

How functional widgets are shaking up the web

Those little boxes on your screen are revolutionizing net content consumption

By BETH SNYDER BULIK
bbulik@adage.com

CALL THEM WIDGETS, gadgets, modules or even blog bling. But no matter how you classify the tiny chunks of code showing up as embedded portable boxes across the web and on desktops, they're set to change the way content is delivered and consumed.

Widgets and gadgets have been around in various forms for years—YouTube video boxes on web pages are likely the most popular to date—but it's the Web 2.0 versions with self-contained interactive and robust functionality that are pushing widgets beyond simple information, decorative or novelty use. Top tech-industry pundits, such as Engadget's Peter Rojas and GigaOm's Om Malik believe widgets and gadgets are the next big thing on the web, and Newsweek went so far to assert that 2007 will be the year of the widget.

Yahoo, another longtime widget distributor through its 2005 purchase of widget pioneer Konfabulator, will unveil the next version of its Yahoo Widgets 4.0 on March 22. Google added Google Gadgets to its Desktop last year, and said this month that more than 4,000 gadgets have been created to date.

"Widgets can now offer full-featured functionality in the body of the widget," said Lawrence Coburn, a widget consultant and author of widget-review blog "Sexy Widget" (his



Widgets we like

1. The **VW Rabbit Widget** is your guide to cool and affordable events in dozens of U.S. cities. (vw.com/rabbit/index.html)
2. Display popular web cartoonist Hugh McLeod's latest sketched witticism with the **Gaping Void** widget. (gapingvoid.com/widget)
3. **Sing that iTunes** displays the lyrics to tracks in your iTunes as they play. (apple.com/downloads/dashboard/music/singthatitune.html)

day job is CEO of RateItAll.com). "Through these satellite widgets, we will start to see distributed companies that don't exist as a destination."

He offered the example of recent Yahoo acquisition MyBlogLog, which launched as a distributed social widget, not a website. It began as a chunk of code that bloggers could put on their sites to show photos and profiles of recent visitors and foster networking.

Another expected development: contextually aware widgets, which, like AdSense ads, can post content or make suggestions based on user behavior online. Two widgets, Criteo and iLike, already offer contextual widgets for retail and music suggestions, respectively. There is also the potential to put ads inside widgets and showcase certain advertising as the widget. Marketers including VW, Nike, Target and UPS have created branded widgets, with others such as Woot and ChipIn creating transactional ones. The NBA

recently got in the game with an aggressive widget-marketing strategy, unleashing widgets for each of its roughly 350 players.

"There's a lot of promise, but we're still in the early stages of marketers using them," said David Berkowitz, director of emerging media at search-focused agency 360i. His research recently found just 8% of the top network- and cable-TV programmers use emerging media such as widgets in their media-marketing efforts. Already widget aggregators such as Widgetbox and Clearspring have seen jumps in number of users and picked up substantial private-investment dollars.

Of course, all the activity and popularity is not to say widgets are a done phenomenon. Still, Mr. Berkowitz said, "these days things move so quickly from early adopter to 'me too,' so there is a limited window where you can get in there and make an impact."

Steve Rubel

MICRO
PERSUADER

SXSW crowd all a-Twitter

Twitter (twitter.com), a "micro blogging" platform/mobile social network, last week rocked the web with an avalanche of buzz, peaking at the South by Southwest (SXSW) Conference in Austin, Texas. The year-old site, co-founded by Blogger.com vets Evan Williams and Biz Stone, is a giant real-time stream of 160-character haikus. They can be uploaded by SMS, instant messenger, the web or dedicated desktop applications such as Twitterific.

The site's raison d'être is for people to tell their friends and followers what they're up to. Followers receive updates via SMS or IM, while friends can find out through the Twitter website or RSS.

Simple enough. However, as several popular bloggers such as Robert Scoble, Jason Calacanis and Chris Pirillo invaded the site in force, Twitter began to evolve into a tiny blogging platform covering every subject under the sun. While much of the chatter is banal ("My cat had a hairball today"), some is downright compelling. Scoble played Howard Cosell by providing blow-by-blow coverage of SXSW. The updates streamed to thousands of early-adopting tech influencers via their mobile phones and IM clients. It's every marketer's dream.

While some considered pulling back from their blogs in favor of piping more content into Twitter, others (including this writer) balked when people began to cry uncle because their phones became bloated with SMS alerts. Marketers who dabble with Twitter will need to do so carefully, with a full understanding of the nuances of the community.

With better personalization and search tools, Twitter will no doubt continue its meteoric rise. It seems to have struck a nerve with fans. And although it's not for everyone, for many it is just the kind of media "snack food" our attention-starved world craves.

What's still unknown, however, is just how many of these social networks people will be willing to shoehorn into their already-saturated lives. While technology knows no limits, people's brains can hit a wall. If Twitter continues to catch on, the time spent on the site will have to come from somewhere, most likely other social networks. Stay tuned.

STEVE RUBEL ...

is a marketing strategist and blogger. He is senior VP in Edelman's Me2Revolution practice.



PHOTO BY JC BOURCART

AdAge Digital

Your source for news and analysis on emerging and converging digital media. This is need-to-know information on mobile marketing, social media, interactive TV and gaming. Sign up at AdAge.com/digital.

More on AdAge.com

- Travelocity CMO Jeffrey Glueck on why a strong brand is a marketer's best search tool
- The key to mobile-ad acceptance? Bribery. So says the latest Harris Interactive study

Media Morph: Consumer-created games



WHAT IT IS: The next wave of user-generated content? Perhaps.

Create-your-own-game services are just another choice in the roster of media consumers can create and share on the internet, along with video, photos and music. And in the past year, a number of services and sites that let users make their own video games have cropped up—and some don't require users to know an ounce of

code. One is Games Factory 2, which recently made the pages of Wired as a must-have item. The software comes with all the heroes, monsters and objects needed for games, plus sound and music, and users can simply click and drag those into a field and add actions they should perform. Last August, Microsoft launched similar technology to let users create games for Windows and Xbox. While

this is a simplified version of what professional game developers use, it is not for the faint of heart. Soon, gamers are expected to be able to sell their creations through the Xbox Live Arcade.

THE COST: Microsoft's XNA Game Studio is free to create games for Windows but requires a \$99 annual subscription to its "Creators Club Online" to make games for Xbox 360. Games

Factory 2 will set you back about \$60.

HOW TO GET THEM: With Microsoft's version, users download a free computer program with a simplified version of the tools professional video-game creators use. Games Factory is a boxed software set.

THE MARKETING ANGLE: Marketers are already big into gaming—think about Burger King's

success selling its own branded video games, starring the King, at restaurants. And marketers have also embraced letting consumers create their own video commercials, using a company's visual assets. Could these phenomena merge? Absolutely. It would be natural for companies to let consumers play around with those assets to create games.

—ABBEY KLAASSEN

Tier tale: How marketers classify cities in China

Population and spending power of different areas at heart of categorization

By **NORMANDY MADDEN**
 nmadden@adage.com

[SHANGHAI, CHINA] Unilever's Lipton Milk Tea, a single-serving bag of instant tea and milk powder, quickly dominated the category across scores of Chinese regional capitals known as second-tier cities. It offers affordable, prepackaged simplicity, and its foreign origin lets thrifty consumers feel worldly.

Two-year-old Lipton Milk Tea is a rare success story in China for marketers trying to move beyond the three first-tier cities—Beijing, Shanghai and Guangzhou—that are home to China's most well-heeled consumers.

"Unilever has done a great job with Lipton, but a lot of marketers haven't been looking enough at second- and third-tier cities. They've been an underserved market by multinationals, but it's difficult to get the right management talent to go into and even live in those markets and come up with the right strategies," said Shaun Rein, managing director of China Market Research Group in Shanghai.

When marketers enter China, they typically evaluate the country's cities, giving each locale a tier designation—most advertisers use a four- or five-tier system, although one marketer actually has 10 classification levels. A city is relegated to a tier based on the size, sophistication, purchasing habits, attitudes and disposable in-



IRONY ALERT! Old meets new in small-town China

come of its population.

Tier one is reserved for Beijing, Shanghai, Guangzhou and sometimes Shenzhen, a small, prosperous town just across the border from Hong Kong. Tier two has about 30 cities, mostly provincial capitals that have more than 5 million people.

Tier three encompasses about 150 county capitals, each of which has more than 1 million people. Tier four covers thousands of towns ranging in size from 100,000 to one million people, and tier five includes China's smallest towns and villages, the refuges of farmers and very few brands. Annual salaries from tier-two to tier-four cities average \$2,000 to \$4,000.

Moving down the tiers, said Tom Doctoroff, JWT's CEO China, Shanghai, "pennies are more pinched, so pricing becomes paramount and you have to adjust the brand portfolio" to include more value products and fewer premium items.

Even within this general framework, marketers segment China differently. Anta, one of China's leading sportswear brands, segments the

country into 10 tiers based on the price of real estate for its retail outlets in each town. So Dalian, a posh seaside resort, ranks as a first-tier city, said Samuel Xu, Anta's Fujian-based marketing director. Most marketers would consider Dalian tier two or lower.

Tier definitions vary depending on a company's products and goals.

"It's always a function of their reach or coverage as well as their priorities, so everyone has a different understanding of the local tiers," said Matt Brosenne, international-business director at CSM Media Research, Beijing. "It gets pretty messy, but it's cool because there are great rewards in lower-tier cities."

Lenovo, for instance, is wrapping up a yearlong roadshow that visited 1,000 fourth- and fifth-tier cities. Those areas accounted for much of the company's double-digit growth in China during the past year, despite ongoing price wars with local rivals.

Consumers in cities such as Hangzhou, Shenzhen and Dongguan often have greater spending power than Shanghaiese or Beijingers because of their lower cost of living. While that trend lets luxury marketers like Louis Vuitton open profitable shops in a dozen second-tier cities, smaller cities remain an enormous challenge for mass-market brands. Local competitors are fierce, better at distribution and charge less.

London

BY **EMMA HALL**

Broadcasters on eggshells

THE NEWS that gambling ads are to be allowed on U.K. TV comes just as the TV phone-in has been at the center of a huge scandal.

As marketers divert their budgets from TV advertising, U.K. broadcasters are turning to premium-rate phone lines to raise cash. The trouble started when it was revealed that callers vying to take part in a competition on daytime TV were encouraged to keep calling, even when the participant had already been chosen.

Since then, a whole raft of dodgy practices has come to light. Callers were invited to phone in at premium rates to a "live" show that was in fact recorded (a fact revealed by the time on the presenter's watch); the names of fictional winners were flashed on screen; and various unspecified "technical glitches" are also under fire.

It seems that program ideas are dreamed up purely to exploit the use of these premium-rate phone numbers. As well as the quizzes, there are shows such as "Pop Idol," "Dancing on Ice," "Strictly Come Dancing," "Big Brother," "Fame Academy" and "Celebrity Love Island" that actively encourage viewers to dial in multiple votes, as presenters dramatize the closeness of the competition.

Phone entries for TV quizzes are down 40%-50% since the scandal broke. Reputations are vital—since the trust of consumers is an important tool for broadcasters, a lot of effort must go into cleaning up the process and regaining public confidence.

Meanwhile, Lady Luck has smiled upon those same broadcasters, who can now look forward to increased revenue from gambling when ads for casinos and gambling sites are allowed on TV starting in September.

We are more used to seeing advertising freedoms eroded as the marketing industry takes the blame for obesity, alcohol and smoking. So it feels strange that a pastime as controversial as gambling is given the all-clear.

Obviously, there are rules: Ads cannot promote gambling as a solution to financial problems. Nor can they "portray, condone or encourage" behavior that could lead to "financial, emotional or social harm."

It is said that in every bet there is a fool and a thief. Both the gambling industry and the broadcasters must do everything they can to avoid earning the label of thief, and to make sure they don't treat their punters like fools.



EMMA HALL ...

is Advertising Age's reporter in London and wouldn't dream of gambling away her hard-earned cash

AdAgeChina

Advertising, Marketing and Brands in China

Your source for news and analysis about marketing in China. This is need-to-know information on branding, advertising, marketing and media in China's fast-growing consumer marketplace. Subscribe at AdAgeChina.com.

More on AdAgeChina.com

■ Diamond Trading Co.'s Christine Cheung persuades China's brides to drop traditional family jewelry and demand diamond rings

■ Chinese travel soars as almost 4 million travel by plane during the weeklong Chinese New Year

Global Highlight: Adidas



[LONDON] Adidas launches an ambitious, yearlong, global multimedia campaign this month in which 21 athletes reveal defining moments in their lives.

They expressed their stories through artwork, and the results are being used to create commercials, posters, books, documentaries, exhibitions and clothing designs. The campaign by 180, Amsterdam, Netherlands, uses



Adidas' "Impossible is nothing" tagline and includes 21 spots; 15 two-minute documentaries; a full-length film; and print, outdoor and digital work. The artwork will be displayed in a traveling

exhibition scheduled to coincide with sporting events around the world. Eric Liedtke, senior VP-global brand marketing for Adidas, said in a statement: "We get a glimpse of the

athletes not at the finish line, but rather at a pivotal point in their journey."

Soccer star David Beckham, for instance, talks about playing for England in the 1998 World Cup. He was ejected from a match against archrival Argentina, which England went on to lose. Beckham was blamed for the team's exit from the tournament. Years later, he scored a spectacular goal for England and again became a national

hero. As he tells the story, his self-portrait comes to life, and animation illustrates the story of his disgrace and redemption.

Dean Maryon and Sean Thompson, 180's creative directors, directed the commercials themselves. "By giving the athletes the chance to visualize their stories, we got a real sense of what they went through and what sport is all about," Mr. Thompson said.

—EMMA HALL