

## GLOBAL AGENCY NETWORK OF THE YEAR

# DECADE-OLD TRIBAL TRANSCENDS DIGITAL

**DRIVING BRAND STRATEGY:** Revenue grows 40% as marketers from Pepsi to Nokia turn to the agency for more than just its standout interactive work

By MEGAN MCILROY

FOR YEARS NOW, the heads of the world's biggest agencies have been casting desperately for a new model for the digital age. What they've missed is the one that's been sitting right in full view. For no less than a decade, Tribal DDB has been steadily growing a worldwide footprint to serve up big ideas for big marketers. It's an agency that, while expert in most things digital, is no less creative and collaborative and brand-savvy for that technical know-how. Oh, and it's growing like crazy.

Having launched 10 years ago, as with many of the digital agencies, as something of a skunk project – a place for DDB Worldwide to house its digital assets and a few small bits of business – Tribal today has become a legitimate rival to the global networks, recognized by its clients as a brand partner with the new-media savvy many marketers crave.

"I think of [Tribal] as a full-service agency," says John Vail, director-interactive marketing for Pepsi-Cola North America. "They have executed for us when needed, they've done multimedia work, they've shot video. Their ability to work with all our agency partners, from our sports agencies to our mainland agencies, is a win for us. They've definitely pushed us. We tested early on with widgets, rich media and consumer-generated opportunities probably before they were in vogue."

Of course, to some extent Tribal's success reflects the changes that have taken place in the media landscape, but some credit also goes to Matt Freeman, worldwide CEO of Tribal and the man who was charged with creating the shop by the now-deceased and much-missed Ken Kaess, former CEO of DDB. Not that Mr. Freeman, a likable and refreshingly ego-less executive, takes the credit, preferring to point to all the talented people in the agency's swelling ranks.

What he will say, however, is that the agency's founders saw the international opportunity right from the start. "We built a global network long before clients were asking for global work – we were working with the worldwide web, so it just made sense," Mr. Freeman says.

Tribal's network includes 44 full-service offices, often in space shared with DDB or other Omnicom Group companies, in 25 countries with a staff of more than 1,200 people. In 2007, Tribal opened nine new offices, in Oslo, Norway; Athens, Greece; Bei-



**TRIBAL TEAM:** (Standing from l.) Paul Gunning, Liz Ross and Stephan Beringer. (Seated) Matt Freeman.

Photo Credit: Darryl Estrine

jing, Tokyo, Singapore, Barcelona and Madrid, Spain; Seoul, South Korea; and Paris. The network is growing fast, but Tribal's top execs take great care to keep it working as a "collective brain."

No matter where they're from, Tribal people clearly see each other as friends as well as colleagues. Over breakfast with top Tribal execs – Mr. Freeman; Stephan Beringer, president of Tribal DDB Europe, Middle East and Africa; Liz Ross, president of Tribal DDB West, U.S.; and Paul Gunning, president of Tribal DDB East, U.S. – it's clear they keep

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in close contact with each other, and they say they encourage their employees to do the same. Mr. Freeman holds twice-yearly global executive meetings and has established Centers for Excellence around the world to share best practices and work.

The collective brain seems to be working. In 2007, Tribal DDB grew revenue 40% to \$200 million, with 55% coming from outside the U.S., according to Advertising Age estimates. That includes \$25 million to \$30 million in revenue from new business, including work for Lowe's, Nokia, Kraft and Wrigley in the U.S.; Pepsi and Deutsche Telekom in Europe; and McDonald's and Philips in Asia.

In part, of course, those marketers come seeking standout digital work such as Tribal's much-awarded "Shave Everywhere" campaign for the Philips Norelco Bodygroom. But clients also say Tribal differentiates itself from the digital pack by thinking bigger.

"There are web agencies that are really great on the web but not necessarily from a branding point of view," says Susan Smith Ellis, CEO of Tribal DDB client Red and a former Omnicom executive. "Tribal does both. They understand code and how to make the pictures and the messages really pop, and they also have ideas that translate beyond the web. They have a great understanding of the DNA of a brand, and they can look across the landscape. They really aren't about the medium; they are about the idea."

Indeed, while digital is its core business, some of Tribal DDB's most noted work is outside the realm of a traditional digital agency. "We've been highly successful in telling people they don't need a website," Mr. Gunning says. In fact, the network has won more than just cyber Lions at Cannes, also picking up awards for direct marketing, sales promotion and media. People still talk about Monopoly Live, in which the agency turned London into a virtual game board using taxis, GPS and hot spots in the summer of 2005.

Tribal is increasingly being tapped to handle general-marketing assignments. In Germany, for example, telco giant Deutsche Telekom handed Tribal DDB, Hamburg, its entire account, including creative, media, direct and digital.

Tribal promoted Deutsche Telekom's T-Home brand with a 60-second commercial,

part of a campaign themed "Be at home everywhere." The spot, featuring a man seamlessly transported from Rio de Janeiro, Brazil, to Los Angeles to Munich, Germany, set to the Rolling Stones song "Paint It Black," was paired with ambient media to anchor T-Home in the minds of German consumers. Tribal's first full-service account was a hit – more than 950,000 new DSL customers signed up in the first half of 2007; brand awareness rose from 3% to 12% in one month; and "Paint It Black" became one of the top two downloaded songs on iTunes.

Tribal is also driving brand strategy for clients such as Nokia. Shortly after naming Tribal the company's digital agency of record for the mobile-phone division in North America, Nokia challenged all its agency partners to develop a central idea for its 2008 ad platform. Tribal's idea was chosen over those of all the other agency partners.

"The idea that they brought back was really impressive," says Nicki Purcell, senior digital marketing manager for Nokia. "They hadn't been on the business very long at all, and they were able to come in and really just outshine [other agency partners]. It was much broader than just the digital space. It was something that captured what Nokia was trying to do across platforms."

Tribal made high-profile moves in 2007 in Asia, such as snagging OgilvyOne's regional creative director, Dirk Eschenbacher, to become Tribal DDB's first regional executive creative director, and naming DDB's VP-business development for Asia, Amanda King, as president-managing partner for Asia. Based in Beijing, Mr. Eschenbacher can oversee clients such as McDonald's, which awarded Tribal DDB its digital account for China in 2007.

Phyllis Cheung, McDonald's chief marketing officer-China, says Tribal won the business because the agency "demonstrated unique strength in translating our business strategy into a consumer-relevant interactive communication concept."

An ambitious online program called "I'm lovin' China win!" showcases McDonald's sponsorship of the 2008 Olympics in Beijing. McDonald's set up booths in its biggest restaurants where customers can record cheers of support for China's Olympians. The cheers, which also can be created on home computers, are uploaded to a McDon-

ald's site where visitors can vote on them. The winners will go on a countrywide tour as part of the McDonald's cheering squad.

Tribal executives say they still have work to do. In Latin America, where Brazil, Mexico and Argentina account for about 70% of the market, Tribal DDB is only in Colombia. The agency's options are limited in the region's biggest market, Brazil, because the Tribal name isn't available there, though the local DDB Brazil office does superb digital work.

Tribal also needs to dive deeper into product development. Mr. Freeman says that's how agencies need to evolve to become better partners for marketers. "We can no longer think of ourselves as being in the business of ad making," he says. "We have to be in the business of making ideas for our clients."

One move the agency made in 2007 into the product-development space was for Philips' new high-end flat-screen Ambilight TV. Tribal DDB's New York and Amsterdam, Netherlands, offices initiated a partnership with Microsoft to create an Ambilight player, which shows how a picture on the TV looks. According to Tribal, 70% of those who used the Ambilight player became interested in it, and 42% said they planned to buy Ambilight TVs. The whole campaign generated 652 million impressions.

To facilitate the move into product development, Tribal is encouraging its staffers to innovate every day. The agency recently formalized a program that gives employees time off the grid to explore emerging technologies they're interested in -- similar to the way Google lets its engineers use 20% of their time to brainstorm and generate new ideas. "There is a collective hunger [among our employees] to solve problems," Ms. Ross says. "It's unmatched anywhere in the industry."

Letting staffers explore is one of many ways Tribal aims to retain employees in a space where the talent crunch is a pressing issue. Another is encouraging people to move around to different offices in the network -- say from San Francisco to Paris to Shanghai. "To say to a young person, 'You can work in New York if you want, or you can work in Sydney,' that's a [big] deal," Mr. Freeman says. "It's forming connective tissues with people in our networks. If you just have dots on a map, it's useless. If you have a living network with people in it, it makes quite a difference."