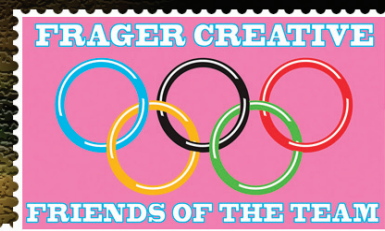


Inside The 21st Century Marketing Firm

# EYEWITNESS

## CHANGE

JANUARY 2008



## What's Next

Top Picks  
From Wall Street's  
Best Minds

In an Industry of Clones,  
Owen Frager Puts His Smart,  
Stylish Stamp on a Marketing  
Revolution



# Inside The 21<sup>st</sup> CENTURY Marketing Firm

*A new agency model based on the marriage of modern technology and timeless savvy.*

Stacked on an antique wooden table are the blueprints for an advertising revolution.

They include presentation boards for an interactive reality musical to be based in and support the revival of New Orleans . . . a portfolio of domain names crafted as memorable and response-generating calls to action for a range of integrated consumer and business-to-business campaigns . . . and the record of a highly acclaimed Olympic sponsorship program that unseated Pitney Bowes from corporate mailrooms by turning a competitor's torch emblem into a must-have postage symbol for "Friends of the Team." Now repurposed to support a global cause-related campaign, its underlying structure and methods are ready to help a major advertising agency generate new revenue streams through a unique combination of licensed intellectual property and truly integrated marketing communications.

Marrying 21st Century media technology and timeless advertising savvy, these marketing concepts — and many others from the same source — leverage familiar assets in unfamiliar ways, enabling agencies, clients, their competitors and consumers to work together to realize ambitious

goals they could never achieve alone. They go beyond traditional advertising to help companies find their best customers — and consumers to find companies that share their values — while driving revenues, building brands, and even saving the planet. They're the Big Ideas that Madison Avenue has been searching for as the way to compete in a digital, global and more consumer driven world.

And they're the brainchildren of Owen Frager, head of Frager Creative: the marketing juggernaut he commands from his Boca Raton home office — where an Underwood typewriter sitting near an iMac computer symbolizes how the future is being shaped from a combination of the old and new. Frager and his tightly-knit band of award-winning independent creatives have proved that innovative concepts, effective execution and meaningful results do not necessarily require teams of high-priced talent perched in pricey Class A space.

## Welcome to the New Advertising Model.

While ad agencies from Madison Avenue to Minneapolis to Milan struggle to survive amid constricting budgets and confounding competition, Frager Creative shows by example that there's another way. Frager's reality musical concept ties the power of the Internet to the consumer's insatiable desire for 15 minutes of fame. The cause-related campaign is designed to drive a coalition of brands into consumers' psyches.

"These aren't just ordinary campaigns. They're big ideas that have been done before on a smaller scale and now are lying in wait for a larger client with wider reach and greater resources," says Frager.

"Madison Avenue knows that reaching customers online takes more than a YouTube video or MySpace character," he said. As just one example of an ad exec "who gets it," Frager cites Rohit Bhargava, worldwide head of digital for Ogilvy PR, who has written that "the future of online advertising will



Believing work is not a place but what you do, Owen Frager needs little more than an Internet connection wherever he goes to lead an extended global creative team that in 2007 produced 600 marketing communications projects for a single client, exceeding the output of the company's previous 12-person in-house staff.

***“These aren’t just ordinary campaigns. They’re big ideas that have been done before on a smaller scale and now are lying in wait for a larger client with wider reach and greater resources.”***

be about extreme targeting that incorporates identity, topics and stated interest from consumers to serve ads.”

“My ideas have always been about narrowly identifying, targeting and reaching customers in ways that advertising alone simply can’t,” says Frager. In fact, he has spent his career turning runners-up into leading brands by redirecting clients’ limited ad budgets into marketing programs that touch people personally, create lasting relationships, generate word of mouth and help companies stand for something bigger.

“Large agencies realize they have to reach people in different ways. They just haven’t figured out how. My ideas are what they’re looking for.”

Where they’re looking is another part of the new advertising model.

Giles Rhys Jones, a director at Ogilvy London, and Avi Dan, former global new business director at Euro RSCG, are just two of many industry leaders who have described increased reliance on outside talent as one of the requisite changes for agencies that want to survive the future. In his Interactive Marketing Trends blog, Jones uses the term “conductor” to describe the model in which agencies “outsource to a black book of key suppliers and orchestrate not only delivery of a core idea through their relevant channels/disciplines but work with them and share ideas.”

Writing in Advertising Age, Dan asked bluntly “Why should agencies confine their services to largely what exists within their walls?” Dan went on to quote the late Geoffrey Frost (a top agency and corporate creative and

Motorola Executive Vice President and CMO) as saying agencies need to “evolve from ‘dormitories for copywriters and art directors’ to navigators of relevant creative talent, wherever it is, on behalf of their clients.”

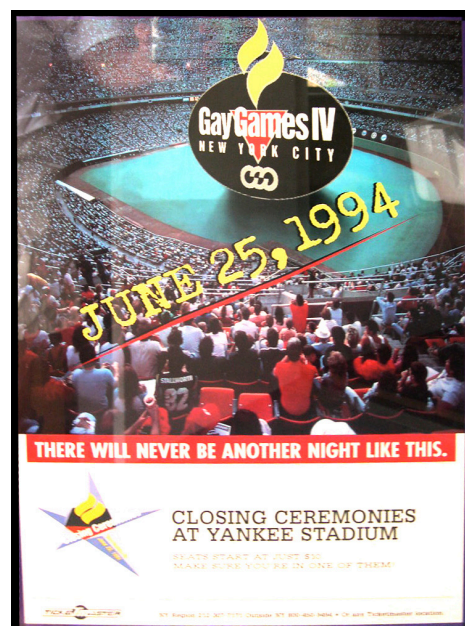
Owen Frager has been delivering a full spectrum of agency services and talent on an outsourced basis for over a decade, providing clients both the creative quality and output volume equal to their full-on marketing departments or agencies. In 2007, Frager and extended global creative team delivered 600 projects – including web portals, landing pages, makeovers and search optimization; online product demos (delivering 500 views and leads per month); CEO keynotes for major global conferences; new product naming, positioning and launch; and localized collateral and messaging for worldwide channel partners—all for just one client.

In this case, Frager’s team replaced a previous in-house staff of 12, reducing client headcount and benefit costs and saving over \$1 million compared to

what the company had been spending with agencies and other suppliers.

For another client, staffing and recruiting services provider Forrest Solutions, Frager recently completed a rebranding following the company’s acquisition by Swiss Post — an acquisition made all the more attractive by a marketing communications strategy that helped the company grow from \$10 million to \$80 million in sales in just two years. Frager also provided a major messaging makeover for a company that provides a critical component of the online marketing strategy for software publishers such as Microsoft, Intuit, Sage and MYOB.

Frager’s specialty is elevating clients’ business-to-business marketing messages to c-levels and speaking directly to each prospect’s role and problem. For example, the CIO may be concerned with security, the VP of sales may be focused on reducing the time from demo to sale, and shareholders may want to know how about a company’s green strategy. Frager’s skill is in



Frager’s marketing strategy for the 1994 Gay Games in New York enlisted Fortune 500 sponsors and attracted a million visitors from 45 countries to New York filling over 200 events, selling out Yankee Stadium for the closing ceremonies and demonstrating the economic impact of a hidden \$54-billion-a-year gay travel market. His Teammates Olympics sponsorship for Friden Alcatel leveraged the company’s torch emblem into a doubling of postage meter sales.

doing the research to see life from the customer's eye. And he is fortunate to work with one of the nation's top tech marketing copywriters. Because they understand how each other thinks, Frager knows how to provide the writer the information he needs to deliver his best work, and keep messaging on target. Frager's primary artist is a visually gifted designer, early adopter of digital production techniques and expert at leveraging technology for cost savings and competitive advantage.

Frager's marketing concepts and business approach also address another key element of the new advertising model: ownership of intellectual property as a way for agencies to generate revenue.

New revenue streams are a pressing need for agencies seeing their big commissions on TV spots walking out the door, as clients split the creative and

media buying responsibilities of their accounts and as more of their marketing dollars go online. Fee for service may not be the answer to agencies' long-term growth. Nor should it be.

Industry thought leaders have begun to question whether labor is a fair basis for compensating agencies for their contribution to client wealth. In his Advertising Age article, Avi Dan cites author J.K. Rowling, motion picture producer Steven Spielberg, artist Damien Hirst and fashion designer Giorgio Armani as examples of "intellectual property wealth creators (who) don't fill time sheets and don't get compensated based on how many hours they toil, but on the basis of the value that their artistry creates."

"Why should agencies be different?" he asks. "Why shouldn't clients recognize that intellectual property is part of asset value and compensate agencies accordingly?"

Frager has designed his concepts to enable agencies to generate the type of revenue that comes from ownership of intellectual property — through licensing of the concepts to clients, sharing in the results or some combination.

"At the end of the day it's about agencies finding the most effective tools to close more sales and generate new forms of income, on ideas they or their clients can own."

### **A Record of Building Client Value.**

While the idea of generating revenue in new ways may be a new business model for agencies that have traditionally seen their role as building image and awareness, Owen Frager has already spent a career creating billions of dollars in new revenue streams for emerging and established companies.

Much of the success of Frager's programs comes from his years as a top-producing salesman and sales director.

"I know from firsthand experience what it takes to close a sale," Frager says. "And since sales are all that matter, my

programs are always constructed to generate revenue immediately."

Such was the case with his AIDS medication marketing program for Stadtlander's Wellness Center which grew a \$10 million pharmacy to a \$1 billion dollar public company practically overnight. Transforming a legal courier business into a provider of outsourced services for New York law firms, Frager helped save Archer Management Services from extinction, growing the company from a \$10 million local operator to a \$500 million national leader.

Because of results like these, Frager's clients remain unusually loyal. And when they move on, they call him in.

That was the case with the VP of Sales at Friden-Alcatel, where Frager's "Run a Meter for the Team" Olympics campaign and new product ideas doubled revenue in just two years and led to

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***"(Searchable content and user interaction) is the critical last mile that supports or impedes everyone's best efforts. But everyone is working in silos and no one is attending to this key detail."***

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the division's sale to Neopost. When that executive later became President and CEO of Archer, he called on Frager to help with the turnaround. Success there led to the company's acquisition by Océ. And when that same gentleman became CEO and Owner of Forrest Solutions, it was again Owen Frager who provided marketing communications strategy that grew and positioned the company for acquisition.

Sometimes it's Frager's former competitors who come calling. When Pitney Bowes' marketing communications manager took over marketing of color systems for Ricoh USA, he sought out the man who had grabbed market share from the postage meter leader. Ricoh has been a Frager client for over a decade.



Using the power of brand for the power of good, Frager's cause-related ideas redirected what would have been \$100,000 single-page ads into programs that personally touched consumers — and motivated them to become brand loyalists. "We don't label people, just bottles" claimed one campaign for Perrier's Calistoga brand of flavored waters targeting San Francisco's gay and Latino communities. Another, featured on NBC, motivated 1000 volunteers to "March For A Buddy" challenged by AIDS. And one featured on CBS' 48 Hours encouraged a whole company to quit smoking.

## The Next Frontier.

Today, Frager is a relentless blogger, primarily posting his comments on, and links to, articles about the continuing convergence of marketing and technology. He's not blogging as a would-be journalist, but rather to experiment firsthand on the ways copy attracts traffic and how Google can be used to deliver targeted prospects — at far less cost than many search sponsors and keyword advertisers realize. He has documented his experience and hopes to share his eye-opening conclusions with Madison Avenue, "because," he says "it's clear they would never surrender the billion-dollar budgets to online if they saw this."

"When I cover Apple, for example, I'll get as many as a thousand readers," explains Frager. "But what I see that no one else does — including the Google bots most companies depend on for analysis — is a customer list of Apple users. The record of each hit identifies the user's equipment as well as where they're coming from. And that shows me Apple's penetration in the b-to-b sector is much greater than anyone thought. I have immediate access to this kind of data. It's a marketers dream and a laboratory where I can see potential for agencies to really add value to clients beyond the banner ads."

Frager's experimentation has grown traffic at his FragerFactor.com blog from zero in early 2006 to almost 20,000 unique visitors a month by year-end 2007 — sometimes, to the surprise and consternation of marketers who wonder why traffic isn't going to them.

That's what happened with Kimberly-Clark's Kleenex brand "Let it Out" campaign. Soon after Frager com-

plimented the relationship-building campaign on his blog, he started getting hits from people looking for the letitout.com page and began scoring above Kleenex in Google searches for the campaign. Frager quickly figured out the reasons had to do with details about consumers' Web use that the campaign's crafters had overlooked or not yet mastered.

"This is the critical last mile that supports or impedes everyone's best efforts," Frager says. "But everyone is working in silos and no one is attending to this key detail."

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***"I think of Owen Frager as a secret weapon. Someone who can bring a fresh perspective to your marketing challenges and then act on innovative solutions that gets results. You have to see the man at work to see how good his talents are. He's the real thing."***

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***Daniel Heimlich, former director of marketing at Citrix***

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"First of all," Frager explains, "a lot of people confuse their browser's Google bar for the URL window. So when they heard the TV commercial and went to type 'letitout.com' they didn't realize they were doing a Google search instead of going to the Kleenex campaign. And because my blog entry had searchable text that mentioned 'Kleenex,' it came up higher than the Let it Out page where the text wasn't searchable because it was a graphic. Next thing you know I'm getting hits from Kimberly-Clark and their agency, probably trying to figure out why traffic is going to me instead of them."

Likewise with Unilever's Dove pro-age campaign. A FragerFactor blog post about the campaign was scoring higher in Google than the campaign itself. "Dove's Google result didn't say anything, so people clicked through to me as I was offering a peak at the video that had generated so much word of mouth but, as I read later, was rejected from YouTube. I was the only one who had it, so people saw it then emailed the link

to my article to friends and on and on and on," says Frager. "The agency fixed that with a sponsored listing that put them at the top of the page, but that's spending money for results they could have achieved organically for free."

Frager is ready to show marketers how, applying the same marketing acumen he's tapping for his clients — and providing to key agency executives with whom he regularly huddles. As he sits in his South Florida home office, overlooking his garden and creating iconoclastic marketing campaigns, Frager is leading the way to the future. As much

a student as a creative mastermind ("I think of all this as just working toward an MBA in understanding consumer behavior," he says), Frager

knows he and Madison Avenue have much unfinished business. The quintessential free agent to be sure, he nonetheless acknowledges their symbiosis — and shared destiny.

"Everybody talks about 'integrated marketing,' but my virtual shop is delivering it today, using timeless ideas and remastering them with today's media," Frager says. "Yet even as a freelancer working directly with three Fortune 100 clients, I know I cannot survive without Madison Avenue. We both want to touch everybody in the world. The truth is, they have to start searching for another way. It's like my Underwood typewriter and my iMac. They show me how far we've come, and how far we can still go."