

Imation Internet Studio repurchased

Principals buy back firm with help of Gage Marketing

Eighteen months after becoming the Internet-developing subsidiary of Imation Corp., Imation Internet Studio has been repurchased by two of its principals in a partnership with promotion/fulfillment giant Gage Marketing Group.

The deal involves the purchase of the eight-year-old Imation Internet Studio by Scott Litman and Dan Mallin. Founded in 1991 as Imaginet, the company was purchased in late 1997 and renamed after its parent Imation.

That arrangement was a short one, however, because of the differing focuses of Imation and its Internet Studio. That led to almost four months of discussions, which in turn led to last week's combination of Imation Internet Studio's 38 employees with 12 of Gage Marketing's electronic-commerce staff.

Because Gage Marketing Group becomes a minority investor in Imaginet's parent, the combined 50-employee entity inherits a blue-chip roster of Fortune 1000 clients that could dramatically boost Imaginet's revenue.

Terms were not disclosed on the sale of Imaginet by Imation, the flagging data-storage spinoff from 3M Co. whose 1998 revenue of \$2.04 billion represented a decrease of about 7.3 percent from 1997 revenue of \$2.2 billion.

Litman, 32, and Mallin, 33, discussed the purchase with Gage executives for nearly four months before the deal was signed Thursday, , Litman said. He projected revenue of between \$4.5 million and \$5 million for the remainder

Advertising and marketing

Bob Geiger

of 1999, which represents a "very modest increase" from results for the full year of 1998.

Imagnet becomes an independent business unit of Minnetonka-based Gage Marketing, whose clients include Gatorade, Goodyear, Florida Power & Light, General Motors, Kraft Foods and Meredith.

Just as it had during its ownership by Imation, Imaginet will continue to preach corporate convergence to e-commerce. "Convergence with existing business channels is key. Large organizations need to leverage into the Internet, not jump into it," said Litman, who is Imaginet's chief executive.

Litman said Imaginet would be very "proactive" in its attempts to convert existing Gage clients to various types of e-commerce. That could take the form of electronic sweepstakes, product promotions, or sales and service, said Litman, whose 1999 relaunch of Imaginet has the luxury of converting an existing roster of Gage clients to e-commerce rather than pitching new accounts, as was the case during ownership by Imation.

Imagnet also will pitch clients that are not Gage customers, although that is not expected to be the primary new business activity after Imaginet's repurchase.

Still Imaginet's project \$5 million in 1999 revenue doesn't rank it anywhere near those of the nation's largest provider of e-commerce services. That No. 1 title is held by Atlanta-based IXL, which

boasts \$90 million in sales.

The 12 Gage employees transferring to Imagnet do not include John Uppgren, who had been senior vice president and chief information officer for five years before his recent departure to form his own Internet-related venture.

Lite campaign — Part 2

Miller Brewing Co. over the weekend broke an aggressive cable and network TV campaign for its leading Miller Lite brand that's reminiscent of Lite's long-running, "Tastes Great, Less Filling" ad debate.

Lite's new campaign, created by Minneapolis agency Fallon McElligott, renews the debate about Lite beer. But this campaign, which follows the erratic campaign that featured spots OK'd by the fictitious "Dick the Creative Advertising Superstar," spotlights humorous banter by a new generation of Lite celebrities over whether Lite's hops or pilsner brewing are responsible for delivering the brew's flavor.

Talent paired in FM's 15-second spots includes supermodel Rebecca Romijn-Stamos and Sports Illustrated columnist Rick Reilly, retired baseball relievers Lee Smith and Mitch "Wild Thing" Williams, former NFL quarterbacks Dan Fouts and Kenny Stabler, baseball Hall of Famers Robin Yount and George Brett, auto racers Bobby Rahal and Don Prudhomme, and members of rhythm-and-blues band Earth Wind & Fire.

Miller plans to spend more than \$100 million on the campaign, or about the same as was spent during 1998, said Jack Rooney, Miller's vice president of marketing.

"We think that this [campaign

concept] has great durability," Rooney said. "... We plan on settling in for the long haul this time." Advertising for the original "Tastes Great, Less Filling" campaign, which ran from 1975 to 1991, was created by New York City and Chicago agencies.

Fallon's first campaign for Lite featured dozens of spots that ranged from barroom humor (cowboys full of Lite shuffling in-line toward an Old West restroom) to the bizarre (a T-shirted man dancing with a Great Dane in an apartment kitchen). Designed to draw attention from Generation Xers, FM's first Lite campaign was criticized for not focusing sufficiently on the product.

Sales figures reflected those complaints; Lite's sales volume dipped 1.8 percent last year while Anheuser-Busch Incorporated's Bud Light increased its sales volume, widening its lead in the light-beer segment.

Fallon's new campaign returns to the friendly banter of the long-running "Tastes Great, Less Filling" advertising effort with friendly jibes, ample product close-ups and a tag line that's hard not to understand: "The great taste of a true pilsner beer."

Miller Lite also is targeting Hispanics with Spanish-language celebrity spots created by Uno Comunicaciones, the Hispanic advertising unit of Dallas ad agency Square One. In addition, Miller announced that Detroit agency Don Coleman Advertising has been hired to create Miller Lite ads targeting black consumers.

— *Bob Geiger is editor and publisher of the Geiger Report, Box 24248, Edina, MN 55424. Phone: 612-825-3217.*