



**Scott Berg**  
Global Media Director  
Hewlett-Packard



## Staying Ahead of the Media Curve

**International marketers must embrace experimentation — while keeping an eye on the bottom line**

*“We have seen media, and its role in building the HP brand, change dramatically in just the past 24 to 36 months,” Hewlett-Packard’s Scott Berg told internationalist recently. “We don’t have a conversation on creative without the media people present. The uneven relationship between creative and media has changed to an equal partnership. In fact, now it is often the media strategists who think of the unique ideas and the opportunities for employing them. This was unimaginable just a few years ago.” Clearly international media and the nature of its relationships are changing — and very quickly. For Berg, that means that international marketers like HP have to embrace experimentation in both media and markets.*

### On experimentation in media:

“Experimentation is crucial to staying ahead of the media curve, particularly for a company like HP, but it also means taking some losses. Losses are tolerated as long as there is the occasional winner that gets hit out of the park. This is a completely different way of thinking about media. I can’t emphasize the portfolio manager aspect enough; there is no greater job analogy.

“People value different media in different ways. Understanding that value changes how we invest in media. People always ask my views of “traditional media,” and I simply say it is an “and,” not an “or.” People still read and they actually watch more TV today than five years ago — even if they are skipping more commercials.

“Also when considering the future of

media, we can all comprehend “time-shifting” now — having content whenever we require it in our time, but what about “place-shifting”? It is now possible. In fact, while I was in Poland recently, I was able to watch my Tivo-programmed TV shows from Houston on my laptop. I can be anywhere and watch what I want to watch.”

### On experimentation in markets:

“Don’t forget that in international, one isn’t only making bets on particular media properties, but also on various markets.

“For example, take the recent valuation of the dollar — that has undeniably affected where I can afford to invest. Our U.K. media budget decreased by one-third overnight, and most traditional media had a high rate increase. Not only did I have to decide to cut, but I also had to gauge how

### Emerging Media



### JONATHAN HOWLETT



“ BBC World had its best advertising year on record in 2006. Most encouragingly, we are seeing growth across all sectors of our business. We have now firmly established the efficacy of pan-regional TV to reach key and valuable audience groups in an impactful manner with agencies and advertisers across the globe. ”

CONTACT: [jonathan.howlett@bbc.co.uk](mailto:jonathan.howlett@bbc.co.uk)



### DAVID OLIVER



“ We found 2006 to be an extraordinary year for the many leading international media brands we represent. There is no question that online spending is increasingly dramatically — particularly out of London. These new budgets are backed by growing budgets that can make an impact. ”

CONTACT: [david@osp-uk.com](mailto:david@osp-uk.com)



that would affect our presence and return in such a key market. Media inflation in China is running at 36 percent year over year, but right now it pays back to invest there. At some point, soon, though, if such increases continue, the China payback may not be enough to justify such inflationary spending levels. I never forget that the ROI that advertising achieves unquestionably affects our bottom line.

“Our own media money will also move in the future from slow-growth markets to more of the “BRIC” (Brazil, Russia, India, China) nations. However, as a mature market, Japan will still be critical, although it is the most expensive media market in the world, because the Japanese are such wonderful tech adopters. At some point, though, the pricing will have to adjust. Although a BRIC nation, I mentioned earlier that China has media inflation, and we’re finding the same in India, but again the investment still proves to be worthwhile — at this point. And just like Japan, the media pricing will have to adjust for us to justify expenditure that will provide a measurable ROI.

“What I am banking on is the market I call the “undiscovered country,” which is probably more of a digital amalgamation of various new, up-and-coming markets (within the confines of planet Earth). There is no question, though, that we will market to smaller countries in different ways than in the past. Paramount will be how we present our media message.”

**CONTACT:** [scott.berg@hp.com](mailto:scott.berg@hp.com)

## Scott Berg’s Top 10 Media Trends

1. **Media consumption will increase.** Worldwide, consumers are spending more time with media.
2. **But what they consume is changing and will continue to change.** Time spent with online and electronic media will grow at the expense of print.
3. **Consumer media control and influence — it’s just the beginning.** DVR, user-generated content and participatory sites all are growing.
4. **The method of delivery will expand.** There are many new formats, delivery channels, business models and playback experiences.
5. **Digital distribution.** Joost, mobile TV, home theater and the iPod symbolize the new drivers in “place-shifting.”
6. **Country-level media investment will change.** HP’s media spending will move from mature markets to “BRIC” countries and Japan, a mature market populated with tech adopters.
7. **Skill sets.** Good media execs must balance a multitude of skills, change with technology and think like a portfolio manager. Specialized roles and capabilities are in demand, and they are changing.
8. **Media automation and integration.** Gains include predictability, transparency, consistency and adaptability.
9. **Salesperson to consultant to partner.** Today, partnership is a differentiator for both marketers and media.
10. **Cultural media — staying genuine.** The ideal problem-solving story touches heart and soul while supporting company core values.

*Adapted from a February presentation at the International Advertising Association New York Chapter Luncheon.*



### GRACE PALACIOS

**PUBLICITAS Promotion Network**  
CHARNEY PALACIOS & CO. PUBLICIDAD Y COMUNICACION

“Advertising investments should remain strong across Latin America in 2007 and continue to follow the global tendencies of cross-media integration. This trend fueled the new exclusive representation agreement for pan-regional advertisers between Charney/Palacios & Co-Publicitas and Grupo de Diarios America-GDA. Advertisers can now realize multimedia opportunities across the region through a platform of newspapers, magazines, online portals, electronic media, direct mail and events.”

**CONTACT:** [gpalacios@publicitas.com](mailto:gpalacios@publicitas.com)



### OLIVIER DE MONTCHENU

**EuroNews**

“For EuroNews, this has been one of our biggest years on record. Due to our worldwide distribution increase to 193 million households, we saw many first-time advertisers. Media innovation today is at the forefront of marketing decision-making, especially for those with international responsibilities. This year will be a turning point as EuroNews stands at the crossroads of digital media world.”

**CONTACT:** [omontchenu@paris.euronews.net](mailto:omontchenu@paris.euronews.net)