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**PROFESSOR:**

I know I'm meeting with two of the teams today, one on Wednesday and one on Friday. So each of those meetings will take about an hour. And we'll be covering both some individual feedback on the presentations themselves, as well as talking in more depth about how to narrow down your focus.

So right now it feels like you guys have gotten a pretty good understanding of what everybody else says. And now the trick is, the real trick of X Prize, is to figure out within all those things that are clearly important to somebody, what's the most important thing that you can change to change the conversation. So if you can only change one parameter-- start yourself there, constrain yourself as far as you can-- if you can only change one parameter and really demonstrate that in an interesting way, which parameter would it be? Which one is most important to you?

And also we're going to start thinking about not what is it that the field tells you is important. There are self-perpetuating myths within any field. So not necessarily what is all the standard literature tells you is important, but what are you starting to gather from your conversations with your advisers, from your readings, from your creative thoughts within your own group? What is it that is really a game changer? Is it all about cost? Is it all about power? Is it all about energy? What is really an interesting conversation in your group?

For those of you who are extremely left brained, the next part of the semester is going to be very, very hard. We're going to go from being very logical and data-driven to asking you to stand on your heads for a while and think about this problem in a totally different way. And I know that that's going to be challenging for some folks.

So what I'm going to ask you to do today is we're going to start to step of the logical box just a little bit and start to play a little bit more. Because what we'd like to do is start to figure out what are the creative solutions, what are the interesting solutions to these problems.

So today we're talking about engagement strategies. And by engagement strategies, I mean how do we involve everyone who needs to be involved in this X Prize. And that's a pretty broad set of people. If we started and talk about our prize economics 101-- we've talked about the Ortega Prize and the Ansari Prize a number of times. And we know that if you look at the amount of money that the prize purse offered and the amount that the winner spent, the amount that the total field spent, those numbers don't necessarily line up in an equal one. We have a nice leverage that we get from prizes. People are spending more than the prize purse, certainly in aggregate, and often even just the winner is spending more than the prize purse is worth.

And why does that happen? Why do you spend more than the prize purse is worth?

**AUDIENCE:** Because you think that you get some benefit over and beyond what the prize is worth.

**PROFESSOR:** Yes. So what do you get besides the purse?

**AUDIENCE:** Their sort of internal utility saying, sort of I really just want to do this.

**PROFESSOR:** It feels good to win.

**AUDIENCE:** Yes.

**PROFESSOR:** Yeah. So what else?

**AUDIENCE:** Free marketing.

**PROFESSOR:** Free marketing. What else?

**AUDIENCE:** Credibility?

**PROFESSOR:** Credibility. What else?

**AUDIENCE:** The establishment of an industry?

**PROFESSOR:** The establishment of an industry, and hopefully follow on market benefits if the prize is designed in that way.

**AUDIENCE:** You keep you intellectual properties.

**PROFESSOR:** You often keep your intellectual property. Certainly in the X Prizes you do. One of the big things that teams value is the PR, free PR, massive amounts. And this is Ansari, we're talking 5.5 billion media impressions. If you value that on the free market, they call it \$120 million worth of free press for your team. That's pretty good.

Name an ad campaign. Let me be a little more specific. Name an ad campaign that sticks. Anyone, Paul?

**AUDIENCE:** Apple.

**PROFESSOR:** Apple. Which one?

**AUDIENCE:** The skinny guy and the fat guy.

**PROFESSOR:** The Apple/PC. Yeah.

**AUDIENCE:** Got milk?

**PROFESSOR:** Got milk? What else?

**AUDIENCE:** Just do it.

**PROFESSOR:** Just do it, big one. What else?

**AUDIENCE:** Terry Tate, Office Linebacker.

**PROFESSOR:** What do these have in common? What do these catchy ad campaigns have in common?

**AUDIENCE:** Taglines.

**PROFESSOR:** Taglines. What else?

**AUDIENCE:** Short and fun.

**PROFESSOR:** What else?

**AUDIENCE:** Same over time.

**PROFESSOR:** Say that again.

**AUDIENCE:** It stays over the time. It's the same message over time.

**PROFESSOR:** So the same message over time.

**AUDIENCE:** [INAUDIBLE PHRASE].

**PROFESSOR:** Yeah, so the little jingle.

**AUDIENCE:** [INAUDIBLE PHRASE].

Simple and smart.

**PROFESSOR:** Yeah, simple and smart. Is there an ad campaign that you can tell me that you really remember that doesn't fit these things? Is there an ad campaign that shocked you.

**AUDIENCE:** I'd definitely call some of the beer advertisements certainly not simple, maybe not smart. You remember them anyway.

**PROFESSOR:** Short, fun, and stupid.

**AUDIENCE:** Yeah, that'll work too.

**PROFESSOR:** Yeah?

**AUDIENCE:** Billy Mays, I don't know.

**PROFESSOR:** Yeah. So what is it about Billy Mays?

**AUDIENCE:** Well he's just sort of yelling at you for one to five minutes and saying, this is awesome. You have to buy it now, now, now.

**PROFESSOR:** Yeah, so there's repetitiveness there. There's also emotional content. Billy Mays is very excitable, very excited. My mom used to cry every season when political commercials came on. It didn't matter what candidate it was for. They always made her cry. And she remembers those. They've got an emotional heart string component.

There are commercials that are shocking. There are commercials that make you laugh. But they all have some sort of emotional connection.

Name an ad campaign that got you to do or buy something. Because you saw that ad you actually did something.

**AUDIENCE:** Well there was the..I remember an ad for World Lights Out Day. Granted I'm sort of an environmentalist myself. But I know that I had a bunch of psets due that week. The last thing I wanted to do is turn off my laptop and just sit around in the dark for an hour. But amazingly enough, I pulled myself to do it anyway.

**PROFESSOR:** OK, what else? Who else actually did something because of an ad?

**AUDIENCE:** If you see something on sale. You click on it to check the sale prices.

**PROFESSOR:** Yeah totally. What else? Online banner ads, anyone ever clicked on one? Google ads? I click on Google ads a lot if I'm shopping for something. I find that the ads that come up are relevant. So it has some relevance to it. It has some relevance to the demographic that it's aiming at.

**AUDIENCE:** They tend to [INAUDIBLE PHRASE].

**PROFESSOR:** All right. Paul?

**AUDIENCE:** I was just going to say one is that those with a social cause and especially ones

right after 9/11. I throw up so many checks that I have to slap myself not to.

**PROFESSOR:** The breast cancer awareness month is October, we just got through. And the number of a pink ribbons I saw was incredible. And the amount of money that that ad campaign has raised for that organization is huge. So some of them make you do things. But figuring out what sticks and translates to what actually makes you take action is not a simple thing.

Is there any ad that you've ever seen that gets you to successfully change your behavior?

**AUDIENCE:** At MIT there was a group called SAVE. They're an environment group. But they have a really clever ad campaign. They call it Do It in the Dark. They have these glow in the dark stickers that you put on the light switch. But at the same time they're also distributing glow in the dark condoms and really stupid stuff like that. But it was funny. It was lighthearted.

The use the circular doors instead of--

**PROFESSOR:** Yeah. I find those little stickers to be really effective. Those little nudges, right? anyone actually read *Nudge*? Great book came out, top book for *The Economist Magazine* this year. It talks about how the messages in the right place at the right time can really change behavior. The way that you arrange the food in a middle school cafeteria can really determine what kids choose to eat, little nudges.

Have you ever had an ad that you loved and you couldn't tell me what the product was for? For instance, there's a number of ad campaigns out right now for car insurance. There's the one with the anime girl. Can anyone tell me which company that's for?

**AUDIENCE:** Yeah, that's--

Progressive.

**PROFESSOR:** Not Progressive.

**AUDIENCE:** No it's online. It's like Esurance.

**PROFESSOR:** Esurance. What about the white room with all the white?

**AUDIENCE:** Progressive.

**PROFESSOR:** That one is Progressive. I'm sure there's others. What about the gecko?

**AUDIENCE:** Geico.

**PROFESSOR:** Geico. Would you remember it if it didn't say Geico and gecko sounded like the same thing. I don't know if I would. I'm spending so much time paying attention to get the gecko.

So I think that there's a lot of things that we can think about in terms of advertising. We sort of know intuitively what gets us, what misses us, and what it is catchy and fun but ultimately never left a mark on our behavior.

This was a nice slide that Dr. [UNINTELLIGIBLE] put up a couple weeks ago, last week. So we're talking about the stages of prizes, right? So we have an idea. We do the prize design. We do validation. We talk about the prize. We kick it off. We do some monitoring. We have our proof of concept or our actual competition. And then there's a new market that comes.

So which of these require advertising?

**AUDIENCE:** The stuff under prize communication.

**PROFESSOR:** OK, so who are you communicating to?

**AUDIENCE:** The people who going to compete for the prize.

**PROFESSOR:** So prize communication, you're going to communicate to potential competitors. If we consider this to be the whole period of time before the prize is launched, who else do we have to communicate to? Who else do we have to sell to?

**AUDIENCE:** Sponsors.

**PROFESSOR:** Sponsors. Who's going to put up that \$10 million prize first and all the operating expenses? Who else?

**AUDIENCE:** Media.

**PROFESSOR:** I would say media is a little one in this phase. We're sort of cultivating relationships. But we're not trying to tell a story to the public just yet, not until we have a person-hand. But who else are we really looking to talk to at this point?

**AUDIENCE:** Judges? No, I guess that's too simple.

**PROFESSOR:** Let me broaden that out and say the industry. So in this phase, When you're doing your prize design, your validating it, that's where expert opinions, community opinions really matter. This is where it mattered how we measured 100 miles per gallon equivalent. It mattered where the race was going to be. It mattered what kinds of vehicles were going to be loud in the competition no matter what the safety standards were. And these kind of inputs all came from the community at large.

Not necessarily the people who were going to compete, though some of them were involved. Burt Rutan was involved in the formation of the rules for the Ansari X Prize. So he was someone that they went out and asked. So were a lot of his competitors. But this is the stage where we're thinking about how we formulate the prize in the right way, who's going to compete, who's going to sponsor.

Where else does communication come into play?

**AUDIENCE:** Prize kickoff.

**PROFESSOR:** Yeah. So the kickoff is big. So the kickoff Progressive Automotive, they were on stage at the New York Auto Show with Michael Bloomberg. Jay Leno had them on TV that night, so pretty big media events. So who are you communicating to?

**AUDIENCE:** The media is communicating to the public at large.

**PROFESSOR:** Yeah, the public. Who else do we care about at the kickoff?

**AUDIENCE:** Media.

**PROFESSOR:** Yeah media is big, and in some respects because they are an angle to the public and everybody else. But in some respects because you're starting to cultivate a relationship with the media that's going to last throughout your competition. And this is where you really start to engage them. What else?

**AUDIENCE:** Competitors.

**PROFESSOR:** Yeah, competitors. If the day of competition is launched no one knows about it, you fail. So your competitors, anybody else? So those are your primary audiences.

What about during the prize competition? So your teams have registered, things are going along. No one has won yet. Are you doing any message managing, any media work?

**AUDIENCE:** Still media and public [INAUDIBLE PHRASE] interested in what the competitors are doing and making sure that it's still interesting.

**PROFESSOR:** Another thing that's in the space for X Prize is education, we'll say educators and students, as part of their public campaign, but also as an explicit additional item.

**AUDIENCE:** Is it important doing the prize formations where you create these checkgates so that you can get the attention of the media and continue to say...

**PROFESSOR:** Yes, exactly.

**AUDIENCE:** Now you have only 500 companies, now you're down to 100 companies.

**PROFESSOR:** Yeah, so stage-gates are really nice for drawing the attention of the media. You can only send out so many press releases the say, we're having a competition, before people start to ignore them. If you send out one that says, now we have 20 competitors, now those 20 competitors are going to be putting their cars on dynamos. Now we have ten competitors including this really interesting story from West Philly High School. You can start to build your messaging in that way.

**AUDIENCE:** And also the different trials or stages make what is happening [UNINTELLIGIBLE PHRASE].

**PROFESSOR:** Yeah, exactly. So if we have, let's call it the prize competition itself, so now you're launching your rockets, or you're racing your cars, or whatever's going on. Anyone different this time?

**AUDIENCE:** Probably work with the investors involved now, not so much the sponsors, but the people who might take his idea.

**PROFESSOR:** Yes. So the future investors. And some of that's happening up here as well. During the prize most of the teams are still raising capital throughout the course of the prize. And there's 21 teams in the Google Lunar X Prize. And I don't believe any of them have enough money to launch a rocket right now. So they're still raising money.

So here you've got future investors in the technology. You definitely want the big automakers to be at the race the day of Progressive Auto. Who else? Anyone disagree with me copying this list up here?

**AUDIENCE:** Just to refresh my memory, what is the educator's role in sort of being reached out during the prize?

**PROFESSOR:** So from the perspective of the X Prize Foundation, a prize is not just about the new technology. It's also about inspiring the next generation, and insofar as educators play a formal role in that.

The other thing that happens the day of your prize competition is that you're starting to look for future sponsors. This is where all the excitement is happening, right? If you have the Progressive Auto X Prize Race, and you don't have the next set of sponsors lined up and watching that race and getting excited you've done something wrong, so future donors, future sponsors of prizes.

What about afterwards? Is there anything to be done after a prize is won?

**AUDIENCE:** Yes.

**PROFESSOR:** What?

**AUDIENCE:** Continue trumpeting the winner as look at this spectacular thing we've done. And also from this, we've created these new products. And the point [UNINTELLIGIBLE PHRASE] to have one prize go out and then never hear about it ever again.

**PROFESSOR:** So post-prize, you're building the team, building up the team, and not even necessarily just the winner. There may be reasons to be telling stories of those who competed and failed or competed and got close. You're trying to build your brand. And insofar as your brand is tied up with these teams, that's a part of the reason for supporting the teams. But you're also trying to support the industry. Because ultimately, the success of Burt Rutan in selling SpaceShipOne, the success of Virgin Galactic in launching people into space, comes back in benefits to the X Prize.

All right, so you can tell that there's a lot of PR work that goes on throughout the course of a prize. In fact, if I were going to name the X Prize's core competency, I would say it was PR and marketing. That's fundamentally what the organization is organized to do.

We're going to talk about four pieces of an engagement strategy today, namely audience, which we've started to talk about a bit here, the message, strategy, and the delivery. Who's this?

**AUDIENCE:** iPod and Bono.

**PROFESSOR:** iPod and Bono. So there's two things going on there, right? You can all tell me who it is. Why is that important?

**AUDIENCE:** It could be you. It could be me.

**PROFESSOR:** Yeah. But why else is it important? Some of the iPod videos are very generic people. But this one we all know is Bono. Why does that matter?

**AUDIENCE:** That's the same reason why everyone puts stars in their ads, because everyone wants to be like Mike.

**PROFESSOR:** So there's a demographic that you're shooting to capture here. You're affiliating the Apple name with U2. And you're saying that that affiliation is somehow meaningful. So we're going to come back to that.

Some of what we were talking about over on that list that's happening here, these are really simple ads. They're not graphically intensive. They're not heavy on the messaging. It's typically a song or an image like this. And we still know that it's iPod. Why?

**AUDIENCE:** Because they print out so many of these and it's the same style each time.

**PROFESSOR:** So that stylistic branding and building a message, not even necessarily a tagline, but a visual tagline over time is really impactful.

So let's talk about audiences. We said over here that we wanted to talk to the public. Right? So let's talk about a prize in energy? Who is the public? Because you can't talk to everyone. You can't to six billion people on the planet all at once. So if you're going to be talking about energy, are any of these people particularly relevant? Are there other audiences?

**AUDIENCE:** Environmentalists.

**PROFESSOR:** Environmentalists clearly are.

**AUDIENCE:** Techies can be.

**PROFESSOR:** Techies can be.

**AUDIENCE:** Entrepreneurs.

**PROFESSOR:** Entrepreneurs. Who else?

**AUDIENCE:** I remember a demographic that they used in better places that they called Scuppies-- socially conscious young urban professionals.

**PROFESSOR:** Socially conscious yuppies, all right. Scuppies, I like it. Who else? Who else is

relevant in an energy prize?

**AUDIENCE:** Well, in some cases, it would also be the developmental people in a third world prize.

**PROFESSOR:** What if you're trying to reach out to the people that are going to be taking advantage of your global prize? What's your demographic there?

**AUDIENCE:** The government.

NGOs.

**PROFESSOR:** Governments, NGOs. Is there any reason that don't want to reach out to the users?

**AUDIENCE:** You can't because it's very hard to reach out to them.

**PROFESSOR:** It's doable though. It's harder, but it's doable.

**AUDIENCE:** [INAUDIBLE PHRASE]?

**PROFESSOR:** It's a good question.

**AUDIENCE:** But also it has a risk of promise.

**PROFESSOR:** It does have the risk of a promise. So reaching out and engaging the end users for a product that doesn't yet exist is building a market, which can be valuable. And it can be dangerous as well. Who else? Are there are other segments of let's say, the sort of Western media savvy market that are relevant to an energy prize?

**AUDIENCE:** Well it's going to be whoever is going to be using it at the end. So Green Aviation, the aviation hobbyist market will be interested in this. Home-scale storage, the people who are in the markets that have time-of-day pricing will be interested. Grid-scale storage, it's going to be more utilities rather than so much like the public as we tend to think of the public.

**PROFESSOR:** So there's clearly the user communities. What I want to push a little bit today is to remember that the broader community is actually really important for X Prize. We

talk about 5.5 billion media impressions. Those don't go to only the competitors and the users. Particular in the case of commercial space we have a total user market estimated at around 13,000. You've far oversampled if you're trying to push out six billion media impressions. But that's important, right?

You're building a name for the prize. You're building an audience. Competition is worth far less without people watching the competition. Imagine a scrimmage football game versus an NFL game on game day, really big difference in terms of the amount of dollars you can bring in for ads, in terms of the sponsors that you can engage.

So if we're going to think about energy, is there another demographic that we need to make sure we engage?

**AUDIENCE:** People who think technology is cool or neat.

**PROFESSOR:** Yeah. Just neat. How would you find them? What's the salient feature of those people?

**AUDIENCE:** Disposable income.

**PROFESSOR:** So they have some level of disposable income.

**AUDIENCE:** What they read.

**PROFESSOR:** Yeah, like what?

**AUDIENCE:** *Popular Science, Popular Mechanics.*

*Wired.*

**PROFESSOR:** *Wired.*

**AUDIENCE:** Yeah, *Wired.*

**PROFESSOR:** So popular print magazines that are technology-related. TV shows?

**AUDIENCE:** Yeah, like the fix up your home shows would probably be a reasonable place to

look. Discovery Channel kinds of things, *[Big Bang Theory] MythBusters*.

**PROFESSOR:** *MythBusters* yeah. So is there another way that you find this people? Are there things that they own, places that they shop?

**AUDIENCE:** Tools, like any sort of do-it-yourself stuff.

Probably newer media displays, like Pandora for instance, or Grooveshark or something like that.

**PROFESSOR:** So insofar as you're reaching out to the people that tend to be the early adopters, I think that that's very true. And you can sort of start to think about how early in the marketplace you want to be reaching out to.

We have that nice bell chart, right? So you know that your early adopters are the most passionate. And they're really useful to tap into. But they're also a very small chunk of your market. So if you're talking about going viral, they may or may not be the right people.

So what about teams? We're going to talk to teams.

**AUDIENCE:** Given with the current technology though, *[INAUDIBLE PHRASE]*?

**PROFESSOR:** Yeah, please.

**AUDIENCE:** For example, *[UNINTELLIGIBLE PHRASE]* with those guys it's a long tail.

**PROFESSOR:** That's true.

**AUDIENCE:** It's huge.

**PROFESSOR:** With the right Twitter users, right? Twitter like Wikipedia, there's a very small fraction that control a very large audience. If you can get to the gate keepers, then you have a pretty broad distribution. The average Twitter user and the average Facebook user is a fairly small distribution.

**AUDIENCE:** I think it behooves us to find out who is that person to try to get a prize across.

**PROFESSOR:** If you're engaged teams-- Yeah, Rob?

**AUDIENCE:** I just have another question. So can you tap into nationalistic things?

**PROFESSOR:** Totally.

**AUDIENCE:** So what kind of people would you target for that?

**PROFESSOR:** Well, what do you think?

**AUDIENCE:** Yeah, I'm not really sure. Like for our prize, I'm not quite sure who you would tap into.

**PROFESSOR:** So people get engaged in energy for reasons of pure environmentalism, the sort of tree huggers. You also get a couple of different nationalistic angles on it in the US. You get the dependence on foreign oil. So there's a definite market there. And that's somewhat segmented by politics, but not exclusively. You can also tap into that group by thinking about the made in America pride, which was a much stronger movement in the late 80s, early 90s than it is now. There's still some things going on there.

And we also realize that we're not only reaching out to American audiences and American competitors. It may behoove us to really tap into and call in the nationalistic tendencies in Japan, or Israel, or Romania, or wherever the markets are evolving. Yeah, Francois?

**AUDIENCE:** I think we can also try to advocate to people who are in power from the community. Like Bob was here last week talking about Antarctica. If you can get [INAUDIBLE PHRASE]. Because people will try to get news from those very [UNINTELLIGIBLE PHRASE] in markets. And they get involved [INAUDIBLE PHRASE].

**PROFESSOR:** Right, definitely, definitely.

So let's talk about teams in particular. So we've talked about segmenting the public. How do we find the people who are going to compete? So there's obviously the people that are already in your industry. They're pretty easy to reach out to through

trade publications, and industry conferences, and you sort of know who's in that space. If you want to bring someone into a space, how do you do that?

**AUDIENCE:** There's one, the shotgun approach, where you just try and reach the largest number of people. Like you go on Leno and you advertise your automotive prize.

**PROFESSOR:** Right. But how do you find it relevant?

**AUDIENCE:** General technology, publications like *Technology Review*...

**PROFESSOR:** Yeah, so you can reach out into the general technology community. What do you think of as adjacent markets to energy, energy storage in particular. What are things that people may be working on that's not storage but could be storage if they thought about it differently.

**AUDIENCE:** Chemicals.

**PROFESSOR:** What was that?

**AUDIENCE:** It might be involving chemicals.

**PROFESSOR:** Yeah, chemical. Right. What else?

**AUDIENCE:** Electrical engineering sorts of things.

**PROFESSOR:** Electrical engineer.

**AUDIENCE:** If you're familiar with laptops you're probably familiar with energy storage.

Small-scale electronics.

**PROFESSOR:** Small-scale electronics. Bob Metcalfe was talking about the role of inconnectivity and the internet in bringing together smart grids. And so if we think that IT has a role to play in our technology, that might be an interesting community to bring in. What else?

**AUDIENCE:** Architects.

**PROFESSOR:** Architects, if you're going home-scale. If you're going larger-scale, maybe civil engineers.

**AUDIENCE:** The teams should be the ones who should make dream, kind of. The question is who can we make...[INAUDIBLE PHRASE] It might be a different angle than only the technological side. There might be some mavericks that I say, I want to change the world. I want to...

**PROFESSOR:** I don't care what my prize is, I want Dean Kamen competing for it. Or I don't care what my prize is, I want-- who's another name out there that you would want to just get in on your action?

**AUDIENCE:** Branson.

**PROFESSOR:** Richard Branson. Who else?

**AUDIENCE:** A college team from MIT.

**PROFESSOR:** Yeah, a college team from MIT. Who else?

**AUDIENCE:** Amory Lovins. Amory Lovins. So already, without even going to Google, you can come up with six names off the top of your head. Add those to the ones you're already expecting from the industry, broaden your thought about a few more university labs, a few more hobbyist teams, and you've actually got a pretty wide field.

OK, so these are audiences. Next thing is the message. We were talking over there about taglines. A short, concise message is really, really important for our prize. And we're going to talk about this from a few different perspectives. But when I talk about messages, Ansari is the first private space flight. The genome has sequenced 100 human genomes in ten days. Progressive, I'm talking about a race of cars that are getting 100 miles to the gallon or better. You're able to capture it in a really succinct phrase.

And most people you say, cars getting 100 miles per gallon in a race, that's enough to sort grab their attention. And then you can tell them a more in-depth story. It

helps to have a sticky image or tagline, to have this image of a race or to have something that's technologically interesting. Energy is tougher. Saying I want a battery with x power density doesn't stick. And it doesn't capture what people already intuitively understand.

So thinking about how you tell that story, not only what you want them to know, but what you want them to do. Is your tagline about them becoming involved? This is an all teams can play? Excuse me. Thank you. Or is it that you want them to donate money? Is it that you want them to tell their kids? Is it that you want them to tell their neighbors, so thinking about how you build that message.

For prizes we can think of this in a few different parts. One is we can talk about the rationale. Why was the Ansari X Prize there? Well, sort of at the peak, it was because Peter wants to see the day when humanity is left to earth as its only place of existence. It's hard to tell that story. That's a big story to tell. And there's a personal reason he had, which is to get himself and his friends closer to traveling to space. And that was meaningful. And he told that story personally a lot.

And then this was a quote from a newspaper article that came out at the time.

"To open a new era where space is no longer the exclusive domain of massive governments, space programs and ordinary people can now realistically dream of one day reaching for the stars."

It feels good. It's not a concise message. But it feels good. So figuring out, are you telling the story of the rationale? Or are you telling the story of the challenge? So we've talked a lot about where on the scale of difficulty you place your challenge.

Are we talking about affordable and available access to space, wide-scale commercialization of the space frontier? We weren't giving a prize for that. We weren't giving a prize for orbital spaceflight. We were giving a prize for suborbital spaceflight because we thought it opened up these other markets. So you can start to talk about the challenge that you're offering.

And you can start to talk about the prize. And this is the messaging you guys are going to be building over the next few weeks. Ansari, you can say X Prize for commercial spaceflight. People talk about it as the space X Prize. You can say it was for the first private spaceflight. You can tell someone that it was for the first private team to go to space twice in two weeks. You can say it was for the first team and site all the variables and numbers that were relevant. You can hand them the master team agreement, which was the 60-page contract the team signed when they came into play. So depending on who you're talking to will depend on how much they want to know about what your prize really is.

So as you're starting to craft your prize, you're going to want to think about what's the name of it, first all of. That's actually going to go a long way in your marketing. If you can capture in three to five words, what's the challenge? It's the first private spaceflight. It's a race for green cars. It's sequencing my genome. How do you put that in a really tight phrase that's meaningful. And then how do you build that out to tell more about what the competition actually entails. Is the relevant thing that it's a private team in space twice in two weeks? Is it that it carries three passengers? It's some subset of the full rule set that starts to deliver your message in a meaningful way.

So we talked about the strategies here, the different elements of the prize that we're going to try to build a media communication strategy around. For X Prize, launch is sort of the big first thing. So we talked about the launch for the Progressive Auto X Prize at the New York Auto Show. For the Ansari X Prize it was standing under the arch at St. Louis with the head of the FAA, the head of NASA, 12 astronauts on stage, launching with the new Spirit of St. Louis, which is mimicking the Spirit of St. Louis that Charles Lindbergh was sponsored by.

Sustaining interest, building that media story, the only thing when X Prize signs contracts with the team, the only thing that they maintain rights, none of the IP. You have your own technology. But X Prize gets the rights to all the media attention. They get the right to tell the story. They get the right to tell you how big the X Prize logo is going to be on your jacket when you're racing your car. They get to manage

all the PR. So they're going to be thinking about how they're going to use that and build the interest up to the day of the competition.

Obviously the competitions themselves can be massive media events, particularly if you have a date-certain prize, a little bit harder when you have a first pass at the post prize. And then building on success, here we have SpaceShipOne hanging in the National Air and Space Museum. This is the most frequented museum in the world. And SpaceShipOne is hanging in the main lobby. So that was a piece of the PR strategies that were built up for Ansari.

**Delivery:**

how you deliver your message is just as important as what you're saying. We can think of ad campaigns that are very guerrilla. So I don't know if any of you in Boston when the little Cartoon Network guys went up around. It closed down the city. For those that weren't around, they were little Lite-Brites, little children's toys that had the outline of a new Cartoon Network character on them. And they were placed all around the city. People thought they were bombs. There was a major bomb scare. The police came in. It had a news coverage for hours and hours. Roads were closed. It ended up being extremely effective market, but at a cost.

So the guerrilla campaigns can be really great. And viral campaigns can be really great. The question is, do you want to do it that way? Or do you want to have the mayor of Boston at your side saying, we're having a race in our city? Which one is more useful to you? So you'll have to think about what's the strategy. Who do you want to involve? Who do you want to engage? Who do you want to alienate? Because you may want to alienate people. That may actually be of use to you. You may say all those existing utilities, forget about them. They're dinosaurs. We have nothing useful for them. Or you may want them in your back pocket. And those are two really different ways of crafting your communication strategies.

The medium that you're using: are you out there communicating on blogs, and Twitter, and Facebook? Or are you on the evening news? The average age of broadcast evening news watchers in the US is like 64 years old.

**AUDIENCE:**

A quick question about guerrilla versus mainstream, is it possible to do both?

**PROFESSOR:** It is possible to do both. But it's harder. It depends on what your message is that you're delivering in your guerrilla tactics. We're fighting the proliferation of AIDS by dumping body bags on the stairs of the UN was actually intended to engage the UN, but by engaging the public's ire in doing that. So there are ways to do that.

**AUDIENCE:** So, for instance, they can't be mutually exclusive such that like the guerrilla message could be, screw the utilities and take your home off grid. Whereas mainstream message would be like, benefit the utilities and help them reduce.

**PROFESSOR:** I think you'd find that that was difficult to engage both audiences like that.

**AUDIENCE:** Maybe if you run it through the CIA [INAUDIBLE PHRASE].

**PROFESSOR:** So which medium you choose will be based on who your audience is, who are you trying to reach, how are you trying to reach them, how do you want to come across. Do want to come across as young and fresh? Do you want to come across as established and credible? Not that you can't do some of both, but again, the medium that you use will drive some of that.

The location, are you delivering this at the largest energy trade show, at the IEEE Conference, at Menlo Park where Edison had his first light bulb? There's very different images and emotions that are evoked by using different locations.

What are other locations that are relative to energy?

**AUDIENCE:** Power plants.

Hoover Dam.

**PROFESSOR:** Power plants, Hoover Dam, what else?

**AUDIENCE:** Niagara Falls.

**PROFESSOR:** Niagara Falls.

**AUDIENCE:** Independence Hall.

**PROFESSOR:** Independence Hall.

**AUDIENCE:** Little poor villages.

**PROFESSOR:** Little poor villages. Anything else that comes to mind immediately?

**AUDIENCE:** Coal mine

**PROFESSOR:** Coal mine.

**AUDIENCE:** Benjamin Franklin's lab.

**PROFESSOR:** Yeah.

**AUDIENCE:** Las Vegas Strip.

**PROFESSOR:** So places where energy is used, places where energy is produced. Land mines, if you're talking about batteries. There's lots of different ways. And they all evoke very different mental images.

**AUDIENCE:** Antarctica.

**PROFESSOR:** Antarctica.

**AUDIENCE:** You mean landfills not land mines.

**PROFESSOR:** Sorry, landfills, yes. Not land mines. Two totally different things.

**Dates:** if I say, what's a date that's relevant to energy?

**AUDIENCE:** Anniversary of a blackout.

**PROFESSOR:** Anniversary of a blackout.

**AUDIENCE:** If you want to pull up the nationalist no foreign oil angle and do it on July 4.

**PROFESSOR:** Independence day.

**AUDIENCE:** I sort of disagree.. there is bias in that which is America's symbol..

**PROFESSOR:** Yeah. It's a choice. It's very much a choice. You wouldn't want to launch on July 4 if that wasn't your intention.

**AUDIENCE:** Bastille Day.

Yeah. Bastille Day, yeah. [INAUDIBLE PHRASE].

**PROFESSOR:** So the choice of date is not arbitrary. Do you want to do this in the middle of the Olympics? Do you want to do it during the holiday season? Do you want to do it when you're likely to get a lot of news, when you're not likely to get a lot of new? Just choosing when you launch something actually has a lot of play into both who you're reaching and how you're going to reach them.

Choice of a spokesperson: we sort of talked about that with Bono and U2. You don't have to give me names. But what are the categories of spokespeople that we might think about?

**AUDIENCE:** Al Gore

**PROFESSOR:** What was that?

**AUDIENCE:** Al Gore.

**PROFESSOR:** So politicians, has-been politicians, Nobelists.

**AUDIENCE:** Green, right. He's personified.

**PROFESSOR:** So you have you could pick an environmentalist. You could pick a politician. You could pick a very public figure. We've talked about picking celebrities, movie stars, TV stars, rock stars.

**AUDIENCE:** Descendants of technology heroes.

**PROFESSOR:** Descendants of technology heroes, so Erik Lindbergh involved with the launch of the Ansari X Prize.

**AUDIENCE:** You might be able to pick living technology heroes.

**PROFESSOR:** Living technology heroes. What are other groups that might be interesting to have on stage with you?

**AUDIENCE:** But if you do those, the challenges, the mass audience will not know who they are. And that's why guys like Al Gore, he's a former politician. He's not just a pitch man.

**PROFESSOR:** But even Al Gore is polarizing. So your choice of a politicized spokesperson is very much going to drive your audience as well. And that may be in line with the people you're trying to reach. It's something you'll want to ask.

**AUDIENCE:** Michael Jackson.

**PROFESSOR:** Michael Jackson, unfortunately. Anyone else that comes to mine.

**AUDIENCE:** A rural villager.

**PROFESSOR:** A rural villager. If you're trying to reach emerging economies, a cricket player, a soccer player. There are big public figures in every culture. And knowing who those are and who you're trying to reach, gimmicks. We had one team last year that wanted to light the White House green so it became the greenhouse. There have been groups that have draped the Hollywood sign in black in mourning.

What else? You guys know more ad gimmicks than I do. What are other big things that have happened, things that you noticed, the equivalent of MIT hacks on the world stage?

**AUDIENCE:** You already had the Cartoon Network one.

**PROFESSOR:** Cartoon Network.

**AUDIENCE:** [INAUDIBLE PHRASE] pulled off a few MIT hacks.

**PROFESSOR:** There's been lots of body bag campaigns for various causes. What else?

**AUDIENCE:** Artificial blackouts.

**PROFESSOR:** Artificial blackouts, real blackouts. What are the pluses and minuses of doing a

gimmick. The plus is you get a lot of media attention. What are the minuses.

**AUDIENCE:** You get a lot of media attention.

**PROFESSOR:** You get a lot of media attention. What are the other minuses.

**AUDIENCE:** You might get thrown in jail.

**PROFESSOR:** You might get throw in jail. You might get negative publicity. What else?

**AUDIENCE:** People might not know what you're doing.

**PROFESSOR:** They might miss the message entirely. What else?

**AUDIENCE:** We already said it might backfire.

We might lose some sense of legitimacy.

**PROFESSOR:** It may lose some sense of legitimacy. So again, gimmicks may go better with guerrilla ad campaigns, not necessarily, but possibly in terms of trying to come across as edgy and not established.

**AUDIENCE:** Yeah there was an ad campaign in Canada for the Nissan Cube where they said this is going to be all Web 2.0, et cetera, et cetera, et cetera. And it kind of backfired when they noticed that several of the winners had some form of personal relationship to the judges.

**PROFESSOR:** Yep. So you have to be careful about what your claiming and how credible you are if your are going to put yourself out on the stage like that.

The other thing is that these things can be really expensive. Just in terms of costs, cost can be really big depending on how you do them, so deciding is it more worthwhile to pay all expenses to blackout every building in downtown New York or to have a massive ad campaign through an ad agency. And everything you're choosing.

And I think this is sort of the core message about today's lecture. We want to reach

the whole world. We want to reach all the public that's relevant. We want to reach all the competitors that are relevant. We want to do it in a way that's exciting and engaging. And you can only do so much.

So when you pitch your final X Prize to the board members, you're going to have to say, you know, these are the three most important audiences and three most important messages. And here's how I'm going to reach them. It's not, I'm going to reach the world. If it is I'm going to reach the world, it's going to be very shallow. Because a given dollar only spreads so thin. So you want to be able to be targeted with your message and figure out who's most important to you and in what way.

**AUDIENCE:** I was going to say in terms of gimmicks, another way a very good PR is the Chicago Irish Parade. They literally dye the whole river.

**PROFESSOR:** They dye the river green for St. Patty's Day.

**AUDIENCE:** Is that a gimmick?

**PROFESSOR:** Yeah, it's totally a gimmick.

**AUDIENCE:** But can you piggyback on an existing?

**PROFESSOR:** Sure, as long as you can control the messaging. If everyone thinks that you're celebrating St. Patrick's Day instead of green energy, clean energy, that might be a backfired message.

OK, so what I'd like you guys to do is get in your teams. And we're going to take about the next 13 minutes. We'll take until 3:40. And what I want you to do is to come up with an X Prize marketing campaign for a green battery prize. So this is a prize, let's say it's \$25 million for a replacement for toxic batteries. We're going to create batteries that are be thrown in landfills, no evil effects.

So I want you to think about who your audience is, your most important audience or audiences, one or two, what you're going to try to be saying as your message, what's your strategy, what's you're delivery.

So what I'd like to do is sort of go around the room and talk about each of these things step by step. So we're going to take one group and we'll sort of run it all the way through on one message. And we'll take some more and see where we land.

So Francois, let's start with your group. What's your audience that you decided to target?

**AUDIENCE:** Well there are two audiences.

**PROFESSOR:** Let's pick one, one to start with. We'll come back.

**AUDIENCE:** Environmentalists.

**PROFESSOR:** All right. And what are you trying to tell them?

**AUDIENCE:** [INAUDIBLE PHRASE].

[INAUDIBLE PHRASE].

**PROFESSOR:** So we talked about what you want them to know and what you want them to do. So you're telling them that the prize exist. And do you want them to do anything about it? Just be excited?

**AUDIENCE:** Yeah, just be excited.

And to support them

**PROFESSOR:** What was your strategy for engaging the environmentalists?

**AUDIENCE:** So one big kickoff followed by like a regular traditional media campaign.

**PROFESSOR:** OK, and your opening kickoff, how are you going to deliver that?

**AUDIENCE:** There will be a green Energizer Bunny tour.

**PROFESSOR:** Green Energizer Bunny tour. OK, So you've chosen the Energizer Bunny as your spokesman. And what is he doing on his tour?

**AUDIENCE:** He is touring the city, dropping batteries... collecting them.

Beating his drum.

**PROFESSOR:** Beating his drum. OK. Did you have any city in particular, any date in particular? Did it not matter at all?

**AUDIENCE:** A lot of cities [INAUDIBLE PHRASE].

**PROFESSOR:** Worldwide launch.

**AUDIENCE:** We did not quite [UNINTELLIGIBLE PHRASE] We want the vertical instead of the horizontal.

**PROFESSOR:** What do you guys have? Who's your first audience?

**AUDIENCE:** Large device manufacturers.

**PROFESSOR:** Large device manufacturers. OK. What do you want them to know or do?

**AUDIENCE:** To realize the actual environmental costs of [UNINTELLIGIBLE PHRASE].

**PROFESSOR:** And what do you hope they do once they know that environmental cost?

**AUDIENCE:** To get them to start with environmentally friendly batteries.

**PROFESSOR:** Do you want them to buy your new batteries? Or do you want them to change other things? Do you care?

**AUDIENCE:** Both actually.

**PROFESSOR:** Did you have a particular piece of the strategy you were focusing on?

**AUDIENCE:** We were going to do a long-term guerrilla smear campaign.

**PROFESSOR:** Long guerrilla smear campaign.

**AUDIENCE:** [INAUDIBLE PHRASE].

**PROFESSOR:** Plus launch of new batteries. All right. Is there anything else? Is there any salient big

features of your long guerrilla smear campaign?

**AUDIENCE:** We were going to distribute Energizer death bunnies.

**PROFESSOR:** Energizer death bunnies. And what is an Energizer death bunny?

**AUDIENCE:** We haven't really thought through the details on that concept [INAUDIBLE PHRASE].

**PROFESSOR:** OK, Energizer death bunnies, fantastic.

OK, Paul, what did your group focus on?

**AUDIENCE:** Let me try. We were focused on the consumers. [INAUDIBLE PHRASE].

**PROFESSOR:** What did you want to tell them?

**AUDIENCE:** Don't pollute the planet and buy new batteries.

**PROFESSOR:** Don't pollute it. Buy new batteries. And how are you going to do that? With was your strategy?

**AUDIENCE:** We were trying to place ads in things like newborn baby magazines and science magazines.

**PROFESSOR:** Parenting magazines and *Popular Science* magazines. But while I read *Popular Science* magazines while I was pregnant and with young kids, I don't think your demographic overlap is probably very large there.

**AUDIENCE:** Well the parenting will.

**PROFESSOR:** Parenting will.

**AUDIENCE:** Some of those, popular magazines, science magazines is more for the well-off, socially conscious.

**PROFESSOR:** Exactly. So when we broaden that definition of audience for sure. What's your delivery strategy?

**AUDIENCE:** We were saying a baby playing on a pile of batteries.

**PROFESSOR:** Baby on batteries.

**AUDIENCE:** And an announcement on Earth Day.

**PROFESSOR:** Announcement on Earth Day. So you're going to have a big print ad campaign announced on Earth Day. And your image was a baby crawling around on batteries. So you're drawing on their mother's heartstrings. Don't poison my baby.

**AUDIENCE:** It always works.

**PROFESSOR:** It's true. It almost always works.

**AUDIENCE:** So we talked a bit about how to get the competitors involved. But then we also were interested in focusing on consumers. And for consumers, basically we were thinking kids, parents, environmentalists, and miscellaneous other [UNINTELLIGIBLE PHRASE].

**PROFESSOR:** OK. And what was your message to them?

**AUDIENCE:** The basic message is that we're coming up with these new green batteries. And you should switch to them because the current batteries are super bad for the environment.

**PROFESSOR:** OK. strategy?

**AUDIENCE:** Our strategy is we're going to have Captain Planet be our spokesman. We were thinking maybe some sort of roll-out campaign probably at a Superfund site, and then follow that up with ads probably online and the traditional media too. Maybe an after school special, yes. We're going to, to some extent, target children. And the children will go to their parents and be like, oh my god. Why are we doing these bad things?

**PROFESSOR:** It's a long-standing ad technique. It's completely reasonable. So Captain Planet at a Superfund site.

**AUDIENCE:** Yes.

**PROFESSOR:** Did anyone have a strategy for engaging competitors?

**AUDIENCE:** Yes. There's a couple of obvious groups that would get involved. And it was probably fairly easier to reach those people. Put advertisements in *The Chronicle of Higher Education* saying, whip our this prize. We want competitors. What are your ideas to win it all? Universities are an obvious place to look for chemical engineers and electrical engineers. So hit up their trade magazines and websites that they're most likely to visit. Put ads on Facebook for everyone who's a chemE or electrical engineer major.

**PROFESSOR:** Anyone else think about engaging competitors at all?

Let's be totally ridiculous. We're going to be totally ridiculous with this. I like the Energizer death bunnies.

**AUDIENCE:** [INAUDIBLE PHRASE].

**PROFESSOR:** Captain Planet is great. He's not ridiculous.

**AUDIENCE:** I don't think you've seen those cartoons.

**PROFESSOR:** I have. I assure you I have. We actually reviewed them last year as part of our PR campaign.

Let's say you wanted to go totally rogue. You want nothing to do with the current battery manufacturers. You're looking for something totally different.

**AUDIENCE:** Depending on how green these batteries are, you could give them out to random passerbyers as candy or something.

**PROFESSOR:** Battery candy.

**AUDIENCE:** Drinkable batteries.

**PROFESSOR:** Drinking battery acid.

**AUDIENCE:** Have a battery smoothie or something like that [INAUDIBLE PHRASE].

**PROFESSOR:** Drinking the electrolytes.

**AUDIENCE:** Get Gatorade on there.

**PROFESSOR:** Gatorade, I like it. I like it.

**AUDIENCE:** Powerade.

Or Powerade.

**PROFESSOR:** Oh, that's awful. Powerade.

**AUDIENCE:** You could also have a concert, Poweraid, A-I-D. Get Willie Nelson and Bono.

**PROFESSOR:** [INAUDIBLE PHRASE].

What if we wanted to be very conservative? What if our goal was to impact Energizer, and Duracell, and the biggest manufacturers in the world? And we really wanted them on our side. We really wanted them engaged. How does that change your ad campaign?

**AUDIENCE:** I guess you have to demonstrate that what you have is literally no different than what's already out there, it's just the quality is better.

**PROFESSOR:** So there's a degree to which your demonstration becomes critical. The demo equals credibility. What else changes?

**AUDIENCE:** You want to bring them on board and have them involved. So maybe if you can work out ahead of time with them that if the batteries meet this level, that they will produce them.

**PROFESSOR:** So we talked about a little bit at the beginning of class about advance market commitments, advance purchase commitments. Engaging a major manufacturer in one of these could be a really great way to really set some credibility. So we're going to make sure that they're going to make the first million units and sell them.

Is there something other than the battery manufactures that grants you credibility?  
Are there partners besides battery manufacturers?

**AUDIENCE:** Yeah, something like Energy Star.

**PROFESSOR:** So something like Energy Star ratings.

**AUDIENCE:** Some sort of [UNINTELLIGIBLE].

**PROFESSOR:** What?

**AUDIENCE:** Greenpeace.

**PROFESSOR:** Greenpeace. Yeah. Greenpeace is definitely a two-edged sword. It comes across as being both green and crazy. And not so peaceful, I think, is a fair way of putting it. But it definitely polarizes.

**AUDIENCE:** You could go the regulatory route and say, these toxic batteries are going to get [UNINTELLIGIBLE].

**PROFESSOR:** Yeah. So you can try to get a regulatory reform passed. It's an interesting strategy.

So when X Prize flew the Ansari flights, the FAA pushed through an incredible set of legislation that allowed that to happen in the US in very short time. If you wanted to have a regulatory piece to your prize, when would you want to do that in the course of the prize.

**AUDIENCE:** As early as possible.

**PROFESSOR:** Yeah. So ideally, you would launch the prize and you would have your choice of a bipartisan set of senators and representatives on stage with you saying, we're passing this bill or we're putting forward this bill. If you can do it early enough, then you can really impact who is going to compete.

**AUDIENCE:** Although if you do that, then doesn't it kind of negate the purpose of the prize because the Senate or Congress is then creating the incentive for you.

**PROFESSOR:** You can use it as an extra piece of your incentive. If you think that they're likely to do it anyway, then you're right. You're stepping out in front of the parade with a prize purse you don't need. If you think your prize is what's allowing them to sponsor the legislation given the confidence to sponsor that legislation, there may be some argument there. It's a fair question.

OK, so as you move forward-- and you guys are going to be narrowing down your focus-- we need to remember that the conversation isn't just about batteries. It isn't just about storage devices. But it's about the people around the technology. And we didn't talk a lot about that today. It sort of came out in some of your delivering messages here. It's about the kids and the pollution. It's about the parents and their kids. Someone was saying, we want your ideas. It's about the personal pride of being a competitor.

At some point, the actual technology itself is completely minimized behind what's happening in your public relations stage. Because we're making heroes out of the teams. We're making messages that are related to you and me personally. And we're drawing on that emotional connection that we talked about for ad campaigns. And you don't have emotional connections to batteries in most cases.

As you start to think about how you're going to craft your prize, have these things in mind. You want to make something that's exciting, that's engaging, that's meaningful to an individual level.

If you have questions, feel free to ask. Otherwise I'm going to be meeting with team Grid Storage I think next. You guys are next. All right, thanks very much. Wednesday we'll be meeting at IDEO or at the Kendall T station.