

New World of Mobile Advertising Spurs Business Unit Creation

Marketing: Digitaria Hoping Big on Mars Will Make Big Impact on Clients

By **BRAD GRAVES**

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Digitaria, a digital marketing and advertising agency based in San Diego's East Village, is developing a business unit that will specialize in software applications for mobile devices.

The new business, with the quirky name Big on Mars, will also investigate marketing using the next generation of connected devices.

The business, which is living under Digitaria's roof for now, will eventually go out on its own. Digitaria executives have been developing the concept for five years, said Doug Hecht, Digitaria's president and chief operating officer.

Hecht and fellow executives recently received the blessing of parent company JWT to launch Big on Mars. JWT — which takes its initials from its old name, J. Walter Thompson — is part of WPP PLC (Nasdaq: WPPGY), the \$18.3 billion advertising holding company based in London. WPP's 2013 revenue was up 6.2 percent over the prior year.

Ad spending on mobile devices in the United States is expected to grow from \$9.6 billion in 2013 to just shy of \$15 billion in 2014, and to \$35.6 billion by 2017, according to eMarketer Inc. The statistics, released in December, apply to all variety of mobile ads, including classified, banner, video, email, lead generation, message-based and search advertising. The figure includes tablet advertising. Mobile advertising is growing at the expense of desktop computer advertising, which is declining, eMarketer reports.

New Messages, New Messengers

These days there are messages to be sent outside of traditional advertising channels.

The top man at Big on Mars, Jim McArthur, points to the FuelBand. The popular wrist-worn exercise tracker from Nike Inc. (NYSE: NKE) is also a tool for selling Nike's core product, shoes.

"If you buy the FuelBand, you're going to wear Reeboks?" McArthur said, his voice rising with skepticism. "Come on."

Or consider Lyft Inc. and Uber Technologies Inc., two fast-growing ride-sharing companies. They depend heavily on their smartphone platforms and unconventional ways of spreading the word.

"They don't do traditional marketing," said Bernhard Schroeder, a director with the Lavin Entrepreneurship Center at San Diego State University and a former ad man who is part of Digitaria's inner circle.

Digitaria is already lining up clients for its new venture.

Ford Motor Co. (NYSE: F) is a Big on Mars client through an agency that WPP calls Team Detroit. Other customers include MD Revolution Inc. and NBC Universal, part of Comcast Corp. (Nasdaq: CMCSA, CMCSK). A camera maker is said to be working with Big on Mars, as is a major tech company, though a spokeswoman for that business declined to comment.

New Talent for a New World

San Diego State is starting to supply Big on Mars with talent, including computer science specialists with application and database experience, Schroeder said. Customers want a single firm with technical skills, he said. “You don’t want to deal with several agencies and a tech shop.”

Part of the new business’s job is to make sense of an alien place.

“We’re living on a whole new world. Or maybe on a different planet. We’re Big on Mars,” says the company website, which showcases software-app marketing campaigns and ponders the next frontiers in advertising. There is a photo of a man wearing the Google Inc. (Nasdaq: GOOG) glasses-mounted computer. Below it, an essay mulls how the world is changing as computers go mobile, and how advertising might now be directed at a specific person — as in, Got Milk, Jim? The blog considers whether a single message can be delivered over markedly different devices, and it discusses the challenge of getting messages through to people intent on tuning out advertising.

For now at least, Big on Mars’ staff is split among several Digitaria offices, including those in San Diego and Salt Lake City.

Executives offered several ways to look at the company’s quirky name. While it’s a reference to the future, it is also a private joke. McArthur appeared on a reality TV show in India, so now he says, “I’m not famous here, but I’m big in India.”

The name had one other thing going for it: The Internet address was available.

DIGITARIA

CEO: Dan Khabie

Revenue: Undisclosed

No. of local employees: 135

Investors: Owned by publicly traded WPP PLC

Headquarters: East Village

Year founded: 1997

Company description: Digital marketing agency