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## US: Marketing Under the Radar

by **Deborah Branscum, CMO**  
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Four years ago, Tom Dugan's company did some work for Peet's Coffee & Tea by covertly plugging a Peet's promotion online. He'd love to share the names of more recent clients, but none of them, he says, want to speak on the record. "Most of our clients are loath to discuss the work we do for them, because they don't want their competitors to know about it," says Dugan, president of NewGate Internet, which specializes in search engine and grassroots marketing through the Internet.

Then again, it's also possible that Dugan's clients don't want to admit they're paying for chatty postings in Internet forums—the kind that NewGate and similar agencies organize to look like the thousands of casual recommendations swapped daily by forum enthusiasts. After all, it's hard to sneak up on consumers if they see you coming.

Stealth marketing isn't new, but interest in it is growing as marketers divert increasing amounts of money from mass media to less traditional advertising. How mainstream has stealth become? Last summer *California Management Review*, published by UC Berkeley's not exactly radical Haas School of Business, ran a feature called "Stealth Marketing: How to Reach Consumers Surreptitiously." The authors bluntly posited that marketers "should attempt to create 'zap-proof' formulas by relying on more subtle messages that are harder to avoid...to reach an increasingly fragmented audience."

In other words, time to get sneaky. Plenty of companies use wink-and-nod marketing tactics, from the largely overt (TV product placement) to the barely disguised (Burger King's Subservient Chicken website) to the totally hush-hush (a Hennessy Martini promotion). A rash of buzz merchants is eager to secretly kick-start positive word of mouth about your company and its products. But before disappearing underground, consider some words of wisdom from several battle-scarred covert operators.

### Stealthy Living

Know this about a stealth campaign: It's a crapshoot. If a campaign works against your company's reputation or brand image, if vast numbers of customers hate it, or if a truly covert operation gets blown, your brand may take a hit. "Sometimes it's edgy; sometimes it pisses people off," says Jonathan Bond, cochairman of the Kirshenbaum Bond & Partners advertising agency. "There's always more risk for something that's new and unproven."

Sam Ewen also counsels caution. "I advise my clients overwhelmingly not to do covert marketing," says the CEO of Interference Inc., a guerilla marketing firm. "It takes a certain kind of company, a certain kind of product to utilize it in the right way."

So why do it? For the right product, at the right time, stealth marketing just might be the perfect fit. "Stealth allows you to do several things right from the get-go," says Jon Maron, director of marketing communications for LG Mobile Phones. Covert programs "allow you to get to where consumers live, to where they play, to where they work in a way that is not invasive and doesn't look necessarily like a sales pitch."

"On a CPM basis, covert will never compete with TV or radio or anything else," says Ewen. "But by having conversations with people, speaking to them as individuals, you can really create a relationship between them and a product that creates a multiplier effect."

Shawn Prez discovered the power of stealth as the national director of promotions for Bad Boy Entertainment and Sean "P. Diddy" Combs. Now founder and CEO of marketing agency Power Moves, Prez plans to use guerilla techniques on talk radio to promote a Discovery Channel special called *Rameses: Mystery in the Valley of the Kings*.

"I have really strong relationships with radio programmers and on-air personalities," he explains. "I'll call them and tell them I need a 10-minute segment." During the initial promotion, there won't be any overt mention of the Discovery Channel special, just targeted talk by show hosts and "street soldiers" (callers lined up by Prez) phoning in to whip up controversy over the biblical story of the exodus from Egypt. Closer to the special's premiere on Dec. 5, the hosts will rehash the topic and listeners will learn about the TV broadcast almost as an afterthought. If everything goes according to plan, the Discovery Channel will get

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plenty of viewers.

These stealth techniques are quite effective, particularly with teens, according to Prez. "By the time the message gets out, they don't even know they've been hit; they don't know that they've been marketed to. All they know is that their interest has been piqued," he says.

Piquing the interest of adult consumers was certainly a goal of Schieffelin & Company when it hired Kirshenbaum Bond & Partners in the early 1990s to secretly promote a Hennessy cognac brand. "When we launched the Hennessy Martini, nobody ordered it and nobody knew how to make it," says Bond. His agency hired 150 actors to go to targeted, trendsetting clubs and restaurants that didn't serve the brand at that time. The covert operation ran in eight markets nationally, with 15–20 people in each market. The stealth reps were encouraged to hang out, order the drink loudly, buy the drink for strangers and otherwise build buzz.

No one from Hennessy distributor Schieffelin wanted to be quoted directly for this story, but the company did confirm that the promotion worked. Over the five-year program, bartenders learned to make the drink, consumers learned to order it, and sales increased by 40 percent, Bond says. The promotion, he adds, produced "new sources of distribution and made the brand younger and hipper."

Sony Ericsson might be the most famous recent practitioner of stealth, thanks to an aggressive guerilla campaign it used to help launch a new cell phone with an attachable camera, the T68i, in 2002. New York agency Fathom Communications hired actors to demonstrate the phone by pretending to be tourists in seven U.S. cities. *The Wall Street Journal's* exclusive on the stunt blew the actors' cover, and landed Sony and its phone on *60 Minutes* and in newspapers and magazines across the country. You might think having Morley Safer knocking on your door would have made Sony skittish about stealth. You'd be wrong.

Dee Dutta, Sony Ericsson's corporate vice president of global marketing, has no regrets about going undercover with the Fake Tourist program. "For the kind of money we spend, these campaigns are very effective," he says. The company has also seeded products among celebrities and was one of the first to use product placement in a video game.

DaimlerChrysler has also been active in low-key stealth programs. When a redesigned Dodge Durango SUV was introduced last year, the company tricked up five new models for the personal use of five sports celebrities. At the end of the three-month campaign, the vehicles were auctioned off for charity. The vehicle placement was handled by a third party.

"We do a fair amount of things like that," says George Murphy, DaimlerChrysler's senior vice president of global brand marketing. "There's no direct association, no overt marketing. It's just being seen in a cool vehicle."

### **Guerilla in the Mist**

Sony Ericsson's Dutta believes the most important element of a covert marketing campaign—the "absolutely fundamental" requirement for a successful program—is creativity. "We live and die on innovation. We want to do things that are not just cool, but different," he says.

This means that companies hoping to capitalize on PR-fueled media attention shouldn't run a me-too campaign, according to Bond. "Do something that hasn't been done, because those are the ones that get the press and get the buzz," he says. "Otherwise, it's a waste of money."

Not everyone agrees. "I'd rather look at what people are doing and tweak it than reinvent new things all the time," says Ewen, who has run stealth campaigns for a variety of clients, including Freedom Tobacco. "There's no reason you can't learn from other people's mistakes and successes."

Gauging the success of a covert initiative, unfortunately, can be quite a challenge. Before a stealth campaign launches, "there's really no way to know if it's going to work or not," says Maron. Adds Bond, "Most guerilla programs are very hard to measure. It's a leap of faith."

Although DaimlerChrysler's Murphy agrees that it's difficult to track the ROI on a campaign such as product seeding, he believes that for most stealth initiatives, "nine times out of 10 you can get your hands on a measurement." For example, marketers can use toll-free numbers, promotion codes or custom URLs as part of a covert campaign, and track response rates to those venues. To see the effects of a campaign in a specific market, marketers can compare regional sales of the product or service being promoted. Give a celeb a new car, and you can track the number of times it shows up on TV.

Even with these metrics in place, however, most experts agree that a stealth initiative—more than a traditional campaign—requires marketers to go with their gut. Because guerilla marketing doesn't always fit into a neat, easily quantifiable model, marketers "should trust their own instincts and the instincts of the people who work inside the organization, says Brian Bolain, the Scion national sales promotion manager for Toyota. There is no magic formula. I believe this fervently."

### **Would Your Mother Approve?**

It's unclear whether consumers are offended by stealth marketing. But it's apparent that some

consumer advocates believe the folks who produce covert campaigns are little more than, well, lying creeps. Naturally, the professionals in question beg to differ. "I don't accept the accusations that we are lying to people," says Ewen. "We're not presenting things in a false manner. All we're doing is presenting them in a way that gets someone to pay attention."

Many pros agree with this logic—within reason. A teaser campaign that omits the promoter's brand initially may not keep many marketing executives awake at night. But some draw the line at top-secret marketing tactics, like the ones used in the Hennessy Martini campaign. "That's a really risky path to follow," says Bolain, who believes such tactics are a bad idea, even for the jaded youth market that many marketers believe is especially well-suited to covert campaigns. "The younger audience, as much as they say they don't want to be marketed to, they don't want to be fooled."

Bolain views stealth marketing not as a covert campaign, but as "an approach where consumers are allowed to pick and choose what information they find relevant to them." Long before Toyota launched the youth-targeted Scion—first in California in 2003 and then across the rest of the United States earlier this year—Bolain and his team were convinced that the new vehicle wouldn't gain traction without the use of guerilla tactics. So Toyota kicked off a series of dance parties, forehead ads and a docudrama to generate some Scion buzz. The Scion team also placed cars where their audiences congregate, including shopping malls, to facilitate spontaneous test drives.

As important as the tactics themselves was the fact that they were integrated into a broader campaign along with more traditional advertising. "We always said Scion would be layered, not just mass media, not just guerilla, but a combination of the two," he says. Toyota's brand of stealth seems to be working: The automaker expects to surpass its 2004 sales targets for the Scion by 20 percent to 25 percent.

Others agree that stealth marketing is most effective when it's used to support, not replace, multifaceted marketing campaigns. Fathom Communications hasn't been involved in any covert campaigns since it oversaw Sony Ericsson's camera phone launch. Not because it disapproves of the approach, but because it hasn't been appropriate for the agency's other clients.

"Stealth marketing is not the wave of the future," insists Peter Groome, Fathom's president. "Staying ahead of trends, finding ways to intersect with people without invading privacy or generally turning people off—that is the future. And also the past and present."

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