

# TV Sunday

Do you laugh harder at the sock puppet on the Pets.com ads than the jokes on "Just Shoot Me"? You're not alone. We asked the creative kids who make those super-smart commercials and found...

By MICHAEL GILTZ

TV commercials have always provided a bright spot on television. From Alka-Seltzer's classic "I can't believe I ate the whole thing" to the all-dancing Gap campaign, it's easy to see why ads often seem more memorable and sophisticated than the shows they interrupt.

Great ads come in waves and right now they seem to be hitting another peak. That's not new. What is new is that almost all of the best ads are for one category — dot-com companies.

Never before have so many innovative, witty and entertaining ads all sprung from one industry.

Outpost.com created a stir by pretending to fire gerbils from a cannon.

E\*Trade made fun of stockbrokers by showing a shmuck cold-calling clients and wondering why, if he's so good, he has to work for a living.

Discover Online (now called Morgan Stanley/Dean Whittier Online) scored a bulls-eye by showing a tow-truck driver who owns his own island — "Technically, it's a country" — thanks to online trading.

And the sock puppet from Pets.com is the biggest ad-related phenomenon since Taco Bell's chihuahua — it even got a lengthy guest slot on "Good Morning, America."

It's no accident so many of these award-winning ads are being run by dot-com companies. Here are seven reasons why.

## DOT COMS HAVE SMALL STAFFS:

A tan-established company like Sears or General Motors, it would take four executives just to pour the coffee and take notes for any meeting about a new ad campaign.

John Yost, president of Black Rocket ad agency in San Francisco, says his company's first account was Yahoo! which picked it to create the first commercial by any dot-com to appear on TV.

Yost says about four executives at Yahoo! made all the marketing decisions.

The same was true when E\*Trade signed with Goodby, Silverstein & Partners.

"When we got down to doing the work," says Gerry Graf, a 23-year-old exec at Goodby who co-wrote most of that campaign's commercials, "it was really about three people who had to sign off."

"And the fewer people you have to sell your ideas to, the better."

# WHY DOT-COM ADS ARE THE BEST THING ON TV

## DOT COMS HAVE TO MOVE AT INTERNET SPEED:

Dot-coms need to grab market share before any competition gets a foothold. So they need to be on the air yesterday — and that doesn't leave any time for niceties. Like testing or audience research.

That's why edgy, envelope-pushing ads are getting to market before any executive has time to rethink themselves.

"If you don't have the time to second-guess everything or use traditional methods to evaluate work, you have to go on your instincts and your experience and intuition mure," says Yost at Black Rocket. "And that can contribute to better advertising."

He laughs and then adds, "as long as the people guiding that have good instincts and intuition."

Needing to move fast also means the dot-coms don't obsess over every detail — leaving the writers and the filmmakers free to take creative chances.

"That's one thing about E\*Trade," says Graf. "When we go in [to pitch], we don't have storyboarders. We just

have a very rough script. That's it.

"I've worked on accounts where you have to have every second accounted for. Storyboards, shot list and everything," he says.

Case in point: the hilarious E\*Trade ad featuring a "kept boy" who has to massage the bunions of his aging but wealthy mistress. It wasn't until they scouted locations and began shooting that the ad-makers came up with offbeat touches like having the boy do fibs style and counting off in German.

## DOT COM EXECUTIVES ARE YOUNGER:

"The people that are running a lot of these companies are in their 20s and 30s," explains Yost, whose company went on to create the "tow-truck driver who owns an island" spot and other campaigns.

"They've grown up with different ideas of what's funny and amusing. They've

also grown up with television and advertising and are sort of sophisticated, intuitive marketers."

Graf sees the same happy generational divide.

"The people in charge at the dot-com companies are younger," he says. "And being younger they are willing to say: 'Let's have some fun with this.' As opposed to overanalyzing it."

That irritate love for advertising leads directly to...

## DOT COMS TREAT THEIR AD AGENCIES WITH RESPECT:

This is may be the most crucial difference of all between traditional advertisers and dot-coms.

"Yahoo! treats us with a level of professional respect that is uncharacteristic," says Yost.

"They give us the same courtesy as they do their attorneys and accountants or any other professional people they bring in to advise them."

"And because they treat us that way, they don't challenge everything we're doing or recommending. They say: 'Well, you're the experts and that's why we brought you in,'" he says.

Graf agrees.

"I'm sure there are dot-com companies that dictate stuff," he says. "But E\*Trade, a number of times, has said: 'We don't get this ad, we're not really laughing at it. But if you feel this strongly about it, we'll go with it.'"

"And we've been successful."

For traditional companies, their relationship with an ad agency is a lot more one-way.

"Historically, there's been a kind of vendor and supplier relationship," says Yost.

"The agencies are treated in many respects like order takers and are given directions by the clients. Fear motivates a lot of those relationships," he says.

"If you don't comply, don't obey, you could lose the account."

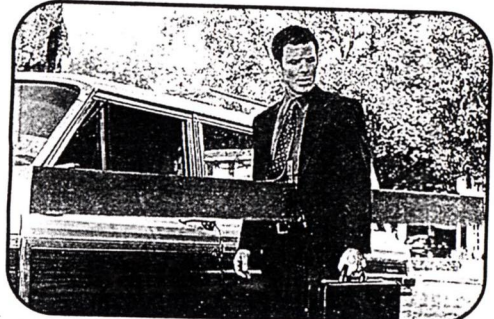
## DOT COMS MAKE A LOT MORE ADS:

"Dot-com companies in general work at two-

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Perhaps the first truly memorable ad was for Discover on-line brokerage featuring a low-truck operator who got so rich investing online that he owned his own island ("Technically, it's a country").



Then things started getting bizarre — like the ads warning about the hazards facing do-it-yourselfers for the home-improvement web site, Ourhouse.com.



Finally, they got downright silly, as with the Yahoo ad about a bald man who found just the right wig with the help of the web search engine.

the speed of regular business," explains Graf.

"We've had the E\*Trade account for a year and done 20 commercials. Most companies have about six in a year."

"They just crank them out and they want more."

Naturally, when you're E\*Trade realizes ads wear away after about three months."

In fact, Graf is talking from New York where

they're filming even more ads.)

Naturally, when you're running a new ad every three weeks, if it doesn't work, it won't kill you. As opposed to what will be on the air before you.

ple can finish puzzling over the last one.

## DOT COMS AREN'T SCARED:

As Graf tells it, "The CEO of E\*Trade said, 'I want to be the most talked-about ad of the Super Bowl. I don't care if you give me the best ad or people think it's the worst ad. Just don't give me anything in the middle.'"

"That was his attitude," he says.

Why so fearless? An executive at McDonald's could lose his job if a new campaign is blamed for sales dipping by one percent in the third quarter.

Dot-coms don't make any money to begin with, so how much worse can they do financially?

Besides, most dot-com executives seem to have stock options worth millions, at least on paper. It's easy to be cocky when you're trying to figure out what to do with all that money.

And that's the same dilemma dot-coms face because...

## DOT COMS HAVE TONS OF CASH:

Thanks to IPOs, dot-coms are small and nimble — like start-ups — but have mountains of cash at the ready to finance national ad campaigns.

They have to spend that money on something.

National ad campaigns also scare off competitors. As Amazon.com keeps demonstrating, investors respect market share, no matter how much it costs.

So enjoy this unprecedented burst of creativity while it lasts — because, truth is, it probably won't last for much longer.

For one thing, the money is drying up now that dot-coms are taking a hit on the stock market.

Another reason? Some of those vastly entertaining ads weren't always effective ads.

People might have giggled at Outpost.com shooting gerbils out of a cannon but they still didn't have a clue as to what the company actually did.

Even the professionals are starting to be unimpressed.

"We are just dumbfounded by how many ads we see where at the end of the commercial we have no idea what this company does," Yost says.

Finally, some of those scrappy start-ups are now staff-heavy powerhouses. The retail department of Yahoo! is bigger than the entire company was when it ran its first TV ad.