

ADWEEK

MARKETING

**Brands
Act Out**

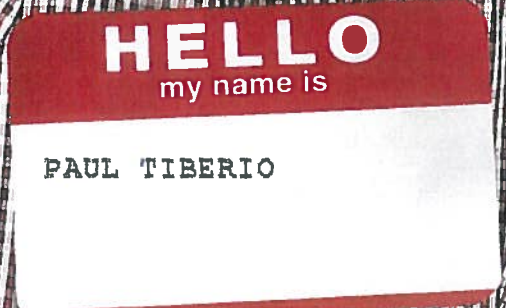
VIDEO

**HuffPo
Shakes Up
News Biz—
Again**

Who The Hell Are You?

Why Facebook and Google believe
user aliases are bad for marketers—
and why they could be wrong

By **Ki Mae Heussner**



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'We're looking at our business differently and evolving into a health and daily-living destination.'

Joe Magnacca, president of Daily Living Products for Walgreens, discussing the addition of frozen yogurt bars in select Duane Reade stores in New York.

Has Social Media Made Content Farms Obsolete?

By Mike Shields As three Demand Media founders exit, some wonder whether quality, social-oriented publishers have bested low-cost, search-driven content.

The growing importance of social media, coupled with the powerful wrath of Google, have shaken the once-hot world of cheap search-driven publishing.

About.com recently dumped its CEO. Yahoo's \$100 million acquisition of Associated Content (now Yahoo Voices) has yielded a network of 700,000 freelancers, but advertisers say they haven't heard about it in more than a year.

Meanwhile, AOL's Seed project is on hold. In a statement, AOL said it has reduced the number of Seed freelancers "as we evaluate how best to integrate its strengths within [the company]."

And then there's Demand Media, which pioneered the practice of churning out thousands of articles based on Google search data. Last week, three of Demand's founders exited, a year after its underwhelming IPO. Its signature property, eHow.com, is still massive but has lost about 10 million users since Google adjusted its algorithm to weed out low-quality content. Demand has very publicly pivoted to celebrity-centric content and splashier design to

Distance Runners

DEMAND MEDIA'S NEWLY EXPAT FOUNDERS

Steven Kydd
Headed video operations for Demand Media



Joe Perez
Managed marketing and community interaction functions



Larry Fitzgibbon
Oversaw consumer sites like typeF and Livestrong



attract advertisers.

Still, Facebook and Twitter likely have more to do with the category's decline than Google. Wetpaint and BuzzFeed are among a new breed of publishers mastering the creation of highly shareable content. Wetpaint COO Rob Grady estimated that while search still matters, Facebook alone accounts for 35 percent of visits. Social readers, he said, are 2.5 times more valuable than search-driven readers in time spent and frequency.

"The value of the search user is declining," said Grady. That's why Demand is touting its socially infused programs for brands like Kraft and the growth of its social media-friendly humor site, Cracked (5.5 million users).

"We believe that driving active media consumption on Facebook requires creating content in a different way than YouTube or search," said Joanne Bradford, Demand's chief revenue officer. "While our eHow content is mostly discovered via search, our Cracked content is discovered through sharing via social. Content has to be created for more than a website; it needs to be created for a multi-platform world."

Molly Sugarman, Horizon Media's director of digital media innovation, said her team rarely works with Demand since it's seen as an outlet for direct-response brands—not where a so-called premium publisher wants to be.

Sugarman praised Demand for partnering with the likes of Tyra Banks on more ad-friendly sites such as typeF.com. "I was surprised the founders left, just when Demand was headed down the right path," she said. "Everyone has realized it's more about quality."

THE BIG CHILL New York's Duane Reade Adds In-store Yogurt Kiosks

New Yorkers are persnickety about everything, even their frozen yogurt—a substance that, like espresso, is essential for sustaining life in a big city. But with the retro-chic Pinkberry blooming all over town, how likely is a Prada-wearing, iPhone-toting Manhattanite to stop for self-serve frozen yogurt at a drug store? That's exactly what Duane Reade is about to find out.

The 50-year-old regional chain has announced it will begin adding self-service frozen yogurt kiosks to select stores, complete with topping bars. "This is part of a bigger strategy," said Joe Magnacca, president of Daily Living Products for Walgreens, which purchased the 250-unit Duane Reade in 2010. "We're looking at our business differently and evolving into a health and daily-living destination."

Only a few years ago, such plans would have sounded crazy. Founded in 1960, Duane Reade had a decades-long reputation for dingy stores and surly service. (In 2007, the actress Martha Plimpton famously said in an interview that going to Duane Reade is "a journey into the heart of darkness.") But Walgreens' purchase of the chain in 2010 prompted a

KYDD AND FITZGIBBON: THEO WARGO/MJF/GETTY IMAGES



course correction.

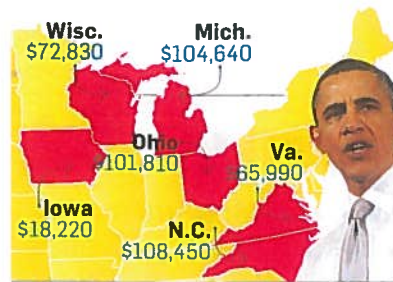
After introducing its own line of branded snacks in 2010, the chain moved its crosshairs to the Manhattan lunch crowd. Baguette sandwiches (made fresh by Eli Zabar, the legendary New York gourmet store), cheesecake, and even sushi and shrimp cocktails now beckon from chiller cases up front. The frozen yogurt offerings (in eight flavors including Blueberry Tart and Peach) will be nearby, next to the fresh juice bars.

"This won't go systemwide," Magnacca said, "but it will go where there's high traffic. Our objective is to get people into the stores for different reasons as often as possible." Sound familiar? It's proof that the category blurring that began when Walmart started selling groceries (and flowers and deli platters and just about everything else) has trickled down to the level of regional chains, such as one that can no longer compete by just selling aspirin and Q-tips. "The days that brands owned one specialty are changing," Magnacca said.

"Like the other in-store food offerings, [fro-yo] helps make Duane Reade a one-stop shopping destination," said Todd Maute, partner in CBX, the firm that designed the yogurt stations.

While Walgreens is also experimenting with a fro-yo bar in Chicago, the Duane Reade bars are clearly designed to appeal to New Yorkers. White-tile mosaics are meant to evoke subway stations, while the signage ("Grab Life by the Berries") is more likely to amuse than offend. "All of it works...to support a uniquely New York communication strategy," Maute said. —Robert Klara

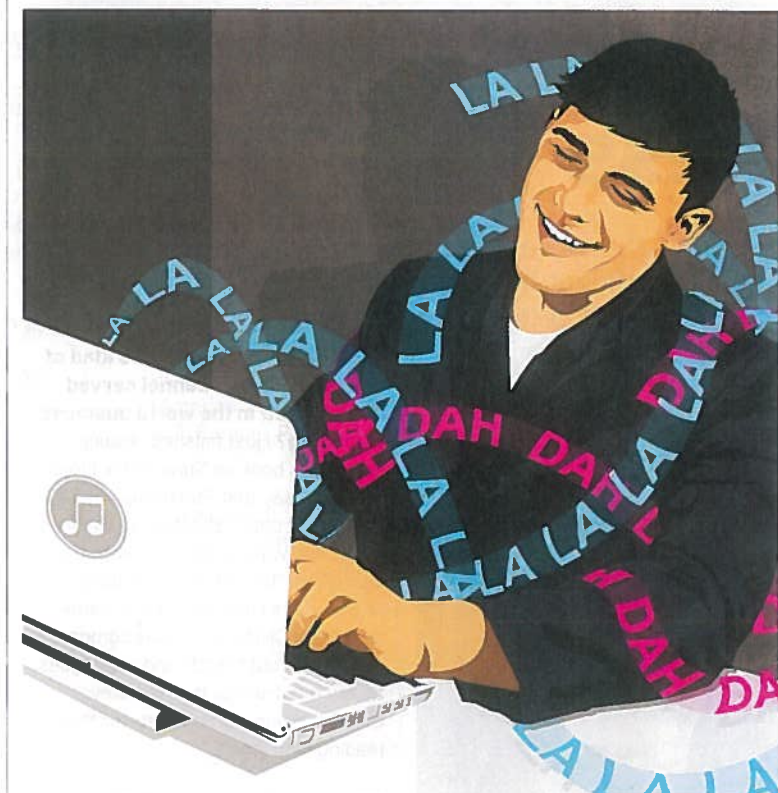
ILLUSTRATION: TAYLOR GALLERY; OBAMA: JEWEL SAMAD/AFP/GETTY IMAGES



Obama Campaign Starts to Spend

President Obama launched his 2012 re-election bid the week of Jan. 16, dropping nearly a half-million on spot TV in six states, according to a TVB analysis of data from Campaign Media Analysis Group. Except for Iowa, all of the states were 2008 battlegrounds. Both Iowa and Michigan were on the post State of the Union road trip. All the money spent was campaign money; none came from Obama USA PAC, which in itself "could be part of the campaign strategy," said Jack Poor, vp of strategic planning.

SOURCE: TVB ANALYSIS OF KANTAR MEDIA CAMPAIGN MEDIA ANALYSIS GROUP DATA



Targeting the Tone Deaf

By Ki Mae Heussner ToneFuse, the latest spin on the ad network model, allows brands to target John Lennon-loving cat owners.

Let's be honest. Lyrics websites haven't exactly enjoyed the best reputation. Between in-your-face banner ads, aggressive ringtone offers and often artless aesthetic—not to mention their murky copyright infringement issues—they don't exactly evoke "premium." But that's exactly what some companies hope they can be, and not without reason:

People seriously love lyrics. According to Google, only the word "Facebook" has generated more searches than "lyrics" in the U.S. since 2004.

Aiming to capitalize on this, ringtone marketer ToneFuse last week launched ToneMedia, a new ad platform for lyrics and music content sites, such as lyrics007.com. Val Katayev, ToneFuse's

founder, CEO, said w entered the lyrics bus saw "a huge opportur

By pairing inform about music preferer ToneFuse's ringtone with third-party data company says it has e 900 audience segmer brands target consum some 100 publishers. is a slew of odd, nonii insights. John Lenno instance, are 101 perc likely to own pets wh lovers are 189 percen likely to be intereste

When asked about issues, the company s of its publishing part licensed or becoming says before officiall ToneMedia, its client included Dove and A: company declined to brands speak with Ac

David Goodman, p of CBS Interactive M (which bought Metr last October and has partnership with To said that as compani look to elevate the ly space, brands are sta to recognize their im "Lyrics are a premium experience," he said.

But David Cohen, McCann's evp, global officer, says lyric sites generate in-and-out t indicating poor engag

Ilan Zechory, co-f of the popular Wikip lyrics site Rap Geni sites hoping to attrac need communities. I just displaying lyrics a ceiling to how...clas space you can have," "But if you're doing s with deep levels of er then it's absolutely a attractive place to be