

# Telstra Media targets advertisers for content

PAUL MCINTYRE

**THE NEWLY** formed \$4 billion Telstra Media unit is set to ramp up its alliances with advertisers and agencies after luring the San Francisco-based Australian expat Adam Good back to Australia as its new director of digital media and content.

Good returned this week to start in his new role from his position as executive vice president for Omnicom-owned digital agency network Proximity Worldwide. Prior to his move to the US in 2010, Good was Clemenger Proximity's executive director for innovation.

He told *AdNews* Telstra's new media unit, which has consolidated its 50% stake in Foxtel along with BigPond, Sensis and its IPTV plans into a single division, meant new opportunities would open up for the company. He said it could now deal with advertisers in content development across a host of assets it has in sport and beyond.

"What's interesting is that Telstra is bringing media and content together, which is what's happening with marketers at the moment," Good said. "Marketers want to create content in a 24/7 environment but not all online publishers are geared towards that so hopefully I'll be able to move that along working with media and creative agencies."

Good's appointment to the role from a digital agency background is unusual for Telstra, but Hourigan International's general manager of innovation, Toby Barbour, said it signalled the telco giant's intent to become a serious media player.

"Hiring Adam Good is a reflection of Telstra's commitment to truly transform itself into a consumer media-led organisation," he said. "It's refreshing to see a company such as Telstra have the commitment to break the mould of the traditional corporate hire and bring in someone who has a more creative background. Adam is a digital evangelist. His experience is rare in the Australian market."

Good said the blue-sky opportunity for Telstra was to bring its content portfolio to advertisers for joint initiatives and add its expertise in mobile and wireless for e-commerce and point-of-purchase capabilities.

"Brands have been moving towards digital channels and they know the importance of changing their whole business to deliver e-commerce, direct marketing and all of those other digital platforms to deliver a closer relationship with the customer before, during and after a purchase," he said.

"What that means is it is quite different for marketers who have been used to doing traditional campaigns and creating a conventional messaging strategy. What is interesting with the way Telstra is now operating is to take the customer right down to point-of-purchase because it has a mobile network, a pay TV network and web assets.

"It will be interesting to work with some brands to bring it right down to storefront. Telstra should be able to help brands get customers into store or get them to buy electronically. I love producing rich content but we need brands behind that to fund it and be involved in the story."



Adam Good



John Hartigan

# Hartigan: Ad market is the worst I've seen it

ALEXANDRA ROACH

**AUSTRALIA'S SLUGGISH** ad market will eventually recover but will be changed forever, according to former News Limited chief executive John Hartigan.

The latest Standard Media Index (SMI) data for April shows print saw year-on-year declines in ad revenue of 14.5% for newspapers and 5.6% for magazines, although most publishers reported large increases in digital media ad revenue.

"We've seen downturns in the ad market, but this one is the worst I've seen," Hartigan told *AdNews*. "What we're seeing right now is significant structural change for the media industry going hand in hand with an economic downturn. That's never happened at the same time before."

Hartigan said the ad market would take some time to recover. "Deals are done to gain market share, yields are dropped and the ad market takes years and years to recover after the economy does," he said. "This will be felt for a long, long time."

Sharp drops in ad revenue combined with continuing circulation declines for most print newspapers have sent shockwaves through the print industry, with publishing giants Fairfax Media and News Limited both scrambling to shore up operations.

"Print seems to be the sector that is worst off at the moment," Hartigan said. "But areas of the print ad market will recover. They will still have categories where they excel and will be able to demand premium rates even as audiences move en masse."

But he claimed the media market would never be simple again, with audiences increasingly fragmenting into separate areas. "To get the reach advertisers want, media companies have had to become far more nimble very quickly," he said.

"Now you've got an environment where media bosses are dropping their trousers, so to speak, to get business during the downturn. That's a very difficult position to try and rebuild your strength from."

But it is not all doom and gloom - Hartigan pointed to the opportunities for media professionals who could work out how advertisers can reach audiences as the landscape changes.

"People are consuming more media than ever before, but are doing so in non-traditional ways. Those media professionals who can provide companies with answers when it comes to monetising storytelling and reaching and engaging with audiences across multiple platforms are the winners here," he said.

"As an employer, I'd be doing everything to ensure these people were happy, rewarded and felt they were working for the right company."

# Kraft: Marvelous Creations 'flying off shelves'

PAUL MCINTYRE

**KRAFT'S NEW** chocolate range, Marvelous Creations, backed by the international 'Joyville' campaign launched last month, has become the biggest chocolate launch for Cadbury in three years.

The company said no "firm figures" were available for publishing yet but early results were impressive. "Marvelous Creations is flying off the shelves," a Kraft spokeswoman said. "The launch has exceeded expectations and is proudly the biggest chocolate launch for Cadbury in three years."

Cadbury sparked plenty of debate last month about the merits of its new international campaign versus what many believed was its best work back in 2007 - the TV spot and online viral hit, 'Gorilla'.

A poll of *AdNews* readers, however, saw a majority predicting the campaign would work for the brand.

The early success of the Marvelous Creations range comes as Kraft has again opted for Australia to serve as an international test bed - the local market was one of the first in the world to launch 'Joyville' and now it has installed new digital vending machines for another trial as only the second market in the world behind the US.

Kraft's Diji-touch vending units include touch and swipe-screen technology which also runs ads. Figures from US trials show the products which have ads running on the vending machine screens immediately see an uplift in sales.

The company could not access detailed US figures in time for publishing but said sales increases were "extremely strong" for those brands advertised.

In the Australian trial, purpose-built ads are running on Kraft's vending screens for Oreo, Cherry Ripe and Boost.

The touch-screen capabilities also allow consumers to pick from an iPhone-style screen of products and access product and nutritional information.

Neil Low, Kraft's national account manager, told *AdNews*: "This technology gives us the opportunity to engage with consumers at the point of purchase with information that traditionally hasn't been available at a vending machine until the purchase is made."

The trial will continue through to year's end before the company decides on a broader rollout.