113,435
12	13	The Cider House Rules	1,934,415	59	20,587,459
13	11	Fantasia 2000	1,841,001	37	18,907,800
14	12	Angela's Ashes	1,539,191	44	8,636,345
15	15	Magnolia	1,290,415	52	19,300,617
16	19	The End of the Affair	1,050,011	66	8,437,884
17	16	Any Given Sunday	1,020,667	47	73,866,223
18	14	Play it to the Bone	809,594	44	7,720,389
19	20	Bicentennial Man	794,701	52	56,718,027
20	21	Snow Falling on Cedars	732,035	47	12,868,743
21	26	Topsy Turvy	730,330	54	2,307,119
22	New	Gun Shy	703,109	3	703,109
23	18	Supernova	677,227	24	13,312,004
24	17	Isn't She Great	652,445	10	2,452,470
25	25	The World Is Not Enough	647,007	80	125,209108
26	22	Deuce Bigalow: Male Gigolo	549,443	59	63,059,286
27	24	Anna and the King	482,512	52	37,578,493
28		Simpatico	459,020	54	468,303
29	31	All About My Mother	348,337	80	4,727,232
30	29	Being John Malkevich	313,840	54	21,058,680
31	27	Sleepy Hollow	303,048	80	97,666,682
32	33	The Sixth Sense	298,909	185	278,386,554
33	28	Man on the Moon	251,165	47	34,184,555
34	34	Sweet and Lowdown	221,321	66	2,328,962
35	35	The Bone Collector	212,070	94	65,714,980

The Right Recipe For

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GREATMUSIC

Ad agency and cable network all-star bands will rock the night away in a benefit performance for Citymeals-on-Wheels, which funds the preparation and delivery of meals to more than 15,000 homebound elderly New Yorkers.



NETWORKING

Mix and mingle with colleagues from all over the advertising and media businesses. It's your chance to have a good time making new friends and contacts while supporting Citymeals-on-Wheels.



WORTHYCAUSE

When you attend the 7th Annual Media Battle of the Bands on February 24th, you'll be striking a chord against the hunger and isolation that face tens of thousands of elderly shut-ins. Last year's event underwrote more than 45,000 meals.

Get Cookin'. Come Join The Battle.

THE SEVENTH ANNUAL Media Battle Of The Bands

Benefiting Citymeals-on-Wheels

Thursday, February 24, 2000

Roseland 239 West 52nd Street, New York City

To purchase tickets, call (212) 687-1290 [\$30 of each \$40 admission is tax deductible]

BY LISA GRANATSTEIN

Magazines

Geo Chemistry

'National Geographic' tries to shake up its advertising mix

or a magazine that prides itself on its signature 90-yearold yellow cover border, change typically doesn't come easy, or often. But in a bold effort to attract more ad dollars and expand its base of clients, *National Geographic* is starting to offer integrated marketing programs, advertorials and other incentives that its more commercial

competitors have employed for years.

"We've started looking at policies and ways to be more relevant with our marketing partners," says Scott Crystal, National Geographic Society vp/publishing director. "For the first time, we will be able to create customized marketing opportunities that incorporate multimedia platforms."

In September, the 6 million-circulation monthly will launch a 600,000-circ demographic edition for subscribers with incomes of \$100,000-plus. The NG Gold edition will offer advertisers a pure cluster of very

upscale readers, "allowing us to go to the marketplace with more of a targeted

opportunity...and one-to-one marketing that's more sophisticated," Crystal says. While NG Gold's content initially will be identical to that of the main edition, the magazine may in the future develop some targeted edit.

Nat Geo will pitch Gold to luxurymarket advertisers that generally have not been able to afford space in the full-run magazine. The rate for a four-color page in Gold will be \$66,000, compared to the flagship's \$167,690. Advertisers will also be offered package buys in Gold with sister book *National Geographic Traveler* and, down the road, with *Nat Geo Adventure*.

While Crystal is the chief architect of NGS' new business strategy, he will not be around to see it through. On March 1, Crystal will join Ziff-Davis Publishing as executive vp/publishing director, heading up the relaunch of *PC Computing* and the company's new travel magazine with Web

site Expedia. Robert Sims, NGS senior vp, says the Society is evaluating how best to replace Crystal.

"The sleeping giant is awake," Steve Greenberger, Grey MediaCom senior vp and director of print media, says of Nat-Geo's new approach. "National Geographic is finally expanding its capabilities to adapt better to what agencies and clients have been hoping it would do for years."

While Nat Geo attracts a range of ads from the likes of Canon and Toyota, the goal is to swing the door open to upscale automotive, apparel and jewelry clients. For non-luxury advertisers, the Gold edition "is not exactly breakthrough," notes Ellen Oppenheim, senior vp, media director at Foote, Cone & Belding. "But anything that offers more opportunity to advertisers is to be applauded."

In a major policy change, National Geographic this year is accepting advertorials. While Traveler and Adventure have always accepted them, NG never did. "National Geographic had a different set of parameters," Crystal explains. "There was the perception that [advertorials] cheapened the magazine. Now we will cautiously accept and create appropriate advertorials, especially when they tie in to education, research and exploration."

The magazine will accept up to two such sections per issue. The first advertorial, a single page from Dodge, will run in the March edition; a four-page "Road to Safety" section sponsored by Ford Taurus will appear in April.

In another first, *Nat Geo* last month began renting out its extensive subscriber database to advertisers on a limited basis.

Coming off a difficult 1999, Nat Geo is making timely moves. While publishers' ad pages grew by an average 5.2 percent last year, according to the Publishers Information Bureau, NG's pages dropped 9.8 percent, to 352. And through the first three months of this year, NG is up a scant 1 percent, to 83 pages.

"National Geographic has tried to maintain a positioning as being part of a Society and not just a publication," says Oppenheim. "They will need to be careful that they don't compromise themselves."

NatGeo's circulation has steadily declined in recent years, due in part to increases in Society dues and sweepstakes fallout. In January, Nat Geo trimmed its circ rate base 9 percent. On a brighter note, since it put the book on newsstands for the first time in January 1999, single copies have maintained a solid sell-through of 35 percent, says Crystal. Single-copy sales in first-half '99 averaged 189,620, according to the Audit Bureau of Circulations.

On the editorial side, NG is preparing a redesign for its September issue. "We're going to be looking at the organization of



the New worlds to conquer: departing NGS vp Crystal

36 Mediaweek February 14, 2000 www.mediaweek.com

all the features, the typography and layout," says *NG* editor William Allen. "It's all to make things a little bit easier for the reader." Along with enhanced graphics and new columns and departments, *NG*'s cover lines and logo will get a minor tweaking.

Toward the end of this year, the Society will expand its editorial and advertising franchise to cable TV. The National Geographic channel, a partnership with NBC and Fox, so far has signed up AT&T Broadband and DirecTV to carry the channel in 7.5 million households.

YM's New Look

Fresh columns and cover style

The April issue of Gruner + Jahr's YM, due on newsstands Feb. 29, will introduce a whopping 13 new columns and departments and a new cover look, using natural backgrounds instead of the traditional single color. "It's part of a series of organic, evolutionary changes," says Diane Salvatore, YM's editor in chief of 15 months. "The teen market is especially dynamic right now, and it's a readership that puts a premium on novelty."

New columns include "Your Dreams... Decoded"; "Inner You," which provides girls with "confidence makeovers" from the magazine's "self-esteem studio"; and "YM Wise Guys," a column in which three young dudes will solve mysteries of the male mind. Gone from the monthly are "Babe Watch," replaced with more up-to-date takes on



boy-watching, and a numerology column, which was not nearly as popular with readers as the horoscope page. The teen monthly's

emphasis on teen girls' preoccupations with their inner selves continues. "Even in this moment of intense celebrity fascination," says Salva-

tore, "no one is more fascinating to a girl than the girl herself."

The changes come as YM, Primedia's Seventeen and other established teen titles are feeling the heat from Time Inc.'s Teen People and Hearst Magazines' CosmoGirl!. The 2.2 million-circ YM is No. 2 in the category, behind the 2.4 million-circ Seventeen. YM's 2000 ad pages were down 20.6 percent, to 31, through February, according to the Mediaweek Magazine Monitor.

Mediaweek Magazine Monitor

Weeklies February 14, 2000

U.S. News & World Report continues to struggle, with pages off 31.32 percent YTD. Dne factor in the decline, says publisher BIII Holiber, is the title's elimination of per-inquiry advertising, which had accounted for 65 pages to date in 1999. U.S. News' core categories, financial and technology, have been slow so far this year. But Holiber hopes his recent staff changes and marketing repositioning will get the newsweekly back on track. Over at Crain's AutoWeek, while the book is up 7.60 percent YTD, it's not time to celebrate, says ad director Jeff Nellett. Like many execs at automotive books, Nellett continues to be concerned about the state of the industry. Last year, auto books were hit with ad cutbacks from Ford, Chrysler and General Motors. This year, ads from European automakers, including Saab and Audi, have accounted for a large portion of AutoWeek's growth. Elsewhere, New York's pages shot up 108.63 percent this week as the title ran its "Spring Fashion" issue a week earlier than last year. —Lori Lefevre



	ISSUE	CURRENT PAGES	ISSUE DATE Last year	PAGES LAST YEAR	PERCENT	YTD PAGES	YTD Last year	PERCENT CHANGE
NEWS/BUSINESS	DATE	PAGES	LAST TEAM	LAST TEAM	CHANGE	PMOCa	LAGT (LAIN	DIDANGL
Business Week	14-Feb	107.11	15-Feb	65.94	62.44%	525.99	404.74	29.96%
The Economist	5-Feb	50.00	6-Feb	68.00	-26.47%	279.00	297.00	-6.06%
The Industry Standard	14-Feb	201.50	15-Feb	24.84	711.19%	755.66	126.11	499.21%
Newsweek	14-Feb	42.00	15-Feb	40.72	3.15%	195.04	202.69	-3.77%
People	14-Feb	74.58	15-Feb	55.43	34,55%	408.09	391.22	4.31%
Sporting News	14-Feb	15.17	15-Feb	18.24	-16.83%	86.14	88.44	-2.60%
Sports Illustrated	14-Feb	44.90	15-Feb	26.89	66.98%	222.83	207.46	7.41%
Time ^E	14-Feb	46.82	8-Feb	36.18	29.41%	296.55	230.05	28.91%
US News & World Report	14-Feb	26.32	15-Feb	36.27	-27.43%	150.84	219.62	-31.32%
Category Total	11102	608.40		372.51	63.32%	2,920.14	2,167.33	34.73%
ENTERTAINMENT/LEI	SURE							
AutoWeek	14-Feb	24.49	15-Feb	18.13	35.08%	167.51	155.68	7.60%
Entertainment Weekly	11-Feb	35.54	12-Feb	32.78	8.42%	179.11	152.24	17.65%
Golf World	11-Feb	26.23	12-Feb	13.33	96.77%	127.69	101.38	25.95%
New York	14-Feb	70.10	15-Feb	33.60	108.63%	248.00	197.00	25.89%
New Yorker ^R	14-Feb	20.22	15-Feb	24.69	-18.10%	145.02	125.41	15.64%
Time Out New York	9-Feb	71.56	10-Feb	65.30	9.59%	364.66	325.30	12.10%
TV Guide	12-Feb	90.31	13-Feb	91.45	-1.25%	508.89	501.67	1.44%
Category Total		338.45		279.28	21.19%	1,740.88	1,558.68	11 .69%
SUNDAY MAGAZINES								
Parade	13-Feb	9,79	14-Feb	14.84	-34.04%	73.44	78.39	-6.31%
USA Weekend	13-Feb	11.05	14-Feb	11.67	-5.31%	78.96	76.69	2.96%
Category Total		20.84		26.51	-21.39%	152.40	155.08	-1.73%
TOTALS		967.69		678.30	42.66%	4,813.42	3,881.09	24.02%
E. ECTIMATED DACE CO	NITC							

E=ESTIMATED PAGE COUNTS

Mediaweek Magazine Monitor

Biweeklies

Dot.com ads continue to roll in at a brisk pace at *Fortune*, says publisher Mike Federle. In the first four issues of 2000, the Time Inc. business magazine already booked approximately 80 percent of last year's total dot.com advertising. The Feb. 28 "America's Most Admired Companies" issue, traditionally a big seller, was packed with ads from Internet companies including eve.com, cit.com and Healtheon/WebMD. The dot.com business has helped *Fortune* to a 6.95 percent increase YTD over 1999. Federle expects the gains to continue, thanks to record pages in the 70th anniversary issue on March 6. (PIB has eradicated a reporting error on *Fortune*'s ad-page numbers for 1999. The corrected total is 4,545.38 pages, up 16.6 percent.) —*LL*



	ISSUE Date	CURRENT PAGES	ISSUE DATE Last year	PAGES Last year	PERCENT CHANGE	YTD PAGES	YTD Last year	PERCENT
BUSINESS/ENTERTA		r repub						
Business 2.0 ^{B/20}		NO ISSUE				337.81	104.33	223.79%
ESPN The Magazine	7-Feb	62.08	8-Feb	52.25	18.81%	151.17	149.17	1.34%
Forbes	7-Feb	121.60	8-Feb	97.40	24.85%	351.80	302.10	16.45%
Fortune	21-Feb	205.48	1-Mar	188.31	9.12%	603.36	564.15	6.95%
Inc. ^F		NO ISSUE				143.40	123.20	16.40%
National Review	21-Feb	23.33	22-Feb	18.34	27.20%	64.73	55.35	16.94%
Rolling Stone	17-Feb	60.97	18-Feb	56.01	8.86%	164.45	172.73	-4.79%
CATEGORY TOTAL		473.46		412.31	14.83%	1816.72	1471.03	23.50%
B=MONTHLY IN 1999	F=18 ISSUE	S PER YEAR,	20=20 ISSUE	S PER YEAR				

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Media Person



Now Fear This

MEDIA PERSON IS SUFFERING FROM loneliness and anxiety this week, and he blames *The*

Wall Street Journal. Also The New York Times to an extent, but mostly the Journal. The Times ran one of those giant flip-flop science stories that newspapers love so much. As you may know, the basic purpose of science journalism is to inform us that everything we know—and, of course, the only reason we know any of it is because science journalism told us so—is wrong. The headline on this particular story—and you didn't really have to read any more than that (Media Person didn't) because

the huge headline said it all—was: "Maybe We Are Alone in the Universe After All."

For years the scientists and the science journalists who cover the scientists believed there must be somebody else out there. So Media Person believed it too. So did you. There just had to be because with so many stars and planets—billions and billions of them, in the memorable bilabials of Carl Sagan—something must be doing somewhere. Well, those scientists

were fools because now it turns out that other scientists—contrary scientists who hate the conventional wisdom and have trouble getting

funded but keep doing their weird little experiments out of sheer spite—are checking in and they say there's nothing here but us, and they must have convincing evidence, otherwise why would the *Times* play it big?

Which means that humanity is probably just some fluke, some weird mistake, some statistically irrelevant anomaly in the endless void. As he read this information, Media Person felt himself shrinking into a tiny speck in a vast, black, cold intimidating and alienating emptiness. There is no Yoda out there, he realized, no ET, no Spock, no Mork, no malevolent squidlike, drippingfanged creature to chase Sigourney Weaver through a claustrophobia-inducing maze in her underwear, no advanced species to enlighten us nor hostile one to invade, thus bringing all earthlings (except, possibly, the Serbs) together in harmony, not so much as a mutant yucca plant in all the bleak cosmic reaches of the eternal redundant nothingness that is existence. We are alone. There is nothing to sustain us but us.

As if that weren't depressing enough, *The Wall Street Journal* then goes and runs an article saying that depression is out of fashion. It has been supplanted by anxiety

Despite the good news, those goofy Americans have become more fearful than ever!

as America's No. 1 mental-health problem. And the strange part, according to the Journal, is that there is nothing to be anxious about. With the crime rate lower, the Communist threat gone, the economy cheerful, the Y2K crisis exposed as a fraternity-initiation prank and, of course, the risk of abduction by aliens performing medical experiments aboard UFOs eliminated by that article in the Times, all of our greatest fears have been removed. Yet despite the good news, those goofy Americans, far from embracing their bliss, have become more fearful than ever! "With rational fears in retreat," says the big-shot expert know-it-all being quoted by the Journal as the basis for its story, "irrational fears have gathered force." Low-grade anxiety is plaguing the nation!

This article immediately caused Media Person's anxiety level to shoot up to high-grade.

Because once MP started thinking about it he realized that fear, if not outright terror, is in fact fully justified. The world is full of danger! Just because the danger is quieter and less pushy than, say, a world war, doesn't mean it's not real. For instance, at the very moment this ludicrously complacent article was smugly wending its narrow path beneath a smirking, four-bank headline, what was going on in this most rational of all possible worlds? Media Person will tell you what: Mystery hackerss were bringing the Internet to its knees!

A person or persons unknown had put the kibosh on some of the biggest and bestknown commercial Web sites, including eBay, Yahoo!, Amazon, CNN and the latest hotshot, Buy.com.

MP's first thought was: Did Ted Kaczinsky get hold of a laptop? Search his cell!

We all know about computer viruses now, but here was something new. To describe it, an exceptionally inarticulate phrase had been invented: *distributed denial of service*. It sounds like what happens if you go into a restaurant with really inattentive

waitresses at every station.

How it works is the evil mystery hackers search the Internet for weak, stupid, vulnerable online computers that

they can bend to their will. They then command those computers to spam the target Web site's computers—that is, bombard them with enough meaningless junk to totally jam them up so the legitimate customers can't get through.

The FBI says it has no idea who is doing this but it has utmost confidence that it will nab them, even though the crime leaves no clues whatsoever, and the Internet will be made safe and happy again.

Of course, the Internet is merely the mainstay of our entire fragile economy. And the attacks made the stock market drop. But *The Wall Street Journal* says there's nothing to worry about.

And you wonder why Media Person is worrying?

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Marianne Caponnetto Vice President, Worldwide Media/ Digital Media IBM

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