

ADWEEK

The Changing Of the Guard

As agency founders push 60, succession remains an often touchy subject

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Coke, CAA in Hollywood Saga

Client limits talent agency's role as it rebuilds its own marketing operations

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Another Lowe

IPG files complaint against Frank Lowe for damages

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ON THE SPOT

Heat's Steve Stone

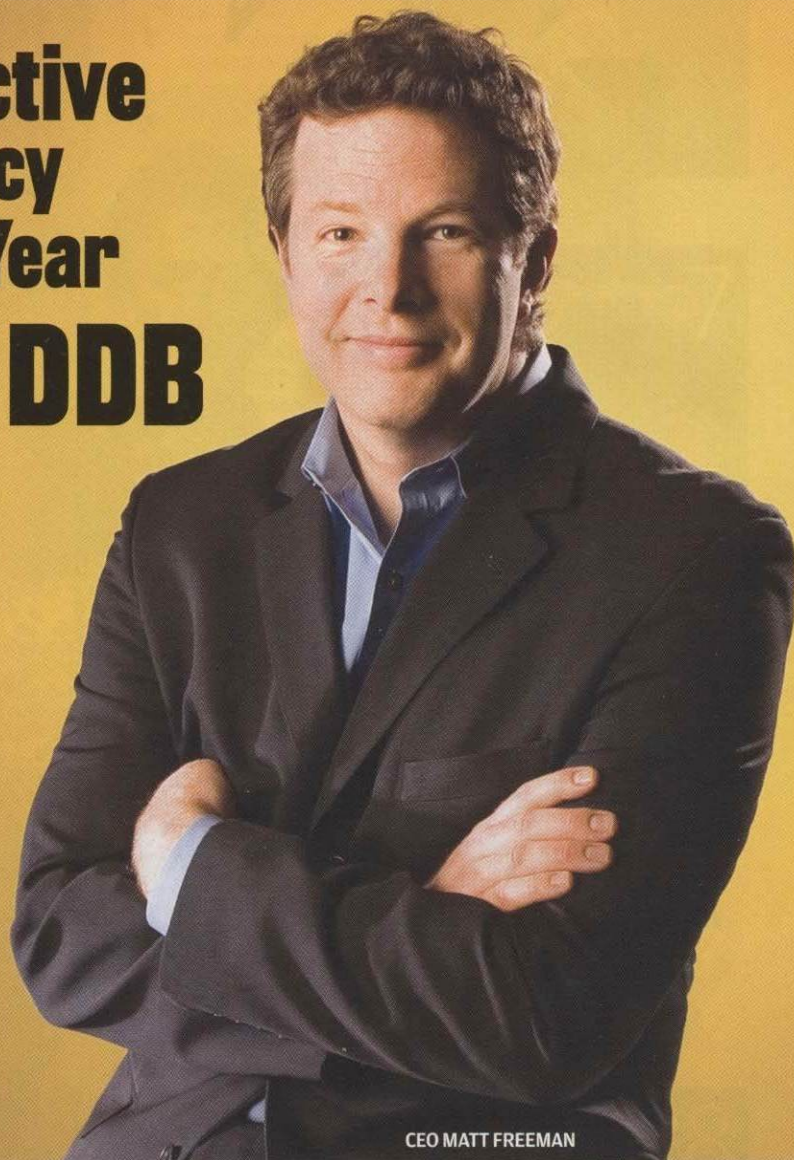
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Interactive Agency of the Year Tribal DDB

Plus: Traditional Shops That 'Get It'

Top 50 Interactive Agencies

IQ Report starts on page 18



CEO MATT FREEMAN

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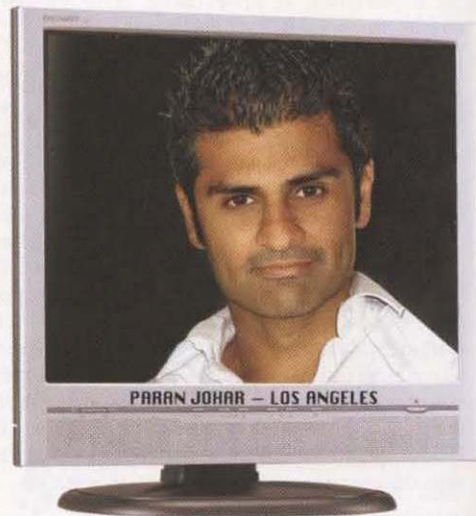
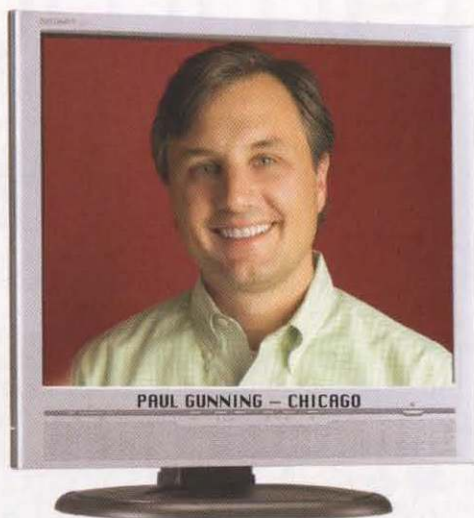
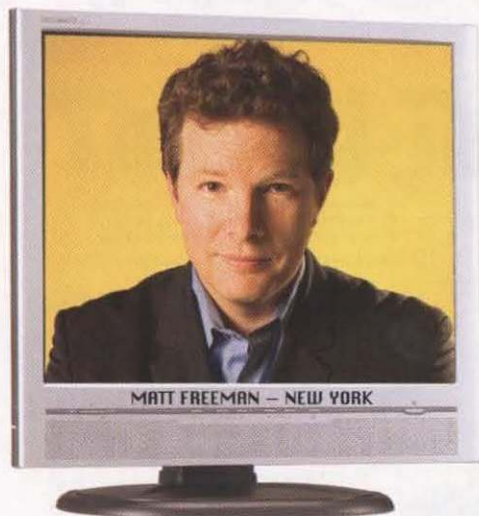


The Brain Trust

Will neuroscience replace focus groups?

Researchers are tracking heart rates and facial muscles to gauge consumer reactions to ads. Marketers and industry groups are taking notice. Will science play a larger role in shaping future ad messages?

Wendy Melillo reports. See page 12



Tribal DDB

With 33 offices in 21 countries, Tribal goes the distance with each campaign BY BRIAN MORRISSEY

When meeting Matt Freeman, you can be forgiven for thinking he's too young and easygoing to be the global chief executive of a fast-growing agency network in 21 countries. But if you dig a little deeper, you realize that, fresh face and desktop background photo of his sons in matching pajamas aside, Freeman has paid his dues in the rollercoaster world of Net marketing, which in 2005 reached heights unseen since the dot-com euphoria.

Freeman, 36, is now in his tenth year in the business. He was recruited from Modem Media in 1998 by DDB CEO Ken Kaess and chairman Keith Reinhard to build the digital image of DDB, an iconic ad agency. It hasn't been without its bumps in the road. In 2001, after the dot-com collapse, Freeman was forced to retrench, focusing Tribal DDB on profitability and quietly positioning it for the industry's rebirth. More than four years later, he's stitched together a sprawling 33-outpost global network, with estimated 2005 revenue of \$150 million.

As Web ad spending begins to soar, big-brand Tribal DDB clients like McDonald's, Pepsi and Philips are waking up to the Internet as a place to drive deeper engagement with their customers. It's not 1999 anymore. "The irrational exuberance has become rational exuberance," says Freeman.

2005 was an exceptional year for interactive agencies, which saw client budgets swell and the Internet's role as a key aspect of marketing strategy grow. In nearly every respect—revenue growth, breakthrough creative and blue-chip clients—Tribal DDB stood out. The shop has long made the IQ list of top agencies (ranked by revenue), but this year its growth outpaced most of its peers, with estimated revenues growing \$50 million, in 2005, up 50 percent. While much of this came from longstanding clients like Pepsi and McDonald's upping their interactive spending, Tribal notched a range of impres-

sive client wins and projects, including U.S. clients NBC Universal, E! Online and Alcoa. A creative agency at its core, Tribal showed how great ideas, fueled by technological know-how culled from around the world, are making the interactive medium indispensable to advertisers. Witness the 12 Cannes Lions Tribal took home in 2005.

Beyond award-show laurels, Tribal exemplified the maturity of digital marketing, showing throughout its global network the kind of innovative, idea-driven programs unique to interactive. In February, Hasbro came to DDB London for help introducing its revamped 70-year-old Monopoly board game. While a modest digital initiative was originally planned, Tribal proposed a more ambitious venture: Turn London into a virtual game board, and allow users to experience the game. In June, Tribal used GPS and hotspots scattered throughout London to create Monopoly Live online, which drew 1 million visitors who spent up to 20 minutes online with the game. The effort helped bump Monopoly sales in the U.K. 450 percent, according to Tribal. Hasbro has even created a business unit to bring the concept to other markets in Europe and the U.S. "There's the potential to think of it as a new product in itself," notes Matt Dyke, planning director at Tribal DDB London.

The advantage of Tribal DDB's global network lies in taking the lessons from efforts like Monopoly Live and transferring them to other markets and clients. The agency is discussing the possibility of creating such immersive experiences like Monopoly on its own, then taking it to clients to offer them sponsorship opportunities, in effect creating their own media properties. "We need to get brave again and be revolutionary once again," says Freeman.

Tribal this year set up seven practice areas in different offices—wireless, gaming and health care, among others—that allow Tribal DDB offices to tap worldwide expertise in emerging areas. The new health-care practice has already helped Tribal win work from Abbott Laboratories, AstraZeneca and Johnson & Johnson. "Interactive is a very complex beast," says Scott Johnson, executive creative director of Tribal DDB Dallas. "There are a whole lot of tiny parts to it." Establishing itself in those parts that could grow into major marketing vehicles is likely to be crucial as emerging technologies spread globally. Take interactive television. Tribal DDB London ran Volkswagen campaigns during the year on Sky TV in the United Kingdom that allowed viewers to

AT A GLANCE

REVENUE

\$150 million (est.)

ACCOUNTS WON

AT&T, E! Online, Wells Fargo, NBC Universal

ACCOUNTS LOST

Ameriquest

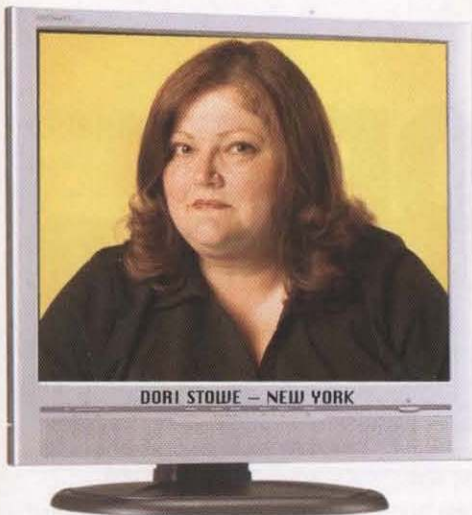
GLOBAL ACCOUNT EXPANSIONS

Dell (U.S. to Asia); Volkswagen (U.S. to Germany)
Johnson & Johnson (U.S. to Europe)

HIGHLIGHTS

Monopoly Live for Hasbro;
Lincoln Fry for McDonald's

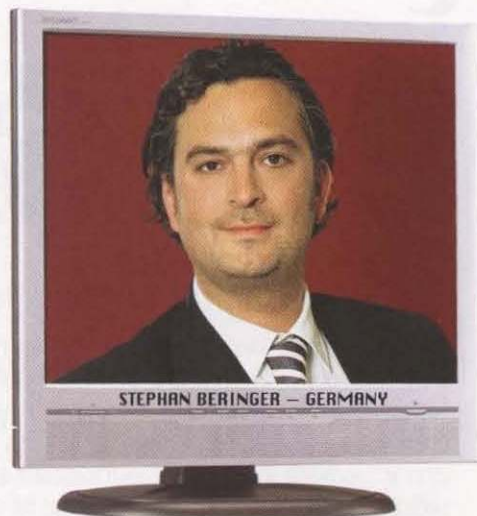
Sources: Adweek, agency reports



DORI STOWE — NEW YORK



ADAM GOOD — AUSTRALIA



STEPHAN BERINGER — GERMANY

click through a commercial for further information. Says Stephan Beringer, CMO Tribal DDB Europe: "This is not something we'll need to reinvent in every country. That helps a lot."

Similarly, Tribal has deep experience in mobile marketing campaigns, thanks to rapidly advancing European and Asian markets. Wireless pushes for McDonald's in Germany have been used as templates for programs in the U.S. "Often when we ask questions as things start to emerge here, it's nice they can share examples of how various offices are doing active digital executions," says John Vail, director of digital media and marketing for Pepsi-Cola North America.

In 2005, global interactive pitches were few and far between, yet Freeman says that is changing: Tribal is already in 10 global pitches. While some Web shops dismiss the need to dot the world with flags as old-school thinking, Freeman disagrees. "You still need a partnership at the local level—that's crucial to doing work that's truly relevant and impactful to that particular culture," he says. "You can't phone that in."

Many outposts, like Tribal DDB Canada, are leaders in their market, competing with local shops for accounts. Freeman is proud not just of the number of offices, but of how evenly spread out the quality of work is. At Cannes, four Tribal outposts took home awards.

Another key to Tribal's success has been its independent streak in building a global network that benefits from its alignment with DDB, yet still works on integrated accounts with Omnicom shops like GSD&M and BBDO. Kaess says Freeman and Tribal earned the respect of the traditional agency by dint of their award-winning creative and their impressive client list outside of DDB. Indeed, he adds, about half of Tribal's revenue comes from non-DDB clients. Says Freeman, "We didn't want to be viewed as some spoiled kid of rich parents."

This approach paid off in 2005, when nearly 80 percent of the new business Tribal brought in, including AT&T and Wells Fargo, was homegrown. It was also able to use its global reach to expand business with existing clients, adding Dell duties in Asia and Johnson & Johnson in Europe. "We didn't grow because we won some mammoth account," says Paul Gunning, general manager of Tribal DDB Chicago. "We grew from every pocket of the business."

Tribal was also helped by a decision the agency made in 2002 to rebuild its media capabilities in the wake of the formation of OMD Digital, which was constructed with the online media assets of several Omnicom agencies,

including Tribal. Tribal DDB Los Angeles leads its media work, doing planning, buying and strategy for clients like Wells Fargo, Pepsi and eHarmony. In 2005, Paran Johar, general manager there, added a search-marketing practice to tap into the fastest-growing area of Web media. "The definition of creative is being redefined in the online space," Johar says. "Creative can come from media or from analytics. It's not limited to what is in the banner. Creative is where it's placed and how it's tracked."

This independent track record and a penchant for big ideas won Tribal DDB an increasingly larger role in campaigns for DDB clients like McDonald's and Pepsi. For the McDonald's Lincoln Fry campaign, Tribal was tapped for interactive from the beginning, setting up the Lincoln Fry Web site and backing it up with an eBay auction and a blog. "It was the biggest thing we've done at DDB that was integrated from the beginning," Gunning says. While such cooperation probably should be the norm, it isn't always the case, notes Freeman. "You can't mandate respect," he says. "Nothing is going to happen until you gain the respect of your brothers and sisters in the traditional business."

That attitude is one Freeman has instilled in Tribal DDB, where he gathers his top 40 executives twice a year in different regions of the world. Such sessions are useful for exchanging ideas, best practices and processes, he notes, but probably more valuable to forge friendships that will make an executive in Hong Kong want to work with another in Dallas. For that reason, Freeman is unapologetic that he seeks to follow a maxim of DDB founder Bill Bernbach: Hire talented people who are nice. "It sounds squishy," he says, "but it makes a big difference." ■

Brian Morrissey is a senior reporter covering interactive at Adweek.



GAMES PEOPLE PLAY: DDB London created a virtual Monopoly board (left) using the streets of London, cabs and GPS to promote an updated version of the 70-year-old game. DDB tapped Tribal for the interactive portion of the Lincoln Fry campaign (right); Tribal created an eBay auction and a blog as part of the campaign.