

 [Click to Print](#)

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

PLUGGED IN

GSD&M uses technology to design a better ad campaign

By [Lilly Rockwell](#)

AMERICAN-STATESMAN STAFF

Monday, April 21, 2008

Imagine you want to test-drive a new advertising strategy to see whether it would work.

But you don't want to spend the money on focus groups just yet.

In fact, you don't even want to leave the office.

No problem. Austin advertising agency GSD&M Idea City has been using virtual simulation to experiment with strategies and themes before spending the big bucks to fully develop a campaign.

Using technology from Icosystem, GSD&M has been using what it calls a "virtual marketplace" to help figure out which messages, and which media, will deliver the best results for clients.

"In the same way you can create 'SimCity,' you can create a virtual marketplace," said Maury Giles, the head of GSD&M's accountability and analytics department.

"Instead of spending \$30 million on a campaign you're not sure is going to work, you can try it and run it ... It's like a simulation of what would happen if we spend this amount of money on this message with this group of people."

Giles said Icosystem's software allows GSD&M to simulate a population of thousands of consumers.

"What you do with these (consumers) is, you give them rules," Giles said. "You say, 'This many of you like this product, and you have this many friends in your network, and you live in this type of city.'"

Other parameters can be set, such as whether the economy is in a downturn, what a competitor is doing or what the desired outcome is, such as higher traffic or more sales.

Then sit back, and let the consumers interact.

"What you haven't defined, and let it define for itself, is what behavior emerges," Giles said.

The technology's most useful application is helping agencies make better decisions on where to spend clients' money on media buying.

For instance, the simulation could show that a Web campaign will bring better results than a television or radio campaign. It's especially useful in figuring out the impact of word-of-mouth marketing, which is much more difficult to track.

Giles cautions that the system isn't a " 'black box' that removes the need for all human thought." GSD&M uses it as a supplemental tool to help study consumer behavior.

GSD&M also has established a virtual island in the popular online world "Second Life." And it has created IdeaBots — programmed avatars that roam virtual worlds asking other players if they want to participate in surveys on GSD&M's clients.

Those are used to compile information not just on behavior in virtual worlds, but in the real world too, by asking questions about real-world preferences.

Rene Huey-Lipton, vice president of marketplace planning for GSD&M, says the agency has studied how accurate Icosystem's predictions are.

"It is within 95 percent of what actually happened," Huey-Lipton said. "It allows for a certain amount of confidence."

The process isn't done overnight. It takes anywhere from four to six months to set up a new simulation.

GSD&M compiles data first on whatever company or product it is analyzing, using traditional methods such as regression analysis, where it looks at past performance of the market and consumers.

But it also throws in a bit of a human element — what Giles calls "gut" — which could be what a client has learned from working at that company for so many years.

Still, Giles said he struggles to persuade clients that the technology can help them.

"This is new to marketing and new to advertising," Giles said. GSD&M is one of the first advertising agencies to aggressively use this technology.

"It's a difficult sell for clients or partners. Once we get down to the actual tool, it's mind-boggling. It turns the work into a lot of fun because all of this information is being played out in one space."

Staff writer Lilly Rockwell covers the advertising industry for the American-Statesman.

lrockwell@statesman.com; 445-3819

Vote for this story!



Find this article at:

<http://www.statesman.com/business/content/business/stories/technology/04/21/0421plugged.html>

Click to Print

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.