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Apple iPhone marketing: a work of genius?

By Tom Krazit, CNET News.com

June 26, 2007

URL: <http://www.zdnet.com.au/news/hardware/soa/Apple-iPhone-marketing-a-work-of-genius-10,130061702,339279073,00.htm>

analysis As iPhone Week dawns, one thing is clear: marketing is a lot easier – and cheaper – if you let other people do it for you.

Some day business students will look back at the first half of 2007 to learn about Apple's best marketing campaign ever, and maybe one of the best ever in American business. The iPhone will finally arrive on Friday after six months of up-to-the-second coverage from even local television types who think the EDGE network is the channel next to VH1.

What did Apple do to mount that campaign? Not much. It simply introduced the iPhone in January with one of CEO Steve Jobs' patented dog-and-pony shows, bought ad space during the Academy Awards to say "hello," and only within the last few weeks started a broader ad campaign.

Say what you want about Apple, its products, its leader, and its fans, but the company has figured out how to appeal to consumers like no other company in technology – and with a smaller marketing budget than companies like Intel, Microsoft or Hewlett-Packard. Apple has perfected the art of buzz during the Internet's second act, Web 2.0.

"They simply do a masterful job of capturing the imagination of just about everyone," wrote Jim Lattin, a professor of marketing at Stanford University's graduate business school, in an e-mail interview.

Traditional ways of reaching potential customers are changing rapidly, as any newspaper employee will tell you. Some companies have plunged headlong into a new media frenzy, setting up shop inside virtual worlds such as Second Life or trying to create "grassroots" viral video campaigns.

But a passionate, almost evangelical base of supporters makes any marketing campaign easier. Apple's reliance on a horde of loyal fans thirsty for information is the catalyst for its marketing.

Usually, Apple likes to announce its products and start the marketing effort very close to the actual date those products are available, if not the same day, said Ross Rubin, an analyst with The NPD Group. That wasn't an option this time around, since the Federal Communications Commission posts information on its Web site about phones that it approves for sale, denying Apple the opportunity to control the way people first learned about the iPhone, he said.

Instead, Apple launched the product with a minimum of information, and since January loyalists have flooded Apple-oriented blogs such as AppleInsider, The Unofficial Apple Weblog or MacRumors.com, searching for any scrap of information related to Apple and the iPhone.

Gadget blogs such as Engadget and Gizmodo stoke the fire further with their acerbic takes on the Apple universe. Engadget actually caused a brief plunge in Apple's stock in May when it reported, and then retracted, a story that Apple was planning to delay the iPhone until October.

<http://www.zdnet.com.au/news/hardware/print.htm?TYPE=story&AT=339279073-1300617...> 8/2/2007

That was a sure sign that any information related to Apple, and especially the iPhone, is being scrutinized by fanboys and Wall Street investors alike like perhaps no other product launch. Larger Web sites and media outlets see intense demand for iPhone-related traffic heading to other sites, and are compelled to follow suit.

Apple is launching the iPhone at a time when content aggregation sites like Digg, Techmeme, and even Google News can put a potential customer before hundreds, if not thousands, of possibly interesting stories about the product. All Apple has to do is trickle out information every now and then, as it has done in the weeks leading up to Friday's launch, and watch the frenzy take hold.

Traditional marketing isn't dead yet, however. Apple has been running several television commercials of late on major broadcast and cable networks showing off the user interface of the iPhone, and influential reviewers for dead-tree repackaging outlets such as The Wall Street Journal's Walt Mossberg and The New York Times' David Pogue are likely to devote their Thursday columns to the iPhone.

A two-phase approach

That's because there are two phases to Apple's marketing. It has to satisfy its loyal audience that loves Apple's design aesthetic with ads showing off those capabilities. But to really "revolutionise" the mobile phone industry it also has to win over the broader market, those folks who may own an iPod but are still using an inexpensive phone that came along with their carrier contract because they aren't e-mail addicts dependent on a BlackBerry or Treo.

Apple isn't going after the current smartphone market of business users. It's focusing on regular people who probably don't own a smartphone by emphasising that the iPhone is a music player, a pocket-size Internet access device, and a phone — with e-mail as just another add-in, Rubin said.

Those people aren't likely to be wowed by speeds and feeds, which Apple has judiciously avoided including in its marketing messages in favor of slick videos that highlight the way an iPhone user checks voice mail, watches videos or browses the Internet.

"It's easy to get the tech enthusiasts to line up, but the mass market consumer, that's another story," Jupiter Research analyst Michael Gartenberg wrote on his blog last week. The last time he could recall consumers — not gamers revved up over new consoles — but regular people lined up for a technology launch, was Microsoft's launch of Windows 95 more than a decade ago.

But Apple appears to have succeeded in attracting the interest of those folks, as lines are forecast to appear at Apple stores around the country. Competitors and those in other industries are attempting to figure out exactly how Apple managed to accomplish that, but in Rubin's mind, it's very simple: when people want what you're selling, it's easier to sell it to them.

"For years, before the announcement of the iPhone, there had been a tremendous amount of speculation and expressed interest from Apple's customer base for a phone by the company," he said.

Now Apple has to make sure that buzz doesn't backfire once people get their hands on the device, and a full accounting of its capabilities and limitations can be compiled. After all, some very successful marketing campaigns haven't translated into successful products. A separate set of business students could one day be studying how to manage consumer expectations for a first-generation product if the iPhone fails to deliver.

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Bloomberg.com



Apple's iPhone Generates Buzz That May Top Mustang (Update2)

By Ville Heiskanen



Apple Inc.'s iPhone

June 28 (Bloomberg) -- Apple Inc.'s campaign to build excitement about its iPhone may be the most successful marketing effort ever, surpassing the drive to promote Ford Motor Co.'s 1964 Mustang and Microsoft Corp.'s Windows 95.

The combination mobile phone and music player has generated more pre-sale media coverage than any other product, says Al Ries, chairman of Ries & Ries, an Atlanta marketing strategy firm. Michael Gartenberg, an analyst at JupiterResearch in New York, estimates Apple will spend about \$100 million on the introduction, roughly half what Microsoft spent for Windows 95.

"Apple is one of those rare brands that can create mystique around a product," says Matt Williams, a partner at Richmond,

Virginia-based advertising firm Martin Agency. "They created a buzz that has taken on a life of its own."

Apple released details little by little, teasing consumers to keep interest high, and followed with its first television spot with the simple tagline "hello" during the Academy Awards. That meant much of the hype came from word of mouth, which Apple has mastered since its 1984 introduction of the Macintosh computer. And it made the campaign less expensive.

The appeal may propel sales to 200,000 in the first two days and 3 million in the second half of 2007, according to the highest analyst estimates. Early acceptance may be a key part of Cupertino, California-based Apple's strategy to crack the mobile-phone market, which is almost four times bigger than the PC market.

On Sale Tomorrow

Apple and AT&T Inc., the largest U.S. wireless service provider, will begin selling the iPhone tomorrow at 6 p.m. in each U.S. time zone. Two versions will be available: a \$499 unit capable of holding 1,000 songs and a \$599 model with twice that capacity. Both require a two-year service plan with AT&T that will cost about \$60 to \$220 a month.

Apple shares fell \$1.33 to \$120.56 at 4 p.m. New York time in Nasdaq Stock Market trading. AT&T advanced 34 cents to \$40.32 in New York Stock Exchange composite trading.

"From an advertising and marketing point of view, Apple is head and shoulders above everybody else," says Ries, who has been writing books on marketing for more than 25 years, including "The Origin of Brands." "It just boggles the mind."

Ford's campaign for the Mustang included folk concerts to appeal to the budding counterculture and a national television broadcast featuring Motown music star Martha Reeves dancing along at a Mustang assembly line in Dearborn, Michigan.

Ford unveiled the Mustang at the 1964 New York World's Fair, just as 77 million baby boomers started driving. The car appeared early and often in movies, including the James Bond film "Goldfinger," and

graced the covers of Time and Newsweek. The Mustang sold 418,812 units during the first year.

Steve Jobs

Apple emulated the way Microsoft released information about the Windows 95 operating system a bit at a time.

Chief Executive Officer Steve Jobs, 52, unveiled the product to fanfare at the Macworld Expo in San Francisco in January, stealing the limelight from rivals such as Motorola Inc. that were touting their own handsets at the Consumer Electronics Show in Las Vegas the same week.

Then came advertisements and video clips on the Internet. The "hello" spot consists of about 30 movie clips, with stars such as Marilyn Monroe and Robert De Niro saying "hello" on the phone. It ends with a shot of the iPhone and a text "Hello" followed by "Coming in June."

With San Antonio-based AT&T also marketing the device, it's not clear how much Apple will spend, Ries says.

"They've spent some money on advertising, but certainly not a lot," he says. "The PR, the hype, the publicity, it makes the advertising more visible."

'Experiencing the Product'

The newer iPhone ads show what people can do, with emphasis on how it is done. A consumer recently told Gartenberg he wished his handset had the same Google Inc. map function as the iPhone. In fact, that application is available for the phone the consumer had, he just hadn't realized it, Gartenberg says.

The TV ads consist of a close-up of the iPhone playing a movie or displaying a Web site. A hand moves around the screen, showing consumers what to press to answer a call, type an e-mail or search an address using the map function.

"It gave me the sense that I was actually experiencing the product," says Williams, whose agency created the caveman ads for the Geico unit of Warren Buffett's Berkshire Hathaway Inc.

Williams says the campaign worked so well he is planning to get an iPhone even though it will cost twice as much as he has ever shelled out for a phone, his Palm Inc. Treo.

Apple ads have a history of impact. Its 1984 Super Bowl commercial introducing the Mac, shown only once, is still remembered. In the spot, a woman athlete hurls a sledgehammer through a giant video screen, signaling Apple's intention to smash International Business Machines Corp.'s hold on personal computing.

"If you're not on the market for an iPhone, you don't really want to find yourself anywhere near an Apple or AT&T store at 6 p.m. on Friday," Gartenberg said.

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Last Updated: June 28, 2007 16:24 EDT



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By David Paul Morris, Getty Images

See photos of Apple's marketing efforts at money.usatoday.com

Debut: People check out the new iPhone on display Jan. 10 at the Macworld Conference & Expo in San Francisco.

Apple buffs marketing savvy to a high shine

Announcement about iPhone generated tons of free publicity

By Jefferson Graham
 USA TODAY

LOS ANGELES — Apple's marketing machine has done it again.

While the biggest names in tech were in Las Vegas at the Consumer Electronics Show in January showing off new gadgets and gizmos, Apple gambled it could extract attention in San Francisco for a sneak-peek debut of the iPhone, the combination music player/cellphone and Internet device.

Apple CEO Steve Jobs' bet paid off like a gushing Vegas jackpot. The avalanche of headlines and TV news stories about the iPhone — which hits the market in June — already have generated \$400 million in free publicity, says Harvard Business School professor David Yoffie. "No other

company has ever received that kind of attention for a product launch," Yoffie says. "It's unprecedented."

The attention may have been more supersized than usual, but the results were textbook Apple. The company's knack for the spotlight is in part born of necessity — it has just a 3% market share for computers — but it consistently generates buzz and anticipation for new products.

Apple's arsenal of attention-getting tools holds lessons for any company: design cool, innovative products. Have a streamlined product line. Invest in memorable ads. Work your customer base to make customers feel special and create word-of-mouth agents. Most important: keep the world and media surprised, to generate gobs of attention.

The company's masterful buzz machine has helped generate record profits (thanks to the worldwide digital music cultural icon, the iPod), but it's barely nudged Apple's computer market share. Apple executives declined comment

Cover story

Please see COVER STORY next page ▶

Gasoline prices getting pumped up again

Fuel going for more than \$3 a gallon in some areas

By Barbara Hagenbaugh
 USA TODAY

WASHINGTON — Gasoline prices are climbing across the USA, particularly in California, where they're topping \$3 a gallon in some areas, as strong demand and lower supplies have helped boost prices.

The nationwide retail average price for a gallon of regular gasoline was \$2.507 Thursday. That's up a dime from just a week ago and 33 cents, or 15%, higher than a month earlier, according to motor club AAA. The average price at the pump is 17 cents higher than a year ago.

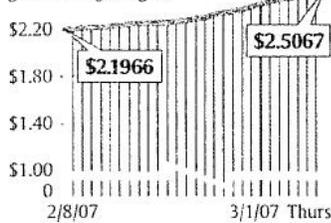
Wholesale gasoline prices have risen 21% in the last month, suggesting retail gasoline prices have higher to climb.

Such a sharp increase this early in the year may not bode well for gasoline prices this summer, Wachovia economist Jason Schenker says.

"The risks clearly are on the upside as we go into the driving season," he says. "Three-dollar gasoline is not dead."

Up at the pump

Gasoline prices are rising. Price per gallon of regular gas:



Source: Oil Price Information Service
 By Julie Sneider, USA TODAY

Californians are being stung especially hard lately. The average price in the state Thursday was \$2.962 a gallon, 39 cents higher than just one month ago.

That's the highest average price ever for a day in March in the state, says Tom Kloza, chief oil analyst at Oil Price Information Service, which compiles the data for AAA.

Prices were highest in San Francisco, where the average was \$3.123 a gallon.

A large number of refineries on the West Coast have been shutting down for

maintenance, leading to lower supplies in the area, Kloza says. And because of special blending requirements in California, it's hard to import fuel into the state.

But there is some good news: Prices in California are likely to stabilize soon as refiners boost production, Kloza says. "We're probably in the seventh or eighth inning of the rally," he says.

Nationwide, the reasons behind the increase in gasoline prices are ripped from an Econ 101 textbook:

► **Supply.** Gasoline inventories fell for the fourth-consecutive week last week and were 4% lower than a year ago, partly because of lower imports and refinery maintenance, according to the Energy Department. The amount of gasoline was enough to meet demand for 23.7 days, the lowest since the week ended Jan. 12.

► **Demand.** Drivers have been pumping more gasoline, despite the higher prices. Average gasoline demand in the four weeks through March 2 was 1.2% higher than the same period a year ago, according to the Energy Department.

Recent gains in oil prices are more likely the result of rising gasoline demand than a major cause for the gas price increase, Schenker says.

their new offerings to be ported and free to consort

In addition to represent of Hollywood's biggest including Russell Crowe and Lopez, William Morris reg number of corporate weights, including Gener Starbucks and MySpace.

The agency, whose r back to Charlie Chaplin, nering with Narrowstep.

The company, which w ed in 2002 and went 2005, competes in the fas Internet video distributic with firms including B The FeedRoom and Ma works. Narrowstep's clieer, which has used it to Internet video streams. A so used Narrowstep's technology.

"This is a case of nev ogies meeting new tre Narrowstep CEO David He is also CEO of C McCourt, a media invest

Paul Bricault, a senior dent at William Morri "What consumers actua and have wanted for sor is to view content that is vant to them at the tim most relevant to them."

Each new program wi as a separate company rangement will give bac as talent flexibility on fi day-to-day management

McCourt says the par to create hundreds of sh could be offered on a pa basis. Others could be c subscription basis, muc mium cable channels su

William Morris, with 3,000 clients worldwic its contacts in movies, and other media to h the programming. The will reach out to its cc ents to back projects.

Bricault says some cc ents might want to de own shows around sp ests. For example, GM to do a show about William Morris, drawin tacts around the world, put the talent togeth make that happen.

Some people may eyebrows at the idea of ble talent agency tryin the rules of Hollywood

Bricault says he's r "Pioneers are always tl the arrows in their bac "I'm sure some peop potshots at us, but w have to stick your foot point and say the wo ing. You have to think c

Apple goes a long way by keeping it simple

Continued from 1B

for this story.

Marketing guru Peter Sealey, a professor at Claremont Graduate University, calls the charismatic Jobs "the best marketing CEO in the business." USA TODAY spoke to professors such as Sealey, authors and former Apple marketing executives, asking what other companies could learn from the Apple marketing manual:

► **Make innovative products.** It sounds simple, but Apple's obsession with design and innovation, and history of inventing and designing products in-house (most tech competitors outsource), brings on the spotlight.

Cover story

"People take notice because of Apple's track record," says Mike Evangelist, a former Apple product manager who now is CEO of digital music compression firm Wired. "They know the products will be groundbreaking."

The iPod, which has been the catalyst for Apple's dramatic comeback, wasn't the first MP3 player, but it was the easiest to use and coolest looking. The Mac Mini, a pint-sized Macintosh computer just a little larger than a DVD, and its big brother, the sleek, white iMac, with a built-in monitor, are computer designs that wowed critics.

The company's marketing prowess is so renowned that it prompted a satirical headline in *The Onion* this week: "Apple Unveils New Product—Unveiling Product." The product? The fictional iLaunch, which would "revolutionize the process of unveiling new products throughout the world."

► **Keep it simple.** When Jobs returned to a languishing Apple in 1997 after his 1985 ouster, he slashed the product line to make it easier for consumers to focus. While rivals such as Hewlett-Packard and Dell offer 100 models of desktop computers, often with non-memorable product names, Apple has fewer than 20 options, with simple names such as the Mac Mini, MacBook, iMac and PowerMac.

That's been key to the iPod's success, too. It comes in three basic styles: video iPod, Nano and Shuffle.

"You can have so many options, and so confuse people, that less is truly more in many instances," says Sealey, who often discusses with students how product lines have gone wild, with too many choices. "When I was at Procter & Gamble, Crest (toothpaste) was available in two sizes. Now, there are so many, you can't make a decision," he says.

► **Create truly memorable ads.** Apple regularly receives awards and acclaim for hip and effective advertising created by its longtime agency, TBWA/Chiat/Day. Apple introduced its first ad for the iPhone on the Academy Awards telecast, a 30-second smorgasbord of TV and movie clips, featuring actors from Lucille Ball and Dustin Hoffman to the animated Betty Rubble from *The Flintstones* saying hello into a phone.

Its humorous Mac-vs.-PC spots feature actors John Hodgman and Justin Long debating the merits of Apple vs. Windows computers. Hodgman plays the Windows guy, who pales in comparison to cool Mac guy Long.

But it's the campaign for the iconic iPod, with dancing hipsters set against a silhouette, that put Apple back on the map.

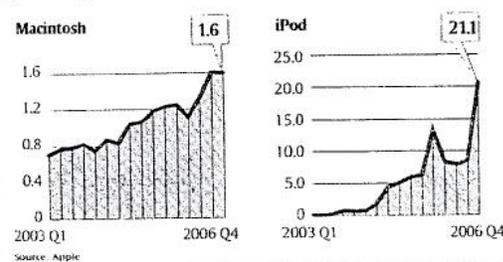
"How many ads have you seen where you say, 'Cool ad,' and you forget what it was for within three minutes," says Michael Markman, a former director of advertising for Apple in the 1990s, who now consults for tech companies. "The iPod advertising has been extraordinary. It's a word-



Introducing: Apple CEO Steve Jobs demonstrates the new iPhone on Jan. 9 at the Macworld Conference & Expo in San Francisco.

Apple's rapid growth

Number of Macintosh computers and iPods shipped per quarter: (in millions)



Source: Apple

By Keith Simons, USA TODAY

less product demo, with a great tag line that doesn't make the viewer work hard. "One thousand songs in your pocket."

Adds Evangelist: "No one really understood what an MP3 player was until that tag line. It made the product really simple to understand for the masses."

Sealey says Apple spends much less on advertising than its rivals do. "The ads just stand out because they're so good," he says.

► **Find an enemy.** Apple has never been shy about blasting the competition, encouraging the world in its advertising to "think different" and use its products.

"Early on, Apple figured out ways to make consumers feel like they were insiders in this secret society," says Jeffrey Cruikshank, a Boston-area marketing consultant and author of *The Apple Way*. "They clearly identified the bad guys who were outside their cult — IBM, Intel and then Microsoft. It was a consistent and far-reaching world view: you and me against the world."

► **Work the taste-makers.** Out of necessity, with a tiny and then declining market share for computers, Apple had to work harder to get its products in front of the public. In the past few years, it has aggressively set up Apple retail stores in metropolitan areas. Apple has also been very PR-centric, says Cruikshank, pushing to get its products reviewed and used as product placement in movies and TV shows.

In *The Apple Way*, Cruikshank writes that Apple com-

puters have appeared on screen more than 1,500 times in the past 20 years on TV shows and movies including *24*, *Sex and the City*, *Seinfeld* and *You've Got Mail*.

"More than half of all computer product placement during this time was from Apple, at a time when its market share was just 3%," Cruikshank says.

► **Offer surprises.** Apple is well known for efforts to keep launches close to the vest, to the point of suing secret-spilling bloggers. The secrecy often pays off with massive news coverage, as with its January introduction of the iPhone at Macworld.

The iPhone had been expected for weeks. What the world didn't know was what it would look like. The sleek design of the phone touched an immediate chord with the Macworld audience when Jobs unveiled it. The media ate it up.

► **Put on a show.** Tech companies such as Microsoft, Intel, Oracle and Adobe stage splashy events to unveil products, be it an operating system or software upgrade. Only Apple consistently succeeds in turning those kinds of events into headlines, because of Jobs' endless devotion to fine-tuning. "Steve works harder than almost any CEO at being the master showman," Yoffie says.

Most CEOs, says Charles Wolf, an analyst for Needham & Co., go on stage with an endless round of platitudes. "Steve leaves all the crap out of his presentation and focuses on what's important," Wolf says.

Says Markman: "What he does that few communicators do is leave things out. He starts with what he wants people to remember and works backward."

Wolf says that Apple's track record at keeping details of new products close to the vest produces "a snowball effect. Steve invites the general public, and they flock to these shows. You have this mesmerizing speaker in front of 4,000 people, and it's almost like a religion. The high priest and all his followers, and that adds to the excitement. And the press is a willing accomplice."

Evangelist, who is writing an online book about his career at Apple, worked with Jobs on planning speeches. "The actual setup and rehearsal takes a week, but the planning takes months," he says. "There are constant meetings about it, and they are very intense. Steve is a no-nonsense guy. If you're anything less than 100% prepared, he knows immediately and lets you know in no uncertain terms."

In the past three years, Apple's market capitalization has ballooned from \$6 billion in 2003 to over \$75 billion, Wolf says. The company is riding high from sales of the iPod, which has an 80% market share and now generates 50% of Apple's revenue.

But despite a slight uptick in Mac computer shipments, Apple is still "stuck at 2% to 3% market share," says Roger Kay, an analyst at Endpoint Technology.

Kay says Apple's free PR hasn't resulted in dramatically higher computer sales, but it has translated into enthusiasm on Wall Street, which has pushed up its stock price.

Indeed, Wolf has upped the target price of Apple stock to \$130 by year's end, up from about \$90 today, based on the June launch of the iPhone. Jobs predicts Apple will sell 10 million iPhones in the first year, which, at an average price of \$500, equals an additional \$5 billion in revenue.

Yoffie says the publicity from the iPhone announcement will "drive people into the stores to test the products. It will help sell a lot more iPods and iPhones. Think of all that publicity as a substitute for marketing costs and an opportunity for Apple to dramatically increase its market share."

Top of Mind

Perspectives and Commentary

The Life and Times of the iPhone

SINCE its debut on June 29, the iPhone is, thus far at least, the 21st century's biggest digital must-have. Everyone's talking about it: consumers, bloggers, reporters and, of course, all of us marketers. Even my parents are talking about the iPhone, and

they keep their cell permanently switched off for fear of draining the battery.

Nearly nobody disputes that the new iPhone is a very cool item, so the initial buzz is no surprise. What *is* a surprise, however, is that we *continue* talking about this gadget as though June 29 never quite ended, and that has less to do with the iPhone than the iPhone's marketing.

Let's face it, creating buzz is one thing, but maintaining it is another thing entirely. Yet Apple seems to be able not just to jump-start excitement but to sustain the buzz. How is that possible? What are they doing? What's their secret?

The secret isn't one that's all that carefully concealed; just try logging onto YouTube. Start by searching "iPhone" and sorting the videos by "date added"—but just be sure to watch the oldest videos first. What you'll find is that Apple has not simply generated messages to accompany the product so much as it has methodically scripted a story that connects the chapters of the iPhone's life in

a series of episodes. And, just like a popular TV show, each episode keeps the public interested—and talking.

Episode One: The Early Whispers. As always, our first glimpse at a new Apple product comes courtesy of MacWorld. Then, about six months ago, videos titled *A Closer Look at the iPhone* and just *iPhone* materialized on YouTube, featuring a CBS News report and Steve Jobs' MacWorld presentation, respectively.

Episode Two: "The Parodies" Part I. Apple's pr machine seems quite familiar with the modern marketer's maxim that if you build it, and the press talks about it, the parodies will come. But being lampooned can also be a high form of flattery, as seen in late-night skits such as *Conan - iPhone Commercial*, a spoof that shows how your iPhone can also be used as, among other things, a bottle opener and an electric shaver.

Episode Three: The Advertising. As the buzz begins to ebb, Apple releases new advertising on Apple.com—which, just like Jobs' presentation, jumps instantly to YouTube. *Apple iPhone Ad: Calamari* (which thematically unites a ship-eating sea monster with a hunt for a decent seafood restaurant) logged more than 400,000 views. Serious buzz.

Episode Four: "The Parodies" Part II. Of course, new ads mean new parodies. *Apple iPhone - Smudge Spoof* takes aim at the iPhone's touch screen for its ability not only to show images, but also to collect fingerprints. Still more buzz.

Episode Five: The Lines. All this hype means people will be camping out in front of Apple and AT&T stores nationwide. YouTube's *iPhone Line New York Apple Store* shows the madness at the 5th Avenue flagship. Funny how lines this long more commonly feature people holding Harry Potter books or dressed as Darth Vader.

Episode Six: The Ringing Registers. June 29 at 6 p.m. The first iPhones are sold, the transactions flawlessly timed for the camera crew from the 6 o'clock news. YouTube follows with videos showing newly minted iPhone owners emerging from stores to drop them (*Shawn Accidentally Drops iPhone in Houston*) or make a killing by scalping them (*iPhone Sold for \$1,500*).

Episode Seven: The Verdict. Now that members of the proletariat actually *own* these things, we need to know what they think of their iPhones, right? Reviews run the gamut—but the YouTube publicity is, of course, a constant (check out *4 Year Olds Teach Me About My iPhone*).

Episode Eight: The Post-Game Show. Sure, most people have had enough, but hardcore techies can be counted on to keep the chatter going strong. For them, YouTube has videos like *Apple iPhone Tear-down* that literally take the device apart to show how it's made.

It's anyone's guess what's next (new software? A cheaper model?), but whatever it is, my bet is that Apple's marketers are already planning it. Its scriptwriters get kudos from me for their uncanny ability to create an episodic framework that keeps the public engaged and interested—and by realizing that the buzz that framework generates—manifested through a mass-access channel like YouTube—creates the best advertising scenario possible: The public is, in effect, doing your marketing for you. And could there be a better story than that?

John Palumbo is the founder of marketing innovation firm BigHeads Network, New York. He can be reached at (888) 646-0411 or john@bigheadsnetwork.com.



By John Palumbo

Apple has scripted a story, a series of episodes, that keeps the public interested.

RANDOM THOUGHTS By Peter Mueller

