

Red Herring

by Sonia Reyes, July 2008 issue



A campaign for Scarlet leads viewers astray

Hire a high-profile Hollywood film director for your TV creative. Cast a Catherine Zeta-Jones look-alike starlet as a spy-superhero-action-star leading lady. Then bombard the Internet and TV with all manner of viral marketing ploys to stir up anticipation for a new TV series called *Scarlet*. Invite 500 celebrities to screen the series at a red carpet event in Hollywood on April 28. And what do you get? What you get is a tsunami of headlines from a lot of folks disappointed over being misled. Why?

Because the top-secret imposter "TV series" turned out to be LG Electronics' way of rolling out the red carpet for Scarlet - its new line of super-thin LCD televisions, so-called for its deep-red back panel. Headlines rained down on LG on April 29.

"Red-Eyed Killer Diva Turns Out To Be LG Shill," blared Gawker Media's io9 blog. "Scarlet TV Series Hoax by LG Electronics," screeched Audioholics Online. "LG's 'Scarlet' TV ad masquerades as show," an Associated Press story reported. And from the *Wall Street Journal* came a more benign, "New to the TV Lineup: A Flat-Panel Teaser."

The hype that LG Electronics pulled on unsuspecting folks to drum up interest for their new premium line of flat-panel TVs launched in February, and continued as the product itself began shipping in April. And while some felt betrayed, misled or lied to, when it comes to marketing, you can't put a price on the scads of stories the PR ploy generated.

The elaborate three-month campaign touted a new TV series called *Scarlet*. Some say it was more PR ruse than campaign, replete with TV ads hinting at the series that made no mention of the brand or the product. All this as actress Natassia Malthe made the rounds of red-carpet events. She was even photographed by paparazzi at London's BAFTA awards (the British Oscars) promoting her "TV series."

Pre-launch, TV and online ads were blasted on sites like Gawker and E! Online, all driving traffic to scarletseries.TV, where the action-packed exploits of Scarlet, the red-eyed heroine, were featured in trailers. Splashy red teaser billboards were everywhere, building anticipation for the faux TV series.

The \$100 million global effort, unusual and risky amid the ho-hum specs-focused marketing tactics typical of the TV category, was helmed by Agency.com and included PR, online, TV, cinema trailers, print, out-of-home and digital.



The online component of the campaign took up a hefty part of the marketing budget, says Agency.com CEO Chan Suh. "With our budget constrictions, we knew that engaging our consumers online would multiply the media investment. We couldn't outspend ourselves." The pre-reveal lgscarlet.tv featured videos of the TV ads placed on YouTube, Facebook and MySpace. Actress Natassia Malthe's blog, downloads, IM icons, screensavers, wallpapers and MP3 access to the ad's soundtrack all supported the viral effort.

The goal of the campaign was to "change the rules of the game, to win against competition in an increasingly commoditized" television market by giving a "special persona to the brand," according to Kwan-Sup Lee, vice president of marketing for LG Electronics in Seoul, Korea.

This is arguably the first time the Internet has played a pivotal role in the product launch in the television-set category. "It specifically allows users to interact with the promotion on their own terms, for as long or as little as they like, and ultimately learn about the product on the site," Lee says.

The company doesn't have the deep marketing pockets of its top rivals, Sony and Samsung, and tapped Agency.com and partner TBWAChiat, both New York-based, to devise cost-effective ways, using traditional and online media, to boost brand awareness for the No. 3 player in the flat-panel TV category.

Thus was born Scarlet, the brand's persona: An LCD TV that Lee describes as "dazzling, exciting, intelligent and extraordinary," and intended to emotionally engage target consumers who seek out premium brands that reflect their lifestyles with functionality and sleekness of design.

But can such a ploy backfire on the brand? Did it succeed in forging the long-term emotional connections that compel consumers to shell out the big bucks at retailers? (SRP is over \$1,500.)

While it's still premature to gauge the campaign's efficacy in terms of sales until first- and second-quarter earnings are reported in the next six months, Lee says a "huge amount of buzz was generated in the lead-up to the Hollywood unveiling" of Scarlet.

And some entertainment industry folks agree, predicting the Scarlet campaign may well be up for industry kudos as one of the most successful marketing hoaxes since Taco Bell "bought" the Liberty Bell in 1996. "It's smart of LG to borrow Hollywood's approach to marketing," says Tim Nett, founder and creative director of Trailer Park in Los Angeles. "It was an elaborate PR stunt that this brave electronics company took to get consumers to notice them." Purple Hearts aside, LG is indeed riding the wave and using the power of entertainment properties, actors and producers to help launch products.

All that's well and good. So why were bloggers ranting? Take "Romero76" on Gawker's io9.com. He thought the whole idea was counterproductive to the bottom line: product sales. "Besides it being a fake 'series' and actually a line of TVs, how was this a good idea to sell these TVs? Nothing about the ads made anyone want to run out and buy this TV because no TV was evident in the commercial."

Blogs had mixed reviews. Yet it shows that people are talking, says Stacy Jones, president of Hollywood Branded. "In today's ad-cluttered environment, to take notice and form an opinion - good or bad - is a gigantic leap forward."

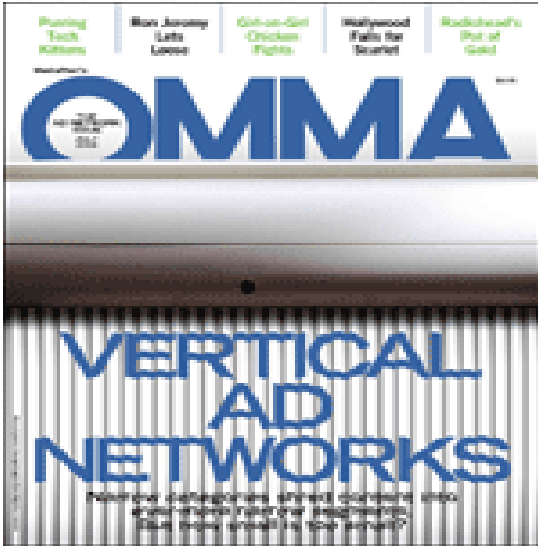
Online metrics are sketchy at this early point in the campaign. Ads will run for another three months - and this time, with specific mention of Scarlet, the television. ComScore said the site wasn't on their radar, either because it's too new or it hasn't reached the minimum reporting threshold of around 100,000 unique visitors per month, but LG claims 1.2 million page views for the pre-reveal site, and 2.8 million views for the post-reveal.

But analysts at market-research firm Envisioneering Group in Seaford, N.Y., interviewed consumers on the East and West coasts after the Hollywood big reveal. "Consumers said they had a greater emotional connection with the brand," says Rick Doherty, co-founder and director. "The effort impressed a sizable number of consumers who see this TV as not just a commodity. It has great emotional appeal." But Doherty adds the downside was that the effort was not as viral as hoped. "Folks were simply not talking up the effort to one another."

However, LG is on to something. Trendwatching.com reports that the "story" is a trend that will excite consumers this year. "LG created a great story with the launch of Scarlet. It definitely resonated with consumers," says Stu Hill, creative director of The Marketing Arm in Dallas. The incredible thing, Hill says, is that LG spent \$100 million on promoting something that had very little to do with their business, a new TV show that didn't exist. "Technically, it makes no sense whatsoever. But in an illogical way, it makes perfect sense."

But will the short-lived "Aha!" moment of the Hollywood reveal pay off in the long run for the brand? Hill says LG's money would have been better spent by seizing on the "green" movement. "Even if they would just have said the word *green*, it might have forged a deeper, more lasting bond with consumers."

And yes, consumers in this pop culture world are increasingly seeking out the entertainment factor - even in a 15-second commercial. But it must ring authentic. "Is it because they saw a sexy ad that folks will be making their purchasing decisions?" asks Arthur Ceria, president of online branding firm Creative Feed. "Authenticity is not a currency you can allow yourself to play with."



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