Issue #27: "Re-Inventing Your Business" Bonus Article



Conan 2.0 How a late-night Luddite accidentally fought his way back into bedrooms (and computers, smartphones, and tablets) across America.

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Photograph by ROBERT TRACHTENBERG



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O'Brien mobbed by fans in Seattle on his "Legally Prohibited From Being Funny on Television Tour"





CONAN O'BRIEN IS IN HIS BEDROOM. It's a little bit past 11 p.m., and he's shyly, hesitantly, nervously attempting to do his first webcast. But he keeps getting interrupted. And it's driving him crazy. "Get out of my room! Get out of my room! This is private!" O'Brien's embarrassed, and he's yelling at the top of his lungs. "Everybody get out!!!" • Okay, that's part of a skit from O'Brien's new late-night show, *Conan*, on TBS. But, almost exactly a year ago, more than a few people in the media business thought that O'Brien, freshly

tossed off *The Tonight Show* by NBC after only seven months on the job, just might have to sit in his bedroom for a long time, and that performing a show on the web might actually be his only option. That was until more than a million people, most of them ages 18 to 49, started shouting, "We want Coco!" and the reinvention of Conan O'Brien from traditional television performer to multimedia brand began.

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O'Brien's audience came to his rescue in a way that was inconceivable until it happened. In fact, it was inconceivable even while it was happening.

O'Brien's brief tenure on The Tonight Show began in May 2009 with ratings so high that Jeff Zucker, then president and CEO of NBC Universal, proclaimed him the "new king of late night." But the new king wore his crown uneasily, in part because the old king, Jay Leno, had been installed almost directly in front of him with a new show at 10 o'clock that was supposed to revolutionize primetime and, instead, ended up revolting the NBC affiliates. NBC's solution to the crisis was to offer Leno his old time slot back for another new, half-hour show, and push The Tonight Show back from 11:35 p.m. to 12:05 a.m. Informed of the plan, O'Brien considered his options and, five days later, on Jan. 12, 2010, hit the send button on an e-mail he'd stayed up most of the night composing at home. The e-mail began "People of the Earth" and made it clear to everyone that he was unwilling to host a Tonight Show that actually started tomorrow. And that's half the story of the beginning of the social-media revolution that forever changed the landscape of late-night TV.

The other half?

By pure coincidence, at the same time Conan O'Brien was working on his e-mail in his Brentwood home, just about a 30-minute car ride away a 25-year-old graphic artist and diehard fan named Mike Mitchell was also pulling an allnighter at home, creating a graphic image of his hero standing in front of an American flag, emblazoned with the words I'M WITH COCO. The image was reminiscent of the Obama poster created by Shepard Fairey, and the name "Coco" was a nickname coined by Tom Hanks when he was the second guest on O'Brien's Tonight show. (It is a nickname Conan dislikes-the first time he heard it, he told Hanks, "That catches on, I'll sue you"-but catch on it did.) Mitchell posted his "I'm with Coco" image on his own site, then created a new "I'm with Coco" Facebook page and Twitter account, and then at 4 a.m. he went to bed. When he woke up at noon, he was shocked to discover that more than 30,000 people were following his new Twitter feed, close to 10,000 had clicked LIKE on his new Facebook page, and an untold number were making his "I'm with Coco" graphic their own profile picture on Facebook. Two days later, "I'm with Coco" had 185,000 Twitter followers, and just a week after Mitchell's all-nighter the number was 700,000.

That was barely a year ago, but it was before most television executives understood what Twitter was. In fact, it was before Conan O'Brien, age 47, understood what Twitter was. "I'm a Luddite when it comes to computers," says the man who keeps a bust of Teddy Roosevelt prominently in his



office. "I didn't do Twitter. Didn't understand why anyone would do Twitter. I'm not on Facebook." But now, suddenly, NBC executives were telling O'Brien to "stop it," and O'Brien was saying, "Stop what? It's not me." And it wasn't. It was Gen X and Gen Y.

CONAN DISCOVERS THE DIGITAL DIVIDE

"This is something about myself as a performer that I've never understood," says O'Brien, who tries to understand everything about himself. "When I started doing television, I always thought I was doing it for my peers, and I quickly found out that the real hard-core fans were much younger than me."

O'Brien's younger audience then and now is on the digital side of the digital divide. It's an audience that doesn't want to be just an audience—they want to be participants. They love being connected to one another and to the celebrity objects of their affection; they love posting and creating and remixing. Culturally they're very different from the baby boomers who watch most network television—and the boomers who program network television—and they're a bit pissed off at them too. And that meant that, as much as they loved Conan, they were equally pissed off at Jay Leno:

> I think Conan O'brien is 10 times funnier and better than Leno.. I say he stays and Leno goes. time for Leno to retire. Who is with me on this

"The boomers have overstayed their welcome," declares the man credited by many with creating the phrase "viral video," Douglas Rushkoff, the author most recently of *Program or Be Programmed*, a book about digital media. "Generation X is finally at the stage where they can have the jobs the boomers had, and the economy crashes. There's nothing left for them: There's no Social Security; there's nowhere to invest. Conan was a great stand-in for the frustration with this never-ending boomer legacy."

"There was this huge explosion online of protests and anger, but also creativity," O'Brien says. "People were making really funny art and posters." A statistical breakdown of comments tweeted found almost 40% to be anti-NBC and anti-Leno. "It overwhelmed them," O'Brien's agent, Rick Rosen, says. "And to this day it's affected the perception of

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NBC and Jay Leno." Indeed, though O'Brien's new show is on basic cable, on occasion it has beaten Leno's *Tonight Show* in the ratings demographic that advertisers love, those 18 to 49. Its viewers have a median age of 31, more than 24 years younger than Leno's or David Letterman's. For advertisers that's a remarkable statistic.

Thanks to Twitter and Facebook, and the fact that America loves to watch a car wreck, during the last two weeks of O'Brien's Tonight Show, fan rallies spontaneously sprouted up all across the country (mostly outside NBC affiliates), and O'Brien's ratings shot up. But O'Brien's letter to the people of the earth-which in the digital age turned out to be a letter read by tens of millions-and his refusal to move the Tonight Show to 12:05, meant it was over. And on Jan. 23, after taping his last broadcast, Conan O'Brien, a guy who had been a staple of late-night television for 17 years, no longer had a show. Nor did he have a Facebook or Twitter account yet. But he did have a \$45 million payout from NBC-\$32.5 million for himself and \$12.5 million for his staff, over 50 of whom had moved with him from New York, where Late Night With Conan O'Brien was produced, to Los Angeles to work on The Tonight Show less than a year earlier. Still, O'Brien's heart and mind remained planted in old media.

CONAN DISCOVERS TWITTER

"You know that scene in the first *Indiana Jones* movie where he gets thrown through the truck windshield by a Nazi? I was thrown through the windshield of broadcasting," O'Brien says, a bit wistfully. "I made a decision and that decision very quickly led to me walking away from the crown jewel of old broadcasting and, in addition to that, being legally prohibited from going on television." NBC's

final separation agreement prohibited O'Brien from performing a show on another network for eight months, until September of last year, and from making disparaging comments about NBC Studios, Jay Leno, Jeff Zucker, and a small group of other NBC executives. "What was interesting about it," points out O'Brien, "is that all the legal prohibitions were coming from people in the old media. They were saying you can't do all these things, and pretty quickly we realized, 'Wait a minute!' Someone said, 'Does that include Twitter? No. It doesn't include Twitter.' And so I started tweeting."

Around seven o'clock in the morn-

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ing on Feb. 24, 2010—a day that lives in social-media history—O'Brien, sitting in his living room with his core team, including his longtime executive producer, Jeff Ross, and his former show blogger, Aaron Bleyaert, opened up a Twitter account, typed fewer than 140 characters, and hit the SEND TWEET button:

> Today I interviewed a squirrel in my backyard and then threw to commercial. Somebody help me.

Bleyaert, who has his own massive following on Twitter, quickly re-tweeted it. The next thing he knew "it was like a skyrocket!" Every minute or so Bleyaert would refresh his browser, and O'Brien's account would have hundreds of new followers. Every minute. For hours. "I'm just sitting there laughing and laughing. I'm like, 'You guys, this is insane.' And they're like, 'Okay.' And I was like, 'No! You have no idea how crazy this is!"

O'Brien shakes his head at the memory. "Aaron's saying, 'You're up to 250,000' or something, and I would say, 'I don't know what that means." It meant that O'Brien was setting the single-day record for gathering followers on Twitter.

Just as quickly, O'Brien's team began to hear that NBC was far from happy. "The network isn't crazy about you tweeting. They're not sure that's cool," O'Brien recalls being told. His response was simple: "Tell them I would be *thrilled* if they shut down my Twitter account. I'd love it if that got out. You think PR's been bad up till now? Wait till you take away my Twitter account." Today O'Brien laughs at the old-media disconnect of that moment: He is approaching 2.5 million followers.

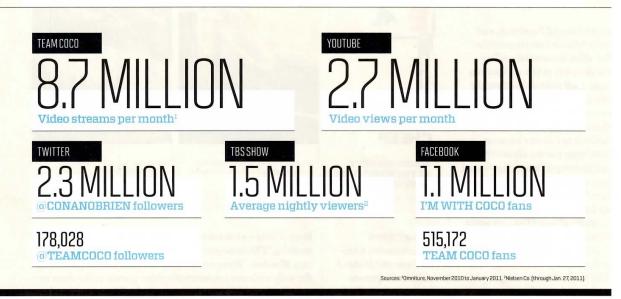
O'Brien's next step was to give himself a job, hosting a traveling show he called the "Legally Prohibited From Being Funny on Television Tour." He did it to support his staff, especially his show's eight-piece band, which had not received a severance package from NBC; to try to keep himself relevant; and to accommodate his wife, who wanted him out of the house.

Ross and the rest of the team booked a 30-city tour. They had a website built for ticket orders, acquired a sponsor (American Express), and began to talk about the advertising budget for the tour. That's when Ross, six years older than Conan and up to then just as mired in old media, matter-of-factly said, "Let's hold off on taking any ads and just tweet it out." Now it's Ross's turn to shake his head. "People looked at me like I was crazy. But I was like, 'What's the risk? If it doesn't work in two days, we can advertise.' And it turned out to be a good idea." Actually, it turned out to be an amazing idea.

> Hey Internet: I'm headed to your town on a half-assed comedy & music tour. Go to http:// TeamCoco.com for tix. I repeat: it's half-assed.



BEYOND TELEVISION O'BRIEN HAS A MULTIMEDIA AUDIENCE.



In a matter of hours, both New York shows at Radio City Music Hall had sold out. Then, across the country, one show after another sold out. And then the site crashed. "The first day we sold, like, 120,000 tickets," Ross recalls. "We spent no money on advertising." The tour sold out in a couple of days. Once again, Conan had typed fewer than 140 characters, only this time he had changed the concert promotion business forever. O'Brien was definitely keeping himself relevant.

CONAN DISCOVERS THAT PERFORMING NOW MEANS ENGAGING

The tour lasted 60 days, and before it was over O'Brien and Ross's outlook on new media and social networking and what it all could mean for their next television show had completely changed. Suddenly O'Brien wasn't just performing for fans; he was also engaging in a conversation with them.

Just before each show Bleyaert would tweet a new hashtag (which allowed Twitter users to form a single conversation stream that everyone in the audience could follow), and then members of O'Brien's team would monitor the tweets from audience members to one another. Between his bits, O'Brien would come backstage and ask, "How's the tweets? How's the audience?" By reading the hashtag stream, Bleyaert recalls, O'Brien and his team could see, for example, that "some guy in the fifth row was using Twitter to try and pick up a 'girl in the white hat, three rows in front of the stage,'" and O'Brien would instantly incorporate that into his next bit. He was tapping into his improvisational roots—he had been a member of the Groundlings, the legendary Los Angeles improv group whose alumni include Will Ferrell, Phil Hartman, Laraine Newman, and Jimmy Fallon—but now he was "improv-ing" based on digital information gathered in real time.

For O'Brien and his team, the tour was a digital baptism. Bleyaert remembers thinking, "It was like he was thrown off one stage into the great digital mosh pit, and all his digital fans are passing him around, and then they threw him back up on stage. And he was changed."

By the start of the tour, O'Brien had a new deal for an 11 p.m. show on TBS. The budget is smaller than that at NBC— TBS puts up \$45 million a year, vs. *The Tonight Show* budget of \$75 million (every member of O'Brien's 100-person staff took pay cuts, some as much as 20%)—but O'Brien is in control of all the on-air creative and, just as important, all the digital use of his content. He and his production company Conaco own the show. Among the other late-night talent— Leno, David Letterman, Jon Stewart, Stephen Colbert, Jimmy Kimmel, Craig Ferguson, and Jimmy Fallon—Letterman is the only host who owns his show. It's the opposite of O'Brien's setup at NBC, says Ross, a partner in the company. "Conaco owns the show, and TBS is a participant. At *Tonight*, NBC owned the show, and we were participants." And ownership makes all the difference for O'Brien and his team.

Team Coco, not TBS, chooses which clips to use, edits them, and posts them. Preview clips from each night's taping go up an hour before the show's East Coast broadcast; within an hour after the show's West Coast broadcast more than a half-dozen clips from that night's show are posted

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on its site and Facebook, and linked to via Twitter; and the full show is viewable online the next day at 11 a.m. Eastern time. Last year at *The Tonight Show* Bleyaert had tried to get pre-show clips posted, but even that seemingly simple idea was difficult to execute because NBC.com ran the show's site, and putting up such clips wasn't part of its normal workflow process. "After the experience that we had at NBC, we wanted to be in control," says O'Brien's agent,



MESSAGES SENT BY THE HOST TO HIS FANS ON TWITTER.



Too much to drink after the People's Choice Awards. I just found the trophy.



If you doubt we have screwed up the earth, check out my hotel view. Note: I am in Puerto Rico.

Rosen. "We wanted the freedom to exploit our content."

To fully utilize his content digitally, O'Brien started a second company, Team Coco. There's no TBS show site. Instead, TBS funds the new company's first \$2 million of expenses and participates in any profits. Team Coco is now a studio of eight Gen X and Gen Y employees, all except Bleyaert hired by new GM–executive producer John Wooden, a selfdescribed "mega-nerd who specializes in producing allegedly entertaining digital media" and has started or run a dozen or so sites, including Jokes.com, Maxim.com, and WhiteHouse .org. Wooden, 39, views Conan above all as a brand, and his social networks as a content system through which to carry the brand as far and wide as possible. Facebook, Twitter, YouTube, Foursquare, Flickr, and Tumblr (a blogging/ sharing site) are what Wooden calls core "content satellites."

All told, Team Coco touches more than 5 million people each month, many of them primarily consumers of O'Brien's brand of humor online. "A lot of television executives still have the idea that a show is something everybody watches," O'Brien says using an old-fashioned voice: "'Let's gather around the TV set and watch it, and then let's talk about it with all our friends at work tomorrow.' Well, your friends didn't watch the same show that you did, and they also didn't watch it at the same time." And it no longer bothers O'Brien if that's the case with his show. As long as they're consuming it, any time, any place will do.

O'Brien and his team have taken this message to the Hollywood PR machine, which looks at them as digital pioneers instead of guys who got to the party late. Weeks before *Conan* made its debut on TBS, O'Brien gave a presentation to top publicists in his new studio on the Warner Bros. lot. He and his digital staff explained that a guest's appearance on *Conan* was no longer just about being on air for 10 minutes; it was a connection to O'Brien's full social network of mil-

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lions of fans—a connection that could last for days or even months. "The same goes for their charities and pet projects," says Wooden. "We're ramping up our efforts to be producing digitally exclusive content with either guests on the show or people who can't appear because of scheduling conflicts."

O'Brien's digital team has also reached out to media outlets like the Huffington Post, the Daily Beast, and *Entertainment Weekly*, and even to bloggers like Perez Hilton to make sure they're always in the know about new clips from the show, which they can publish on their own sites (using Team Coco's player, with Team Coco's ads, recording Team Coco clicks, of course). This gives those sites content that they crave and also acts as a promotional tool, but more important, it distributes *Conan* content as quickly as possible, which is crucial to discouraging piracy. "There's no need for some kid to become a bedroom programmer if the clips are already out there," says Wooden. "Our job is to give them the tools to share, so they don't have to rip."

Finally, Team Coco has taken over the administration of Mike Mitchell's "I'm with Coco" Facebook page (for an undisclosed amount of money). The page now has more than 1.1 million "friends," but "it's still totally fangenerated," Wooden points out. "We want it to remain true to its origins." The show's official Facebook page, Facebook .com/TeamCoco, was started in August and now has over 500,000 fans. The company also maintains two Twitter feeds: Twitter.com/TeamCoco is where all the announcements, clips, contests, and staff posts are sent from, while Twitter.com/ConanObrien is O'Brien's personal account, on which he sends out one or two tweets a day.

CONAN'S TEAM DISCOVERS A DIGITAL DILEMMA

It's 6:15 p.m. on the Warner Bros. lot, and Jeff Ross and John Wooden are trying to figure out what to do about



Rest assured, I'm hard at work on the new studio.



Waiting at the airport and guarding my daughter's luggage. At least I tell people it's my daughter's luggage.



You want a photo? Here's your frigging photo!

Finland. Recently, more than a dozen Facebook pages have cropped up with names like: "Conan-OBrien-Come-Backto-Finland," all of them originating from the country that created Nokia and Angry Birds.

O'Brien has been a hit in Finland since 2006, when his old *Late Night* show did a recurring bit about how much he looked like the (female) President of the country, Tarja Halonen. Eventually, O'Brien endorsed her for reelection (she won), and the show even shot a special in Finland. But TBS, unlike NBC, doesn't have a Finnish distribution deal in place yet for *Conan.*

"Maybe we should just stream it to them," Ross begins thinking out loud. "Is that counterproductive as far as getting us sold in Finland? Maybe it doesn't matter. It's not geo-blocked in Finland right now, right?" Not the clips, but "full episodes are," replies Wooden.

For another minute they try to think through the pluses and minuses of unblocking the full show. "We need to sit down with the Warner Bros. distribution guys," says Ross. He pauses for a moment, a sheepish smile crossing his face. "This is a conversation that never would have happened at NBC." Of course, that wasn't entirely NBC's fault. "I didn't know two months ago that you could geo-block," Ross freely admits. "I thought you put it on your website and anybody around the world could get it. Apparently, that's not the case."

As of now, if you're in Finland, you're still limited to clips. But odds are that Halonen and her constituents will be able to see the full show soon, one way or another.

CONAN CONSIDERS THE FUTURE (AND THE PAST)

"When I was a little boy, I remember watching *The Tonight* Show with Johnny Carson and thinking, 'Some day I'm going to host that show—for seven months."" —Tonight Show monologue, O'Brien's last week on the air

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Like millions of other Americans, Conan O'Brien's life has been disrupted by the digital world, and he's been forced to reinvent himself. YouTube, TiVo, Twitter, Facebook, and other platforms have greatly diminished the cultural relevance of *The Tonight Show*, whose overall audience has shrunk 44%, from 5.6 million a night to 3.9 million, over the past five years, and whose key 18to-49 demographic has shrunk from 2.4 million to 1.4 million during that time. O'Brien had worked his whole professional life with one goal in mind, to get to host *The Tonight Show*, and he got there, but he was born 10 years too late for it to really matter. Accidentally, however, he's learned how to innovate and make the Conan brand mean even more than *The Tonight Show* brand to a young, passionate, and growing audience.

O'Brien sits back in his office, guitar in hand, trying to make sense of his personal and digital evolution. First he thinks it through as a performer: "The Beatles were trying to be the Everly Brothers, and they couldn't quite pull it off. Elvis really wanted to sound like Dean Martin. But, you know, by failing..." He stops and starts again. "You have an image in your head of this iconic person. For me, it might have been Johnny Carson, where you grow up with him, and you think, 'Well, that's who I need to be'—to realize that feeling I had when I was 8, sitting in my parents' house and watching him. And then things happen, and you think, 'Oh, my God, I didn't—that fell apart.' But it's the failure to be that person or to completely follow through on what he did that leads you to something that's much better."

Then O'Brien thinks it through like a digital-media guy. "Ten years ago, if my situation with NBC had unfolded, none of this would have happened. Yeah, maybe I was 10 years too late to do *The Tonight Show* that I wanted to do," he says. "But I was just in the nick of time. Do you know what I mean?"

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