

BILLION DOLLAR MEN

Who are the world's best-paid hedge fund managers? ■ PAGE 19

CYBER STEALTH

How companies manipulate online search results COMMENT ■ PAGE 17

SAUCY CHALLENGE

Heinz fights off the shareholder activists BUSINESS LIFE ■ PAGE 12

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FINANCIAL TIMES

FRIDAY MAY 26 2006

BRIEFING

Arcelor locks to Russian group to block Mittal

The board of Arcelor met to consider an alliance with Russian steelmaker Severstal that could scupper Mittal's £26.8bn (£17.6bn) hostile bid for the Luxembourg-based steel group. Page 19

MPC member warns

Paul Tucker, senior member of the Bank of England's monetary policy committee, said interest rates might have to rise to maintain credibility with the public. Page 2

OFT move on BAA

The UK's Office of Fair Trading thwarts the bidding battle for airports group BAA into surprise by announcing that it was examining the British airport market and a possible referral to the Competition Commission. Page 18; Editorial Page 19; Letters Page 20

Lay and Skilling found guilty in Enron case

Former executives could spend rest of lives in jail

By Sheila McQuibby in Houston and Ben White in New York

Executive, was found guilty on 19 counts of conspiracy, securities fraud, insider trading and making false statements. Mr Lay and Skilling were found guilty of conspiracy to defraud investors. Lay was found guilty of conspiracy to defraud investors. Skilling was found guilty of conspiracy to defraud investors.

Marketers' stealth on the web will not pay for long

Earlier this year, BMW Germany ceased to exist. At least, it ceased to exist for most web users, because Google delisted it. Google said BMW was guilty of "trying to manipulate search results". The German carmaker's alleged deception exemplifies the growing trend of "cyber-stealth marketing". Unlike trademarking involves a company hiding its intentions from the consumer. Cyber-stealth marketers employ a number of techniques to trick consumers. First, they embed invisible keywords into their sites to ensure they appear at the top of Google listings against specific search terms. This is what BMW is alleged to have done, although it denies manipulation. Or they pay companies to spam sites and blogs with thousands of links pointing to their site, making it appear popular and pushing it up the Google ranking. Second, marketers pay professional "web raiders" to seed influential sites with positive customer reviews of their product, leading many webmasters to ban visitors who are suspiciously specific about a particular brand. Third, fake blogs are launched to rave about brands.

Advertisers have even attempted to get fake "facts" listed on Wikipedia, the free's open-source encyclopedia. A notorious product called "Phorotons" (a Wikipedia entry lists it as a phenomenon) on Wikipedia to boost visits to its site. Cyber-stealth marketing is part of a wider trend towards undisclosed communication from brands in reaction to the erosion of consumers' trust in traditional advertising. According to the Yankelovich Marketing Resistance Survey, 78 per cent of consumers do not believe that companies tell the truth in advertising. This has driven some organisations to resort to "stealth" techniques to reach consumers. Over the past five years, Procter &

In an age of unprecedented access to information, attempting to deceive consumers is more dangerous than ever before

...pensiones to face falling review?

changes to state and pension saving included a "rolling" of pensions regulation. Companies may be required to employ a final salary pension scheme if that change is being made. The work and state pensions, company schemes, too, need more flexibility, she said.

Gamble, the US consumer goods company, has built up a panel of more than 250,000 US teenagers who are sent products and encouraged to recommend them to their friends. Sony Ericsson locations and have passers-by take their pictures with a camera phone to demonstrate what was at the time an unknown technology. Marlboro has tried to get round consumer cynicism by advertising (and cigarette advertising) in bars and creating lounges in bars and screens showing scenes that evoke the Wild West "Marlboro country".

While cyber-stealth marketing represents the inevitable extension of these techniques on to the web, companies who use it risk a consumer backlash if exposed. For example, Reckitt Benckiser, the makers of Clitil Bang domestic appliance last year when they were forced to issue a fictional character to leave messages promoting their products on blogs and other sites. In an age of unprecedented access to information, attempting to deceive consumers is more dangerous than ever before. Rather than trying to dupe consumers into receiving their messages reverse to strike an open and honest conversation with the consumer, providing content, tools and experiences in return for engaging with their brand.

Smart consumers understand that today's web-savvy consumers can be as stealthy as brands. These "stealth consumers" set their web browsers to block advertisements; they use Epinions to find them the best products; they use Keliko to find the best prices. If a brand does not deliver, they use the web to air their grievances. "Stealth consumer" that will thrive. Take Amazon in Japan. If you have a web-enabled camera phone (and almost a picture of a barcode on any product compares the code with its online database, and if it stocks the item, it will send you back the price, which is typically lower than the in-store one, and offer you the chance to place an order. As consumer cynicism to place an order grows, carpet-bombing them with mass marketing increasingly will not work. But attacking them with cyber-stealth tactics is not the right approach either: consumers are more than capable of using the same technology to defend themselves - and even to counter-pervasive and consumers become more empowered, the successful companies will not be those that use technology to try to dupe consumers, but those that use it to let consumers make better informed and more empowered choices.

The writers are senior strategists at Naked Communications