

Digital trumps music

Natalie Apostolou

DIGITAL music downloads have caused a double digit decline in Australian CD sales for 2008, according to the latest figures from the Australian Recording Industry Association (ARIA).

ARIA says the slump has been offset by the growth in volumes of digital track sales during 2008 which rose 43% garnering \$27 million in revenue and digital album sales which grew by 99.5% in revenue to \$13.5 million. Sales across all digital formats including ringtones, ringback digital music video, streams and subscriptions reached a combined volume of more than 128.5 million units, up more than 171% and reaping \$54.1 million in revenue, up 35.6%.

ARIA chairman Ed St John said he was encouraged to see this growth and the enormous potential that digital music represents. "Digital

albums represent a significant opportunity for the industry. There's no question that there are some real changes occurring in music consumer behavior, indeed the industry anticipated the trend and made preparations for it," he said. He added that Australian music industry of 2009 is leaner, smarter and more diversified and has finally embraced online marketing and digital distribution.

In line with global trends, the first half of the year was 2008 was defined by the ongoing growth of single track downloads, but by year end sales for full album downloads eclipsed singles over the entire 12 month period, where they more than tripled compared to 2007 figures. Digital track sales rose from 17 million units the year prior to nearly 24 million units in 2008, compared with physical singles, which sold 1.3

million units in the same time.

"I think the essential message here is that music is a very resilient product in times of economic instability. Not only are we seeing strong and consistent growth in digital music, we've also seen a strong surge in spending on music – both physical and digital – over the last quarter of 2008 and the first weeks of 2009," St John said.

Meanwhile, Australia's digital community has turned out in force for this year's South by South West (SXSW) music conference being held in Austin, Texas over the next week. A record number of Australians are attending the interactive component of the music, film and tech conference, showcase and exhibition. Twitter based social networking aggregator PeopleBrowsr which is still in Alpha mode has launched a bespoke version of the platform for

SXSW to engage, tweet and monitor what is going on at the conference in real time across the globe. The decision to unveil the platform to the SXSW crowd, its target consumer audience, is expected to be a litmus test for the application before its official consumer and enterprise launch.

Over 30 Australian digital representatives are ensconced in Texas, including PeopleBrowsr founder Joddee Rich and marketing manager Pricilla Scala, QMCodes founder Antony McGregor Day who is delivering a session on the QMCode revolution called Building a Bridge with Barcodes: The QR Code Invasion, the Portable Film Festival's Andrew Apostola, PureProfile's Paul Chan and Silverlight/Microsoft's Shane Morris.

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Configuration	January - December 2008			January - December 2007			Percentage Change		
	Units	Packages	Dollar Value	Units	Packages	Dollar Value	Units	Packages	Dollar Value
CD Singles	1,314,834	1,307,283	3,570,079	2,497,410	2,491,859	6,711,560	-47.35%	-47.54%	-46.81%
Vinyl Albums	28,652	19,608	391,973	17,996	11,745	198,964	59.21%	66.95%	97.01%
Cassette Albums	3,808	2,795	8,239	10,948	9,168	53,975	-65.22%	-69.51%	-84.74%
CD Albums	38,659,217	29,032,844	323,799,935	44,044,935	32,624,777	362,061,106	-12.23%	-11.01%	-10.57%
Music Video/DVD	4,421,436	3,748,894	43,575,856	5,276,120	4,280,607	53,030,124	-16.20%	-12.42%	-17.83%
Other *	10,927	10,166	101,572	19,508	16,292	191,875	-43.99%	-37.60%	-47.06%
Total Physical	44,438,874	34,121,590	371,447,654	51,866,917	39,434,448	422,247,604	-14.32%	-13.47%	-12.03%
Digital Track	23,464,576		26,734,630	17,647,057		18,694,940	32.97%		43.00%
Digital Album	2,853,040		13,502,361	788,316		6,777,979	261.92%		99.21%
Mobile Master Ringtones	4,733,050		8,249,023	5,605,398		9,976,404	-15.56%		-17.31%
Digital Other **	97,481,460		5,704,340	23,226,263		4,515,123	319.70%		26.34%
Total Digital	128,532,126		54,190,354	47,267,034		39,964,446	171.93%		35.60%
Grand Totals	172,971,000		425,638,008	99,133,951		462,212,050	74.48%		-7.91%

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OzGirl explores branded entertainment

Natalie Apostolou

AUSTRALIAN branded entertainment agency InShot has secured a global deal to commercialise emerging interactive online series *OzGirl*.

Launched in November, *Ozgirl*, is the creation of Melbourne based new media auteur Nick Carlton and uses a hybrid social web model for distribution. The series boasts an audience of 10,000 to 20,000 viewers per episode and is syndicated to Bebo and screened on YouTube. Last month *OzGirl* signed a global distribution agreement with online content distributor Koldcast to broadcast the series in the United States via iTunes and TiVo.

The sign-up of InShot will see the drama evolve into an Australian version of Bebo commercial hit *Kate Modern* in terms of brand placement targeting an international youth market.

InShot managing director James Grant Hay is returning from a series of projects in New York to lead the brand integration project for the series. "Brands will have the opportunity to be seen by the thousands of 14-24 year old girls in their target market worldwide," Hay told *Digital Media*.

Hesaid InShot had already received indicative interest from a number of Australian, US and UK fashion accounts that are keen on exploring the opportunities of organic scripted brand integration within the narrative of the next season's series.

"Fashion, cosmetics and career search are just some of the categories we strongly believe hold a fit," he added. Hay said the series is targeted largely at the 14-24 year old female demographic and as such will be looking at opportunities to work with local and international brands such as



Supre, Ed Hardy, H&M, and Dove.

InShot's recent brand integration work in the US includes online supernatural show *Spirits* from Belo Interactive which has been nominated for a Webby Award, winners will be announced in April.

Carlton believes that product and brand integration is the key to monetising online content and ultimately hands the power back to the content creators, not the platform it is distributed on.

"It's not a web page, or player dependent. It is the content," he said.

"Syndicating your show to all platforms then allows you to aggregate your views and charge a higher CPM. When an advertiser wants to reach a maximum audience, syndication is the key to giving them what they want and getting you what you want. If your content is everywhere, your brand is everywhere. You will have a better bargaining chip than the aggregators. That's the position you want to be in. Make full use of the platforms out there, but don't just depend on one, extend your brand everywhere."

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Suits share Gen Y online habits

THE higher paid older executive set are shifting their traditional media consumption tastes to online and mobile according to a new global study from Ericsson and CNN.

The consumer insight report reveals that the international business elite are increasingly accessing the internet while on the move to view TV content. But will linger the longest while watching television in its traditional form with 35% of respondents watching their television set for more than 10 hours a week, compared to the PC at 9% and mobile devices, 5%.

The survey, conducted across CNN's online audience, also reveals that more business leaders than ever

are sharing user-generated video content with 73% of respondents sharing user-generated video content. De-bunking the UGC as the bastion of the young, 66% of those over 45 confess to sharing user-generated video content. While 29% of those surveyed record video clips on their mobile phone. Older business users are also increasing their engagement with social networks with 16% that share UGC doing so with other members of social networks or blogs.

67% of those surveyed state that TV viewing via the PC has increased in the past three to four years and almost a quarter say their TV viewing on mobile devices has increased

over the same period. Flexibility (71%) or the desire to catch up on missed content (51%) were cited as the main reasons for watching TV content on the PC.

"In an Australian ConsumerLab study by Ericsson in December 2008, between 15% and 40% percent of fixed and mobile broadband subscribers viewed TV via their internet connection, demonstrating strong demand for real-time, anywhere anytime access to news & entertainment," Ericsson Australia strategic marketing manager of multimedia, Kursten Leins.

Branded websites lead as the most popular online destinations for accessing TV content online,

with broadcaster websites (60%) emerging as the number one choice for accessing TV content online, followed by video sharing sites such as YouTube (13%).

"TV viewing habits are changing rapidly, with demand for anywhere, anytime viewing becoming commonplace across society, and not just for youth. This trend is also evident in Australia, with Nielsen Online last week announcing an increase in PC video viewing of 2.5 hours/week in 2007 to 4.6 hours/week in 2008, with broadcast TV viewing in slight decline," Leins said.

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Clemenger exec joins MitchellLake

DIGITAL recruitment specialist MitchellLake Consulting has secured the talents of former Clemenger senior executive Jeff Estok who joins in the newly created role of partner – convergent media and advertising.

Estok brings extensive management experience to the firm, having held senior positions with advertising, marketing communications and digital media companies over the

past 20 years. Estok was formerly GM sales and marketing at Global Mall Media and is the former MD of Clemenger Brisbane, Clemenger Australia Board Director and COO of the Issues and Images Group.

MitchellLake managing partner Phaedon Stough said that Estok would help the company provide advisory services to many of the early-stage companies that

MitchellLake has been partnering with over the last several years, particularly in orchestrating successful merger and acquisition activities.

Estok said that amid the ongoing restructuring of the brand communications industry, established players were looking for quality counsel and younger players are looking for connectivity and experience in the sector. "There is no doubt that the

Brand communications landscape has changed. We have moved from 'push' to 'pull' and content is the new currency. The successful communications companies will be those who own the conversations with consumers. This will require bespoke people, structure and M&A solutions, from partners who actually 'get it'."

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Google launches behavioural targeting

James Livesley

GOOGLE is introducing a new form of advertising it has dubbed "interest-based advertising" using information that it mines from internet users' website visits to target them with ads that are likely to be of interest.

Interest-based advertising, often called behavioural targeting, was launched in the US this week in its beta, phase and Google is expecting to launch the ads later in the year in Australia.

While Google admitted other online operators are already using similar methods, it claims the extent of its reach and content network will be a unique opportunity for advertisers.

Google's vice-president of product

management Susan Wojcicki announced the new ad form in a posting on its Public Policy blog, saying:

"To date, we have shown ads based mainly on what your interests are at a specific moment. So if you search for "digital camera" on Google, you'll get ads related to digital cameras. If you are visiting the website of one of our AdSense partners, you would see ads based on the content of the page. There are some situations, however, where a keyword or the content of a web page simply doesn't give us enough information to serve highly relevant ads."

To add to these systems Google will now "associate categories of interest



– say sports, gardening, cars, pets – with your browser, based on the types of sites you visit and the pages you view. We may then use those interest categories to show you more relevant text and display ads."

Google insists it is using measures to ensure transparency and privacy, and to give users a choice about whether they want to be targeted in

this way. Wojcicki said users can click on ads to see how they are served, combined with an "ads preferences manager" which lets users view and delete categories associated with a user's browser. Users can opt out of the Google AdSense network also, with a plug-in for their browsers, she added.

To comment [click here](#).

Viocorp bolsters staff

VIOCORP has made a series of appointments as the online broadcaster pursues international opportunities.

"During a period when many companies are struggling, Viocorp has hired four new staff members to help match resources with demand. Companies are looking for simple and cost effective ways to reach the people that matter most in 2009, their customers," said Viocorp CEO Ian Gardiner.

Former Sagam, Virgin Mobile and

Vodafone executive Sam Skontos has been appointed as head of sales in a newly created role. Skontos will be tasked with driving sales locally and globally for Viocorp's proprietary web-based video content delivery system, Viostream and VioTV, the company's fully branded web video portal. He will also manage relationships across Viocorp's newly created channel partner and reseller business.

"Viocorp is growing, despite uncertain times, and I look forward to

extending the company's performance in Australia and worldwide. The company's software and associated services help customers connect and engage with online audiences," Skontos said.

Viocorp's chief new media evangelist, head of sales and marketing Nick Bolton, will now focus solely on marketing in a bid to increase Viocorp's brand awareness and thought leadership, locally and globally. As the head of marketing, Nick will be

responsible for coordinating marketing, across all events, PR, the Viocorp websites and blog, and SEO activity.

Two new software engineers have been added to the team, Brendon Kellett and Ryan Baker-Smith, who will focus on further developing the Viostream platform. In addition, Jamie Muscat, also joins the company as a new graphic designer to work across the company's Viostream and VioTV products.

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Female network to launch

Olivia Collings

NEW ZEALAND based Flossie Media Group is launching in Australia in July, offering advertisers a new online ad network for reaching female consumers.

Jenene Freer, CEO of The Flossie Media Group, has announced the company's first Australian based team member, Juliet MacKenzie, who joins from Yahoo!7 where she was media business manager.

Freer has 14 years of experience in the online market, having launched NZ girl in 1999, which grew to become New Zealand's largest online magazine for women with over 200,000 monthly unique browsers and 90,000 members. Since the launch of Flossie.com in 2008, it has expanded to include 25 female

centric sites covering areas such as parenting, finance, career, travel, dating, fashion, and beauty.

"There is nothing like Flossie in the market at the moment. Flossie is a marketing network making it easier for women to find quality content," said Freer.

Freer said Flossie gives women access to sites chosen for their quality content. Some of the site are owned or partly owned by the company while others are on contracts to Flossie, giving advertisers a one-stop-shop for their female targeted campaigns.

"We do more than just display advertising. We do integration across the sites which include video, content placement and more," Freer added.

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Keeling's hoax Tweet

SLICE Wireless co-founder Brad Keeling can't quite shake the limelight. Despite being a global digital doyen, Keeling is somewhat of a newbie to Twitter so it was much to his chagrin that he popped up in the pages of the UK's *Telegraph* overnight as a Twitter "thought leader" in regard to the Dave Prager tweet doing the rounds of traditional media chronicling his alleged home invasion, captured live one Twitter stream.

Prager, a well practiced geek and COO of internet television station Revision3, set up a live video stream for Twitter followers to watch his attempts to extricate his unwanted guest from his home.

Detecting the familiar odour of a hoax, Keeling tweeted to his small but elite group of followers "Is Prager's

home invader story fake? The YouTube video seems a bit like bad acting in an 'improv' class. And Prager now has 18k followers."

His views concurred with a small number of other Tweets which somehow managed to form the guts of the UK *Telegraph* story. The story however omitted to clarify who Brad Keeling was, which to a UK audience may tweak some recognition as One. Tel was one of the most successful mobile re-sellers back in the day. The story also failed to reveal whether the incident was a hoax or not.

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Online video: redefining how businesses connect with their customers

Dave Dutch
senior vice president of
products and marketing at
Vignette



ONLINE video has certainly been the topic du jour this year as major media companies respond to consumer demand for anytime, anywhere access to their favorite programs. But web video's real potential is not in watching *Lost* or *The Office* online or even downloading those shows to your cell phone or iPod. It's about giving consumers what they want in the most engaging medium available.

We are still in the early stages of this shift from static text and graphics to a more dynamic, visually compelling medium, but we are approaching a tipping point. Video is no longer an afterthought or an add-on for web-savvy businesses, but the primary content featured on their websites.

Online user expectations have changed dramatically in the past decade and businesses that don't evolve their web strategies to accommodate this change are about to get a painful wake-up call.

The preferred medium

It's well documented that people prefer a visually dynamic medium when it comes to being entertained or getting information. Radio was once the primary source of news, music and other entertainment for a large part of the population, then came TV, followed by VCR's, iPod's, vodcasting, and now HD TV, Foxtel iQ and TiVo. Video is having the same dramatic impact on the web. The Solutions Research Group in the United States predicts that total hours spent with video-based entertainment will average eight hours per day by early 2013 — the equivalent of an entire night's sleep — and a majority of those hours will belong to online video.

Most fascinating about the emergence of the video-centric web is that it is not being driven by news and entertainment providers. The vast majority of businesses riding the video wave are non-media organisations, ranging from small neighborhood retailers and restaurants to powerhouse brands such as Nike and Apple. These businesses all share

an intense desire to deliver a strong brand impression, create an engaging experience and instill customer loyalty. The web is now the primary customer touch point and commerce channel for many organisations, and video is the main goal for driving compelling web experiences that can educate, entertain and keep customers coming back.

The video-centric enterprise

Video's importance transcends the customer experience. It can transform every aspect of an organisation, from sales, marketing and communications to investor relations, employee training and education.

Externally, companies can better engage customers, partners and prospects with product demonstrations, presentations and how-to videos. Apple recently rolled out a 30-minute video — part guide, part advertisement — to accompany its new iPhone.

Beyond the marketing examples, investors will be able to access corporate data in video form, whether it is an annual meeting, a message from the CEO or a video news release. Video archives will likely play a vital role in meeting federal compliance requirements.

Internally, video will become a primary form of communication. Think of a broadcast greeting embedded in a personal email or executive video memos — the latter of which is already being done by early video adopters such as British Telecom. Video libraries will usher in a new phase of knowledge sharing and best practices, as employees access huge repositories of education and training videos.

The most sophisticated online video practitioners will become a de facto corporate broadcast network — constantly issuing their news and information to customers, employees and partners.

Video is poised to permeate the web in a way that goes far beyond YouTube's user-generated clips. The web's design and flexibility make it a

powerful visual medium, with moving images, Flash and animation fast becoming the lingua franca. This presents Australian businesses with a huge opportunity.

All video, all the time

The video-centric web is becoming a vital channel for driving user engagement and loyalty, as well as powerful internal tool benefitting employees. Well-known brands are already defining the web experience of the future. The following are a handful of ways video is impacting corporate web strategies and business models:

- Company news and information.

eb video enables organisations to become their own broadcast networks. For example, rather than being greeted by the customary block of text and images on a company's home page, visitors may find a running video news feed. [British Sky Broadcasting](#) posts its top news stories as video. Organisations can populate the corporate news room with video news releases. To satisfy investors and meet compliance requirements, companies can populate on-demand libraries with shareholder meetings, annual reports and RSS videocasts on a host of topics.

- Product information and how-to.

Video can be a key enabler of product support and advice. Avery, the office supply company, offers a library of [demos](#) that show how to pull off that pesky mail merge, among other office tasks. Another example, [Scott's Miracle-Gro Company](#), has turned its website into a consumer-centric source of advice on lawn care, gardening and related topics. Here, video serves as the primary format for "help" articles.

- Branded entertainment.

Organisations can deliver original video content directly to customers. Nike.com offers sports-specific channels that, in addition to offering video-based training, feature stories about Nike athletes. A good example is the [basketball documentary](#) on Team USA's road to Beijing.

- Best practices and knowledge

management. If commercials and entertainment can be viral, so can internal company knowledge. A manufacturing company with plants all over the world could enable far-flung employees to record and share best practices. Along those same lines, investment in education and training can be expanded exponentially by giving distributed offices and facilities access to video-based programs, seminars and workshops. IT consulting firm Bluewolf provides an example of how businesses might accomplish this—the firm shares its case studies and testimonials with external audiences on [Bluewolf TV](#).

- Community. User-generated content (UGC) can turn customers and fans into a network of content creators who communicate through video. Cult footwear favorite [Crocs](#), for instance, has set up a site that invites lovers and haters of the brand to upload videos about how they feel about the product. And look for more companies to build communities with video as the primary form of content.

UGC offers organisations a significant source of original content and can foster a natural community that keeps a pulse of the brand. This is where two of today's most powerful trends — online video and the social web — combine to form a new capability for business: the power to create and sustain new communities, glued together by our most compelling mass medium.

Turning on the spigot

So why should businesses in Australia embrace the video-centric web? You never know where the best ideas or content will come from. Successful companies will be the ones that engage online communities with video that is compelling and continuous.

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