

# inter national ist

STATE OF THE INDUSTRY

6

inside issue 2005.

James Speros  
Builds Firm  
Platform Of  
Trust For  
Ernst & Young

GroupM's  
Rob Norman  
On Searching  
For Perfect  
Teamwork

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cover photo: geoff spear/solus photography/veer.com

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COMING

in the next issue

2005.7  
Internationalists  
of the Year

Editorial submissions are encouraged.  
Submissions may be edited for length and style.  
Send your story suggestions and ideas including photos and calendar items to  
[editorial@inter-national-ist.com](mailto:editorial@inter-national-ist.com).

## MARKETING MYTH & REALITY...

Myth and reality are being discussed by a number of people in terms of our current definitions of marketing success. At an industry event in Frankfurt, Patrick Barwise of the London Business School disproved a number of long-accepted marketing premises discussed in his new book, "Simply Better." Given businesses' current need to demonstrate brand equity as an economic value, some long-established marketing ideals are truly becoming nothing more than "myths." According to Barwise, the assumption that a customer will buy a product or service only if it offers something unique or hugely different is now a modern marketing myth. Customers want simply better—not more differentiated—products and services, and better makes for big leaps in market share and profit.

In advertising, where success is often measured in spending levels, many believe the myth that these times are challenging because we haven't surpassed the highs of the dot-com boom. However, there is a realistic indication of budgeting for growth in 2006.

Pan-regional TV ad spend on the whole is strong. There's a rise in new ad categories—from new aspects of tech/telecoms, financial products, and economic development. We're seeing newspapers change size and shape, and in the process they are finding new areas of expanded revenues. Jobs are being created or brought back, and there's even more industry events and parties to commemorate milestones. The realities of ROI are gaining greater acceptance, and there's much more innovation in all manner of integration. We'll probably live with cautious optimism for a long time, but it does make sense to acknowledge when reality is becoming more positive.

## IS THE STATUS QUO CRISIS-MODE?

As I write this, people across the southern U.S., Mexico, and the Caribbean are hunkering down to weather the two latest hurricanes and people in Kashmir are trying to start putting their lives back together after what has been called the worst earthquake in the region's history. With the tsunami in the Indian Ocean still fresh on minds, it seems that nature has been particularly brutal in the past year, disrupting routines and plans.

You are probably wondering how this relates to international business and particularly advertising and marketing. The connection is this: As we were reporting on the "State of the Industry," we couldn't help but think that we live in a world marked by crises, whether it's nature wreaking havoc on humanity or business roiled by seemingly uncontrollable factors.

While executives may not use the term crisis, their comments about the major changes they foresee suggest crisis mode. Our story finds varying degrees of confidence in how marketers, agencies, and media will be able to create and operate within a whole new type of business model.

We found "change" to be a recurring theme in other stories too. The president of Japan's second largest agency tells correspondent David Kilburn that the agency recognizes the need to prepare for a different kind of future. Nigel Jacklin writes about changes occurring in online media measurement in Europe, and Jim Speros, chief marketing officer-U.S. of accounting and consulting giant Ernst & Young, talks to journalist Kathleen Barnes about the impact of the Web and calls it the "Swiss Army knife of the 21st century—you can do everything on it: be entertained, work, and do commerce."

What changes do you foresee?

We'd like to hear from you.



**deborah malone**  
PUBLISHER



**nancy s. giges**  
EDITOR

### CORRECTION

*Due to a misplacement of a decimal point, the circulation of the Sankei Shimbun in the last issue of Internationalist (2005-5, page 22) was mis-stated. The correct circulation of the newspaper is 2.1 million.*

## place branding

Brits don't rate their own country's capital city as high as New York and Sydney in a survey conducted by agency Leo Burnett and pollster YouGov to determine various cities' brand health. London scored relatively highly across all dimensions contributing to brand strength and came behind only New York and Rio de Janeiro in terms of "vibrancy of culture." However, the over-all score was brought down by a question about positive buzz about cities. London ranked 20 out of 50 cities on this question, with less than 20% of those questioned saying they often heard good things about the city.

Said Richard Pinder, president of Leo Burnett in Europe, Middle East, and Africa, "Cities are having to start thinking and acting more like brands than ever before. Increasingly they compete with each other for investment from global businesses, vie for the tourist dollar, struggle to attract world class talent—and as we've seen with the Olympic 2012 bid recently, fight tooth and nail for the right to host major global sporting events. You can't place a high enough value on getting a city's branding right today." ●



**vacuums**

**going**

**hi-tech**

In a new pan-European campaign for Dyson vacuums airing in Austria, Belgium, France, Germany, Netherlands, Spain, and Switzerland plus the U.S., founder James Dyson explains why he developed Dyson's patented cyclone technology: "There's a fundamental problem with vacuum cleaners," he says. "They start losing suction after just a few rooms." He explains that his vacuum is different because it separates dirt from the air at incredibly high speeds. "So a Dyson never loses suction no matter how much you vacuum." Agency is Vallance Carruthers Coleman Priest. Media by Mediacom. ●

## insight into elders

As part of research about how people in Japan ages 50 and older connect with others, Hakuhodo's Elder Business Promotion Division found that key points of contact with information were, in order of importance, newspapers, television, and word-of-mouth. The importance of word-of-mouth for older elder women (65+) was extremely high. Information and advertising from the Internet and mobile phones were more important than word-of-mouth only for younger elder men (50-64). The surveys also disclosed that elders are more IT savvy than ever. The number using the Internet and e-mail is rising each year. More than 40% of elders now use mobile phone e-mail, and most younger elder men (50-64) have mastered the Internet and e-mail. ●



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LOCAL CURRENCY  
UNLESS OTHERWISE STATED

NOVEMBER 1  
TRENDWATCHING.COM'S  
TREND SEMINAR

PLACE: RSA, 8 John Adam Street,  
London

RESERVATIONS:  
[www.trendwatching.com](http://www.trendwatching.com)  
or Liesbeth den Toom  
[liesbeth@trendwatching.com](mailto:liesbeth@trendwatching.com)

PRICE: £249

NOVEMBER 3  
"REPAIRING A DAMAGED  
BRAND—THE TYCO  
CASE STUDY SO FAR"

IAA NEW YORK LUNCH  
SPEAKER JIM HARMAN, TYCO  
VP-ADVERTISING & BRANDING

PLACE: Princeton Club, New York

RESERVATIONS: Jill Henry  
1-212-338-0222;

[director@iaa.ny.org](mailto:director@iaa.ny.org)

PRICE: US\$85 member;  
US\$115 non-member

NOVEMBER 10  
TRENDWATCHING.COM'S  
TREND SEMINAR

PLACE: Asia Society, 725 Park Ave.,  
New York

RESERVATIONS:  
[www.trendwatching.com](http://www.trendwatching.com)  
or Liesbeth den Toom  
[liesbeth@trendwatching.com](mailto:liesbeth@trendwatching.com)

PRICE: US\$399

NOVEMBER 16  
INTERNATIONAL LICENSING  
& PARTNERSHIPS:  
A PERSPECTIVE ON GLOBAL  
RELATIONSHIPS

AMERICAN BUSINESS MEDIA  
PLACE: Westin Chicago River North,  
Chicago

RESERVATIONS:  
Miriam Tomaselli  
1-212-661-6360

PRICE: US\$199

Submit your events to  
[editorial@inter-national-ist.com](mailto:editorial@inter-national-ist.com)

## golden opportunity

Two new pan-regional campaigns across China reflect the country's growing desire for beautiful gold and jewelry.

According to Leo Burnett HK, agency for Hong Kong jeweler Just Gold Just Diamond, the region is going through a boom in jewelry consumption, driven by China's desire for "more." Chinese traditionally purchased jewelry for investment purposes, but today the younger generation is focusing on design, the agency says.

The other campaign—for the World Gold Council—is also capitalizing on this trend. "We believe gold is back in style and K-gold (18-karat gold jewelry), with its unique, beautiful and trendsetting designs, has huge potential to be the next hottest thing for women in China," said Albert Cheng, the Council's managing director, Far East.

This is good news for the gold industry since gold jewelry accounts for about 70% of total global demand for gold. China plays an important role since it ranks No. 4 in gold demand in the world, and during the second quarter of 2004 (the most recent period for which statistics are available), demand for gold surged 31% over a year earlier, according to the Council.

Growth is so strong that Mainland China has surpassed Japan as the world's third-largest market in jewelry consumption, which includes gold, diamonds, and other precious metal and stones.

The Just Gold Just Diamond campaign features fall collections in a print, outdoor, and in-store campaign, called the Religion of Beauty. "Women's devotion to beauty is so intense that it could be likened to a religion," says Ruby Lee, group brand director, Leo Burnett Hong Kong.

William Hui, group brand manager at Just Gold Just Diamond explains that the initiative taps into frank insights of female envy as well as women's mysterious desire to own "just one more piece of jewelry." He says, "The result is a unique bond as the brand effectively stands out from the barrage of formulaic feel-good campaigns that form the bulk of jewelry advertisements in the market today."

Lee notes that by endowing the brand with mesmerizing, religious glamor, the television campaign elevates Just Gold Just Diamond to the status of an international brand, rather than being just a local jeweler.

The World Gold Council campaign, consisting of a series of TV and print ads, is aimed at modernizing the image of gold as a fun, sexy, and fashionable product. Chinese consumers have traditionally loved gold but more as an investment than as jewelry.

The campaign is designed to re-invigorate gold jewelry for young urban women, positioning K-gold as a versatile, trendy fashion accessory which allows women to express their individuality and emotions, according to Roland Wang, general manager China, World Gold Council. Developed by BBH Asia Pacific, the campaign is targeted at young and modern professional women who have an eye for fashion.

"The region's jewelry market is definitely on the upward swing," says Lee.

"We're also seeing a shift in consumers' purchasing habits as they move away from value-focused to design-focused products. With social expectations so high among the target, consumers are purchasing items that make them look and feel good." ●



VISUALLY CAPTIVATING ADS FOR HONG KONG RETAILER JUST GOLD JUST DIAMOND ARE DESIGNED TO CUT THROUGH CLUTTER TO ACHIEVE A HIGH LEVEL OF ENGAGEMENT WITH THE TARGET AUDIENCE, PRIMARILY WOMEN WHO APPRECIATE QUALITY JEWELRY WITH GREAT DESIGNS. MEDIA AGENCY IS OMD.



IN NEW ADS FOR THE WORLD GOLD COUNCIL'S K-GOLD IN CHINA, CREATED BY BBH ASIA PACIFIC, WOMEN WEARING PIECES OF K-GOLD JEWELRY ARE CAPTURED IN NATURAL, EVOCATIVE, AND PERSONAL MOMENTS. FOR EXAMPLE, TWO FUN-LOVING YOUNG WOMEN EXPRESS A SISTERLY BOND BUT THEIR EXPRESSIONS AND EVEN THEIR CHOICE OF JEWELRY, SUGGEST SECRET COMPETITION. THIS IS FURTHER ENHANCED BY THE COPY: "WE'RE SISTERS; WE'RE BEST FRIENDS" CONTRASTED WITH THE LAST LINE: "WE'RE RIVALS." IN ANOTHER EXECUTION, A WOMAN WEARING A CLASSY K-GOLD RING AND EARRING EMBRACES HER BOYFRIEND IN AN EMOTIONAL MOMENT. COPY: "TO HAVE HIM, TO HOLD HIM" IS CONTRASTED WITH THE LAST LINE "TO SET HIM FREE." MEDIA IS HANDLED BY MAXUS (BEIJING).



sweetening offerings to the C-suite

*The Wall Street Journal* is offering front-page ad positions in its international editions for the first time as part of more options and greater flexibility for advertisers with redesigned, compact versions of the publications designed to more closely tie print and online content. In the U.S., there will also be new design and content changes, including reformatting the paper to a narrower, more industry-standard broadsheet in January 2007. Said John McMenamin, managing director, Dow Jones international marketing services, "We expect to offer advertisers an even more efficient reach of the C-suite through the launch of these new initiatives." ●

COMING EVENTS

NOVEMBER 20-23  
 ADASIA 2005 SINGAPORE—  
 WINNING IN ASIA  
 PLACE: *Suntec City*  
 RESERVATIONS:  
*adasia@tegworld.com;*  
*www.adasia2005.org.sg*  
 PRICE: *US\$1,100*

NOVEMBER 21-22  
 CONSUMER MARKETING  
 FORUM EUROPE:  
 CONSUMER-DRIVEN  
 INNOVATION  
 Place: *QEII Conference Centre,*  
*London*  
 RESERVATIONS:  
*www.forrester.com/events*  
 PRICE: *£1,375*

NOVEMBER 24  
 TRENDINGWATCHING.COM'S  
 TREND SEMINAR  
 PLACE: *Koepelkerk, Renaissance*  
*Amsterdam Hotel, Kattengat 1,*  
*Amsterdam*  
 RESERVATIONS:  
*www.trendwatching.com*  
*or Liesbeth den Toom*  
*liesbeth@trendwatching.com*  
 PRICE: *€299*

DECEMBER 1  
 NORDIC NIGHTS  
 HOLIDAY GALA  
 IAA NEW YORK  
 PLACE: *New York Palace*  
 RESERVATIONS:  
*Jill Henry 1-212-338-0222;*  
*director@iaa.ny.org*  
 PRICE: *\$375*

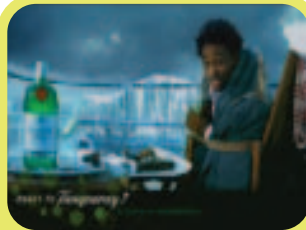
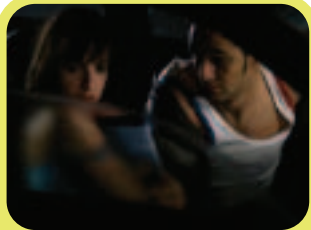
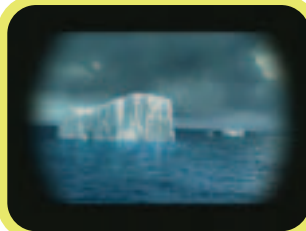
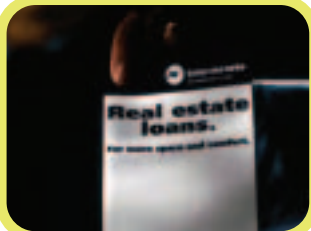
DECEMBER 7  
 ANNUAL CHRISTMAS LUNCH  
 IAA U.K.  
 PLACE: *London Hilton, Park Lane*  
 RESERVATIONS:  
*Annika McCaskie*  
*44-207-381-8777;*  
*office@iaauk.com*  
 PRICE: *£117.50 including VAT*

## regulations

- **CHINA** has ratified the World Health Organization's Framework Convention on Tobacco Control, according to Chinese state media. The world's largest consumer and producer of tobacco, China joins more than 75 countries which by ratifying the treaty agree to ban tobacco advertising, promotion, and sponsorship on radio, television, print media, and the Internet within five years.
- **ROMANIA** is drawing up a sustainable strategy for advertising self-regulation, ahead of the country's planned accession to the European Union in 2007.
- **KOREA** is lifting various advertising restrictions in the second half of next year, according to the *Korea Times*. One group affected is pharmacists, which currently can advertise only the pharmacy's name, phone number, and pharmacist's name. Restrictions on advertising by lawyers and restaurant owners will also be eased. Additionally, comparative advertising will be expanded to a number of categories, including cosmetics and water purifiers. ●

## most viewed ads

Three most viewed international ads on AdForum.com for the week beginning Oct. 3. In all, over 119,755 ads were viewed that week.



Client  
*Bank of Ljubljana*  
 Agency  
*Arih Advertising Agency*  
 Country  
*Slovenia*

Client  
*Tanqueray*  
 Agency  
*Grey Worldwide*  
 Country  
*U.S.*

Client  
*Olympus Mju Mini*  
 Agency  
*FCB Wilkens*  
 Country  
*Germany*



COMING EVENTS

DECEMBER 14-18  
MÉRIBEL AD FESTIVAL,  
FRANCE

PLACE: Méribel Ski Resort and Village,  
France

RESERVATIONS:  
Marie Burthiault  
33(0) 147 72 37 06;  
marie.burthiault@  
meribel-adfestival.com  
PRICE: €560 plus VAT

FEBRUARY 3-5, 2006  
ADPRINT EUROPEAN  
ADVERTISING FESTIVAL

PLACE: Poiana Brasov, Romania  
RESERVATIONS:  
cristina.dumitru@adprint.ro;  
www.adprint.ro  
PRICE: NA

MARCH 16-18, 2006  
DUBAI 2006:  
CHALLENGES OF CHANGE  
40TH IAA WORLD  
ADVERTISING CONGRESS  
PLACE: The Dubai International  
Convention Center, U.A.E.  
RESERVATIONS: Joseph Ghossoub  
j.ghossoub@thgrp.com  
PRICE: NA

MAY 1-3  
5TH FIPP INTERNATIONAL  
BUSINESS MAGAZINE  
& PROFESSIONAL MEDIA  
CONFERENCE  
PLACE: Millennium Hotel  
& Grosvenor Hotel, London  
RESERVATIONS: Lucy Fairclough  
lucy@ppa.co.uk  
PRICE: NA

## new for the bookshelf



It's very clear where Steve Cone stands on global marketing. In his new book, "Steal These Ideas! Marketing Secrets That Will Make You a Star" (Bloomberg Press), Cone says all truly successful marketing programs can be duplicated anywhere in the world. "Sure, local language needs to be carefully crafted," he writes. "But don't listen to half-baked arguments like, 'Oh, that will never work in this market' or 'people are really different over here.'"

Cone, who is managing director and head of advertising and brand management at Citigroup Global Wealth Management, has spent over 30 years in marketing, half in the financial services field. •



## rating search consultants

Global new business directors at 11 major agency networks agree that search consultants facilitate the decision-making process, according to a survey conducted by AdForum.

Search consultants get high marks in the areas of:

- Taking fair positions during the compensation process
- Streamlining the process
- Improving communications among internal groups
- Being knowledgeable about industry players and cultures
- Effectively addressing the needs of both parties
- Understanding agency strengths
- Being trustworthy
- Being easy to work with
- Being objective in their recommendations

Search consultants score low in the areas of:

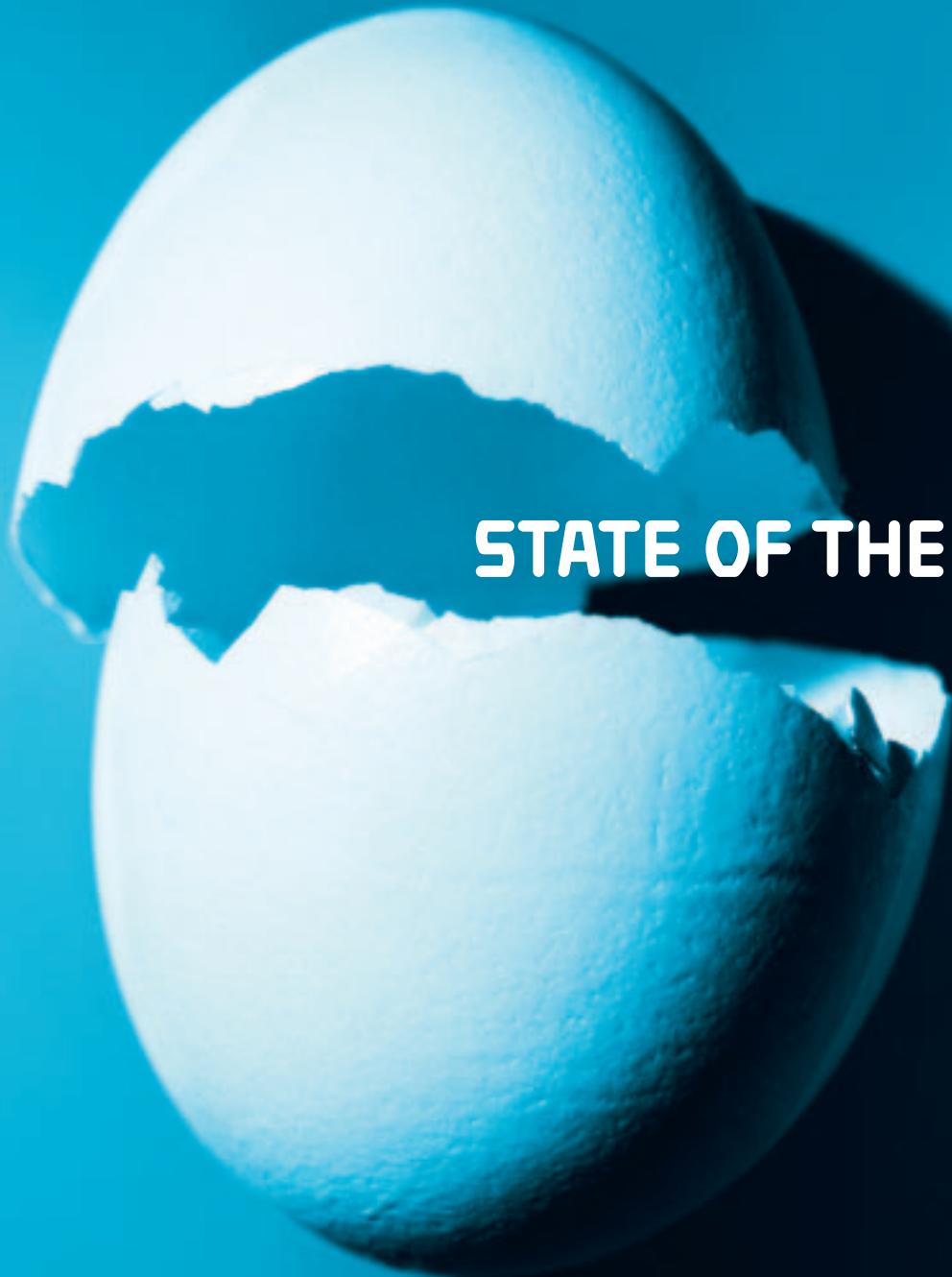
- Developing equitable compensation plans
- Working on facts, not impressions
- Taking fair positions during the compensation process
- Building better briefs
- Helping build long-term relationships •

## touting HDTV

Samsung Electronics and Discovery Communications are joining forces to promote high-definition television.

As a first step, Samsung will display Discovery content shots in high-definition on over 30,000 Samsung HDTVs in over 40 countries worldwide.

Among the venues will be exhibitions, public spaces, and retail locations. •



# STATE OF THE INDUSTRY

I don't think the model is broken, but I do think very strongly that over the next five and definitely ten years, we are going to have a greater degree of change to embrace than we have over the last 20."

## steve king

CHIEF EXECUTIVE OFFICER—WORLDWIDE, ZENITHOPTIMEDIA

"I think [the model is] cracked, damaged, but not broken. But I don't see it changing dramatically quickly."

## chris ingram

FOUNDER AND CHIEF EXECUTIVE, THE INGRAM PARTNERSHIP

"There is much more media available but a harder-to-reach target audience. They are so picky and so definite about what they want to consume and where and when and how they want it. The media are going to have to react to the audience. In 10 years, the audience will have gone, and (unless changes are made) the media will have nothing."

## andrew sibley

HEAD OF ADVERTISING & BRAND IDENTITY, EUROPEAN & EMERGING MARKETS, CISCO SYSTEMS

"There are a lot of things constantly changing the model. Media fragmentation, the proliferation of ways to reach the audience, the global nature of business. In combination, it's a compounding problem."

## sean t. connolly

MANAGER, WORLDWIDE CORPORATE ADVERTISING GROUP, INTEL CORP.

“Re-engineering,” “restructuring,” “a broken model”—familiar words and phrases whenever industry executives gather. For more than a year, industry leaders have been speaking out about the need for a new model for the marketing communications industry.

But as the statements above indicate, while there is widespread agreement that the model is in need of an overhaul, there is disparity when it

comes to what the changes will or should be, whether it will be clients, agencies, or the media that will lead the way, and even how fast changes will occur.

Granted, there is not much disagreement, nor does it seem to matter, that the reasons behind this upheaval are broad, encompassing a range of social and scientific

forces. Among them are technology, contemporary lifestyles, and empowered consumers—all converging to impose new rules on the world of communications, turning a mass medium approach into a complex one-on-one mobile process.

Today, the language is no longer about cpms, space, spots and dots, and time slots, but involves a totally new vocabulary about topics such as interactivity, communications on the move, permission marketing, personal video recorders.

“Changes are bearing down on us with frightening speed,” says Steve King, chief executive officer-worldwide, ZenithOptimedia, one of the world’s largest media agency networks.

“Technology is changing every face of media consumption,” he adds. Not so many years ago, “when we were buying mass audience messages, they were received by audiences that were receptive, attentive, and grateful. Now we’ve got the scenario where consumers are empowered and can editorialize which messages they receive.”

Chris Ingram, who started The Ingram



## i n t e l ' s a p p r o a c h

Two recently launched campaigns for Intel, one for mature markets and one for emerging markets, are the result of a new totally integrated planning process with Intel’s new global agency group, McCann Worldgroup.

“This is different from how we worked before,” explains Sean T. Connolly, manager, worldwide corporate advertising group, Intel Corp.

Acknowledging that dealing with fragmenting media is more complicated as Intel continues to expand its business globally, he says the end goal is to make it look easier than it is. “There is no question that [the industry is] going through transition.”

To create the mature market campaign now running in eight countries, Intel and McCann started with the idea “for the best entertainment experience in your lap, get Centrino in your laptop.”

“We looked at all the different ways it could play out in the most effective ways of reaching our audience,” developing campaign strategies, creative themes, and media tactics simultaneously. Up to that point, the development was “media agnostic” and very collaborative, he adds.

“We determined that in most markets, TV as a broad awareness medium was the right way to go but with a heavy print and very heavy online component. Retail is essential to communicating near purchase decision. It all came from the same creative idea,” Connolly says.

Then specialist agencies executed in their disciplines. Those involved included McCann Erickson

Partnership as a strategic consultancy in 2003 two years after selling the Tempus Group, one of the first media independents (which he founded), to WPP Group, says neither clients nor agencies have adapted fast enough.

“The structures don’t reflect the modern world,” he says. “A lot of the agency world reflects the client structure, and there are a large number of clients that are no more integrated than their agencies.”

King attributes today’s state of affairs to relying on faulty crystal-ball gazing. “The trouble is we are predicting change based on technology, and most predictions based on technology are generally wrong. Who would have foreseen the growth of the iPod or text messaging as a medium? Hardly anybody did.”

And he points out that ten years ago it was widely accepted that business travel would decline dramatically because everybody would be doing video conferencing. “We, like everybody else, have very good video conferencing

here, which we never use. I’ve been on planes the whole time,” he says.

But despite the challenges, he says, “We have the smarts to react to all of this. We’re going to have to reorganize ourselves in a very different and dynamic way if we are going to help our clients navigate through this complexity as successfully as we did in the past.”

While he’s not sure what the changes will be, “it’s going to dramatic change in the way we reach consumers. ... There is going to be a move away from printed media, away from newspapers in particular, and a move toward electronic media, toward digital, toward interactive, toward one-to-one.”

Andrew Sibley, head of advertising & brand identity, European & emerging markets, Cisco Systems, is looking to the media to lead the way. “If you look over the years, most innovation and change have been media-driven rather than coming from the agencies.”

Take the Internet, for example. Or interactive

*Grammy award-winning singer Seal is one of a series of widely-recognized entertainment personalities used in a memorable way—sitting on a computer user’s lap instead of a laptop—to reinforce the benefits of Intel Centrino mobile technology for entertainment.*



for advertising, MRM Partners for relationship marketing, Momentum Worldwide for retail and events, R/GA for online, and Universal McCann for media.

This process and collaboration with the agency “enhances our chances of coming out successful with truly integrated campaigns that really don’t start in one medium. They start with an idea,” Connolly says.

Previously, when Intel worked with Euro RSCG, the responsibility and full burden of integration were placed on Intel, Connolly says, “and we did it with varying degrees of success.”

The mature markets campaign promotes the benefits of Intel’s mobile platform technology and the new ways Intel is transforming the digital entertainment experience for people around the world.

In a fun and humorous way, ads for Centrino address how consumers worldwide are increasingly interested in using their laptop PCs as all-in-one entertainment systems that can be used almost anywhere, anytime, without wires. TV ads feature well-known personalities sitting on consumers’ laps instead of a laptop PC, illustrating how Centrino enables a mobile entertainment experience. Each celebrity—actors John Cleese, Lucy Liu, and Tony Leung; singer Seal; pro skateboarder Tony Hawk; and soccer star Michael Owen—represents different entertainment genres, such as games, movies, and music.

The emerging markets campaign followed a similar process and shows the versatility of the PC as a gaming, education, communication, entertainment, and music tool for families. It includes TV, print, out-of-home, radio, and online and is running in Brazil, China, India, Mexico, Russia, and Thailand. ●

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*Like many companies, Cisco is tiptoeing into new ways of reaching audiences with advertising like this by Ogilvy & Mather that is appearing in Italy. Says Andrew Sibley, head of advertising & brand identity, European & emerging markets, Cisco Systems, "People are starting to experiment but within the current mix and dynamic of what's available."*

TV. "The media see those as new revenue streams that advertisers will want," Sibley explains, "rather than that coming from someone saying 'wouldn't it be good to develop a technology to do interactive television?'"

While simply stated, the transformation isn't expected to be easy.

Sometimes meeting one requirement of clients presents different problems. For example, as consolidation has been the byproduct of agencies' meeting multinational clients' desires to have representation in all markets, client conflict has become more difficult to avoid, and the rules may have to change.

"Clients will have to accept conflicts or find it almost impossible to move their business," Ingram says. "You're not going to have an influx of new multinational agencies because of the sheer scale of the media model."

for so-called 360-degree communications similarly problematic. "People talk about all touch points to engage with the consumer. They use all these phrases. The result should be you can plan fearlessly across any form of media or communications. You should be looking at PR, Websites, blogging as well as television, newspapers, magazines, etc., because they are all communications forms. Events, exhibitions too. The reality is you go to the client side and in almost no instance are all those under one person's authority; so when you decide you should switch from one form to another, it will have a big effect on those departments, their size, and power within the client company," and that makes the programs very difficult to execute. "These are the realities behind the model being broken," Ingram says.

Sean T. Connolly, manager, worldwide corporate advertising group, Intel Corp., agrees this is a time of change.

"There is no question that we are going through transition." But he also points out that "to some extent we've always had those same issues to overcome with effective communications. ...People talk about the control

that users have. Other people [note] how long has the remote control existed?"

Connolly adds, "Sure, technology is enhancing people's ability to select their media and consume only what is of interest to them and entertaining to them."

What hasn't changed is that "you need to be relevant; you need to give the audience something in order for them to stick around, or for them to seek out your communications; you need to give them a benefit, to entertain them. You need to surprise them with relevant news. So creatively that's always what we've been striving for." It's just



Ingram says one of the reasons he sold Tempus was because of the huge pressure to be in every country. "I had only 67 offices," he says. He finds the desire

## steve king

ZENITHOPTEMEDIA



“Companies that impose their template on the people of the world don’t enjoy long-term success.”

“more complicated as we continue to expand our business globally and to deal with fragmenting media.”

The end goal, according to Connolly, is to make the way messages are communicated look easier than it is. “In some ways, we’re lucky because being in the technology space means being involved early on. For us as a marketing group, it gives us a little head start about what might be the next thing we have to deal with.”

## andrew sibley

CISCO SYSTEMS



“In ten years time, there will be a fundamental change.”

Sibley maintains that the model isn’t under threat today but will be ten years down the road when the first generation that hasn’t grown up with mass media will be the business

people making advertising and marketing decisions. “People are still tweaking things, doing things slightly better. For the short term, that will keep you going, improve your efficiency,

## chris ingram

THE INGRAM PARTNERSHIP



“I came to the conclusion that [you need] to separate strategy from implementation.”

and get better value for media dollars. In ten years time, there will be a fundamental change.”

He believes the end result will be better for clients, although more costly and “horrendously complicated.”

The cost factor has already brought in the involvement of procurement departments that are playing a growing role in decision-making. They are driving prices down very successfully, says Ingram, but he believes they are a source of client

## sean connolly

INTEL CORP.



“To some extent we’ve always had the same issues to overcome with effective communications.”

dissatisfaction with the lack of service they are getting from their agencies. “It’s quite difficult for clients to argue about the lack of brains and talent delivered on their business, the lack of strategic thinking, when the prices are being driven

down,” he says. “When it comes to the crunch, they are paying for the implementation of work not for the strategic work.”

But he says, there is no lack of interest in strategic thinking, and many clients are going to small strategic consultancies “quietly using them for their smarts” because by working on a smaller scale, the expense isn’t on the radar screen.

“I came to the conclusion after selling Tempus that [you need] to separate strategy from implementation if you’re going to get back to the high ground with the clients. By definition, you have to charge for strategic work since we don’t make our money from booking spots or producing commercials.”

For ZenithOptimedia’s King, it’s a matter of evolution, not divorce, and a matter of organizing in a different way. He says his business is moving away from being transaction-oriented, depending on a high volume of transactions in the implementation of planning and buying, into added value, non-transactional services, such as investment modeling and how much should clients spend.

“We are providing consumer insight into how consumers are relating to brands and reacting to media with different connection points during their purchase in the store and offering more strategic insights,” he says.

To be able to do this, changes are being made internally “to give us better expertise in new areas. ... We are becoming a bit more like an investment banker. We have a core business which is the planning and buying, which will remain our core business, but we will need to have an increasing number of skills, some of which we have internally. But the breadth of skills needed is so broad, we will need a lot of external partners, like an investment banker, in order to insure we have the best advice, best direction, and best leadership.”

Different approaches, different solutions for an industry in transition. ●

# changing times

Hakuhodo, Japan's No. 2 agency, recognizes the need to prepare for a different kind of future at home and abroad.

BY  
DAVID  
KILBURN

Change, change, and more change. Quietly, at times imperceptibly, the venerable 100-year-old Hakuhodo is evolving to meet new opportunities both within Japan and internationally. Once a family-owned institution, Hakuhodo is now part of an aggressive, newly publicly listed holding company, Hakuhodo DY Partners. Among the agency's clients, the chief executives of two major ones are no longer Japanese: Brazilian Carlos Ghosn heads Nissan while Englishman Sir Howard Stringer is the new ruler at Sony. Meanwhile at Mazda Motor Co., three top management positions are filled by Americans from Ford. Hakuhodo's media division is now part of HDY Media Partners, aggressively competing with market leader Dentsu.

Some of the forces impelling change are already well known in other markets. Media fragmentation and a growing interest in ROI have brought media planning increasingly to the fore, with an added push from Japan's decade-long roster of economic problems. As elsewhere, the Internet and information technology have

created new opportunities and globalized information flows. Others stem from a change in thinking by Japanese advertisers who are more interested in global rather than purely local campaigns.

In adapting to change, Hakuhodo is drawing on its core values. "My objective is to prioritize the partnerships with our clients. In this way, we will deliver more value and thereby increase the value of our own company," says Junji Narita, Hakuhodo's president.

"At Hakuhodo, we have always emphasized the concept of Sei-katsu-sha insight [literally a "living person," a holistic individual with a lifestyle, aspirations, and dreams rather than a mere consumer of goods and services] and have focused our thinking on trying to understand how people live their lives and the choices they make," Narita adds.

At home, Japanese advertisers tend to retain permanent relationships with their major agencies. Since Japan's three major agency groups, Dentsu, Hakuhodo DY Partners, and Asatsu-DK hold an aggregate market share of close to 50%, clients are faced with fewer agency options than in many other countries. But overseas, like other Japanese agencies, Hakuhodo is not as strong. International is now a renewed

priority for Hakuhodo.

"We have especially strong relationships with our clients in Japan, and we are trying to make those relationships just as strong outside, especially in Asian markets. We are already able to provide our clients with the same quality of service outside Japan that we do at home, though the scale is smaller. We are now trying to transfer more of our expertise to other markets," explains Narita.

This upgrade is less a matter of opening agencies—Hakuhodo already has offices in major markets—and more a question of delivering the insights into consumer behavior that can shape communication strategies and make a difference in performance and execution.

"None of this is a radical departure from what we have been doing for many years. However the development of digital, Internet, and data technologies both adds complexity and creates new opportunities," Narita says.

"The framework of information flows has changed and we must adapt the way we work. Consumer contact with information has changed. We have to recognize the media implications of this and enable our clients to understand and take advantage of these opportunities," he explains.

Japanese companies once felt advertising should be inextricably and uniquely linked to the culture and language of each country where they did business. In the 1970s and 1980s, many advertisers encouraged their agencies to create different campaigns for each market. Today, leading Japanese advertisers are taking part in the debate about the balance between the global and the local.

Narita reckons the global/local debate is becoming livelier within corporate Japan. "We have various kinds of clients. Some like to think



*Junji Narita, who became Hakuhodo president in 2003, has spent his entire career at the agency.*

globally and act globally, but others would say they think globally but act locally. At Hakuhodo, we deal with many electrical appliance and automotive companies that talk about global marketing activities. We have one automotive client using the same idea in the domestic market as internationally [a



# hakuodo's 100 years

Hakuhodo was founded in 1895 by Hironao Seki, a former samurai, who saw a business opportunity helping publishers promote their books and magazines. In 1910, Seki contracted to buy the front page of the Tokyo *Asahi* newspaper for advertisements on behalf of his clients. Never attempted before, this radical move changed the fortunes of the company and transformed it into a major agency overnight. Events moved more slowly a century ago than today. In 1924, the agency was reorganized as a joint stock company with Seki as president. By 1928, Hakuhodo was Japan's largest agency, billing at least one-third more than Dentsu, its main competitor and Japan's largest agency since the 1940s.

In 1973, Hakuhodo opened offices in Thailand and Malaysia, starting an international network, which now covers all major markets though it contributes only a small part to the agency's revenues. Since early 1990, Hakuhodo has partnered with TBWA to serve Nissan, its largest client in Japan. The partnership, now called \G Worldwide 1, operates in all Nissan's major markets. Hakuhodo-Lintas, a partnership with IPG's Lowe Worldwide, has operated since 1987 in Tokyo to serve Unilever.

In October 2003, Hakuhodo joined forces with Japan's No. 5 and No. 6 largest agencies, Daiko and Yomiko, to form a joint holding company, Hakuhodo DY Holdings.

Within the holding company, each agency retains its own identity and pursues its own strategies, similar to how the Omnicom and WPP groups operate. Later that year, the three agencies spun off their media departments to form Hakuhodo DY Media Partners, Japan's second largest media buyer. Though HDY's market share of around 17% is not large enough to directly challenge Dentsu's dominant 26%, it has still had major impact in increasing the competitive pressures within the market and on Dentsu.

Hakuhodo DY Holdings made its stock market debut this past Feb. 16 with a market capitalization of about one-third the size of Dentsu.

At about the same time, the Seki family finally stepped back from a management role, though the family continues to be large shareholders in the holding company.

Junji Narita, Hakuhodo's softly spoken president, has spent his career at Hakuhodo. He joined the agency in 1965 and held senior positions in Hakuhodo's media and business integration departments before becoming president in 2003. When he met Asia correspondent David Kilburn, the interview was conducted in English and Japanese with some mutual help from an interpreter. ●

reference to the Nissan Shift campaign], but if you look at others you see different approaches. Depending on which client or which product you are talking about, the approach could be different."

"I don't think this reflects the changes in the information society rather it reflects the differences among the clients themselves. For some products it is undoubtedly more efficient to launch the same concept globally. We can see this happening with many electronic products. But we have to consider the nature of the product and the strategy."

"Not all Western marketers have been successful with global ideas. However it is certainly true that many of our Japanese clients who are strong at home are now thinking about global markets and discussing these ideas. This certainly is one of the big changes from about ten years ago. Before they might have been thinking only about Japan but now they are more open to thinking about, say, the Chinese market."

International agency partnerships play an important role in furthering Hakuhodo's goals. The agency has partnerships with both TBWA (\G Worldwide 1) and Lowe (Hakuhodo-Lintas). Both joint ventures are tightly focused on the needs of a single client. \G Worldwide 1 works for Hakuhodo's largest client, Nissan, in nearly all markets, while Hakuhodo-Lintas works almost entirely for Unilever, but only in Japan.



*Increasingly, Japanese companies are thinking global following Hakuodo clients, such as Nissan and Suntory, whose ads are above, beyond the country's borders.*

Hakuodo is not looking for general partnerships with other agencies, but for “partnerships whenever we see that they can help us solve the problems a specific client might face or add value to the services we can deliver to a specific client,” explains Narita.

He finds common ground with his counterparts in other large agency groups about the need to explore new frontiers. The Internet, sports-related marketing, database marketing, content development are all part of this. However, he also sees a more far-reaching implication of all these new developments, and that is the need to re-gear the agency's human resource management and training programs for the ever increasing diversity of agency work. To this end, he has created Hakuodo University, a major in-house facility that will play a role in the career development and



training of all executives. The goals of the University include ensuring that all staffers are up-to-date in the skill sets a major agency needs. Excluding overhead, operational, and administrative costs, Hakuodo has budgeted US\$4 million for purely educational costs this year. The program also includes sending people to overseas universities, business schools, and study centers on a larger scale than before.

“The university will help frame the culture of the Hakuodo of the future,” says Narita. “The continuing development of our human assets in many ways is our key priority. Our people are our greatest asset and the key to our future,” adds Narita. This year, the University will touch only people in Japan, but starting next year it will embrace employees worldwide.

Hakuodo's international plans are simple to state. “We go where Japanese corporations go,” says Narita. There are priorities in each region, especially Asia, where China and India are growing markets for Japanese companies. In both countries, Hakuodo has several networks. Europe continues to be a growing market for Japanese business, with new opportunities in Eastern Europe and Russia for clients and therefore for Hakuodo. [The agency is

currently looking for a Russian partner.] In Europe, about 40% of Hakuodo's clients are European rather than Japanese companies. Though the U.S. is a major market for Japan, it continues to be very difficult for Japanese agencies, including Hakuodo. One measure of the difficulty is the simple fact that Hakuodo's U.S. clients are now all American rather than Japanese firms. “We have no aggressive development plans for the U.S.,” says Narita.

Brazil, where Hakuodo has been doing business with Totalcom as a partner for over ten years, also offers new opportunities.

As international opportunities beckon, there could be more radical changes ahead back home. Uniquely among major markets, Japan has been a country where account conflict rules, as followed in the West, have never applied to major

Japanese agencies, which all work for a number of competing clients. That may change. Says Narita, “We think it is inevitable that Japan cannot avoid the trend for one client/one agency [in each industry], and we must prepare for that as group [HDY],” says Narita.

Japan is an increasingly difficult market. “The practices and structures of the past are slowly disintegrating,” says Narita. “This is one reason we have moved to a holding company structure; another is to increase our efficiency and prepare for more change.”

One senses that Hakuodo's samurai founder, who also lived in changing times and saw his own warrior class abolished, would applaud the way his keen sense of martial strategy lives on in the agency today. ●

*Hakuodo University is major initiative to upgrade skills training, such as copywriting in this classroom setting, as well as provide an opportunity to pilot new ideas, projects, or do research and development.*



# online audiences

European countries have much in common in measuring online media, but they diverge in their approaches.

provided a good “talking shop” for those involved in organizing, producing, and using online audience data.

Keynote speeches from Ted McConnell, head of interactive marketing innovation at Procter & Gamble (representing the World Federation of Advertisers), and Hamish Pringle of the U.K. Institute of Practitioners in Advertising (representing the European Association of Communications Agencies)

BY  
NIGEL  
JACKLIN

Berlin has an exciting reputation, and the Internet is a hot topic, so the first International Conference on Online Media Measurement (ICOM), organized by M3 New Media Consulting, with its goal of

providing an international platform to enable cooperation and sharing, looked promising.

For the 120 delegates from 28 countries dedicated to online media measurement, the conference certainly

## main user-centric measurement systems presented at ICOM

WHILE SITE-CENTRIC DATA PROVIDE MEASURES OF AN INDIVIDUAL SITE'S USE (E.G. PAGE TRAFFIC), USER-CENTRIC PROVIDES DATA ABOUT HOW INDIVIDUALS USE DIFFERENT SITES. THIS ALLOWS CALCULATION OF CONVENTIONAL REACH AND FREQUENCY FIGURES.

COUNTRY	HOW ORGANIZED	HOW MEASURED
<b>BELGIUM</b> CIM Metriweb	Through CIM, the joint industry committee which oversees all audience measurement in Belgium.	Participating sites (over 250) tag pages. System uses cookies and is projected to independent universe estimates.
<b>GERMANY</b> AGOF	AGOF is a joint industry committee with involvement of AGMA, the body which oversees all media measurement in Germany.	Agglomeration of site-centric data.
<b>ITALY</b> Audiweb	Audiweb is a joint industry committee dedicated to online.	Following a tender process, the existing Nielsen NetRatings service will be replaced with one similar to AGOF.
<b>NETHERLANDS</b> STIR	STIR is a joint industry body.	Intomart (GfK subsidiary) routes panel members through a standard interface which records site use.

THE SYSTEMS USED IN U.K. AND FRANCE WERE NOT COVERED IN THE CONFERENCE. IN THE U.K. TWO MAIN SUPPLIERS COMPETE (NIELSEN NETRATINGS AND COMSCORE). IN FRANCE NIELSEN NETRATINGS HAS A JOINT VENTURE WITH MEDIAMETRIE.

gave a sense of the need for international cooperation and common standards to provide advertisers with trusted sources which demonstrate that their money is being spent effectively online.

As consultant to the U.K. Internet Advertising Bureau, I was looking for some concrete agreements and actions regarding measurement. Here I was disappointed. At the end of two days, I recalled only one chart with some figures which tackled anything to do with the issues surrounding audience measurement (an old chart on the effect of cookie deletion).

The local/global tension was felt throughout the conference, and many of us came away with an impression of significant national differences when in fact all countries are working towards the same goals and have much in common. This is important for a medium, which unlike most others, does have a significant number of global entities. In addition, this medium also has no “historical” excuses for using different techniques to measure the same things across Europe.

In the past two years an increasing number of European countries have set up their own joint industry committees running user-centric services. This has resulted in an increasingly divergent approach to measurement. However, the big positive news from Italy was that having gone through a tender process, the country

has opted for the same approach as Germany (using a combination of site-centric data and a conventional establishment survey).

On the site-centric front, while national ABC equivalents work to common output

to work more closely together so that he could meet all auditing requirements with a single technical solution (perhaps a single international audit standard is required).

While there is definitely a need for a repeat of this

clearly define the issues which which should be discussed and to force the industry to exchange some evidence about the effects of the various practices used.

**Four key common measures of online audience**

**1. online population estimate**

How many people use the Internet in an average month/week/day. Currently provided by various national sources such as establishment surveys but no universally standard definition.

**2. certified site traffic**

Standard counts of page traffic. Currently provided to International Federation of Audit Bureaus of Circulations by individual national bodies with fairly similar definitions.

**3. planning tool**

A means of estimating the net reach and frequency of potential campaigns using multiple sites over a period of time greater than one week.

Currently provided by a range of national sources, some of which are jointly organized (see box on opposite page).

This area has the lowest level of commonality across countries.

**4. ad server**

**measurement**

Standard measures of ad delivery. The Global Ad Measurement Guidelines developed by the Interactive Advertising Bureau in the U.S. are at the initial stages of adoption by U.S. sites. ●

*Nigel Jacklin is an audience measurement expert.*

standards, the specifications they give to sites to produce these figures vary. With this in mind, there was a plea from Brian Fitzgerald, international operations engineer at Ask Jeeves, for the national bodies

event in a year or so, I was disappointed by an apparent lack of reliance by organizers on the expertise and advice they must have received from their patronage organizations. There is a need to more

# jim speros

Meeting a branding challenge for Ernst & Young in the wake of financial scandals by building a platform of trust

Jim Speros is a bright light in the global marketing world by anybody's standards.

As chief marketing officer, U.S., for accounting and consulting giant Ernst & Young, Speros has brought the company through dark days for the industry and created new strategies that have earned him industry "best practices" commendations and numerous awards.

The firm is ranked No.2 behind only Deloitte & Touche based on U.S. net revenue, according to *Inside Public Accounting*.

"E&Y's audit function is built on a platform of trust," says Speros. "When we sign off on a financial statement, we're saying to company shareholders that we've attested to the financial integrity of the statements. That trust is what we build our entire brand on."

The Enron scandal caused a massive loss of trust, not only for Enron's accounting firm, Arthur Anderson, but industry wide. Yet E&Y has solidly maintained the confidence of its clients, including some the company has served for more than 40 years whose roots go back to the early 1900s.

E&Y operates in 140 countries and Speros asserts worldwide integrity of brand is essential for this \$17 billion privately-held company.

That's why he was instrumental in creating E&Y's global Branding Zone, a Web-based repository of all firm's branding guidelines, templates that can be used anywhere in the world and an extensive image library.

"If you're a branded house, like E&Y, whose name is used globally, much like IBM, GE, or Virgin, you want to lead with the master brand. You need consistent strategies and positioning. That's the purpose of Branding Zone," explains Speros.

"For example, we want to ensure we use the same style of photography worldwide," says Speros. "Just that one aspect of Branding Zone saves the firm an average of \$10 million to \$12 million a year by centralizing the purchase

of stock photos." And the savings add up.

Some imagery is so universal—frogs, lizards, eyeglasses—that it transcends not only national barriers but also media formats.

While E&Y wants to keep its message consistent with the recently changed tagline, "Quality in Everything We Do," (old tagline: "From Thought to Finish,") it also recognizes the need for local market adaptation.

"You have to allow for cultural differences, different markets that must adhere to local tax and accounting laws. The messaging has to be different sometimes. You can't be blindly global or hopelessly local. You're headed for disaster if you don't allow any adaptation," he adds.

That's why E&Y has an in-house Global Marketing Council.

"A partnership has to have a mechanism that allows for local market input and a voice in the decision-making process," says Speros. "You can't sit in the corporate jacuzzi in New York and make pronouncements. No one person has the lock on all the knowledge, so if you distribute power and decision-making, you wind up with better solutions in the end."

E&Y has centralized its agency roster under the Publicis agency and its media specialist, MediaVest. However, ever increasing amounts of online advertising are handled by another agency, GlobalWorks Group.

"About 90% of our advertising business goes through Publicis, although sometimes a country office will need to go through a specialized agency for a specific project," Speros says.

*Jim Speros is a big advocate of consistent strategies and positioning globally for his "branded house."*





*Sometimes, the copy stays the same but the visual changes as in this ad that ran in the U.S. and Europe headlined, "Money isn't everything. Value is."*



*Eyeglasses, as a recognizable image everywhere, can be used in many markets. The English-language headline of this ad reads: "Hearing improves vision." Copy: "Solutions that are individually designed to fit your growing needs can only come from people who listen better and see farther." An adaptation for Argentina looks very similar.*



Budget cutbacks haven't hampered Speros in this dramatically shifting world of advertisers attempting to hook up with increasingly recalcitrant consumers.

In these days of TiVo, spam blockers, popup blockers, and do-not-call lists, marketers have been challenged to refine and tailor their messages to consumers who want to hear a specific message.

"Consumers are now empowered to control much of the messaging they see or don't see," according to Speros.

"All research shows when consumers have an opportunity to control whether they see commercials, they lose 70%–to–80% of all TV commercials. This is an enormous threat to the marketing industry and to TV, an industry built around advertising," Speros says.

Consumers are also exercising that empowerment through spam filters and popup blockers, MP3 players, and caller ID. "It's a sea change in the industry itself," Speros explains.

Wireless technology is also having a tremendous impact on the way marketers will be able to communicate with the consumer, he adds.

Speros is a member of the ranks of executives who recognize that marketing has become primarily "permission-based," a 180-degree turn from not long ago.

"We have to be invited into homes. The concept of carpet-bombing consumers with messages won't be able to go on for long. We have to seek permission from consumers to communicate with them," he asserts. "This requires marketers to be conscious of adding value at every touch point. It's not just about advertising. We have to be more astute in how we find new ways to reach people, help them feel empowered."

"The emergence of the worldwide Web as a global marketplace has changed the industry. There are 700 million people online now. I like to think of the Web as the Swiss Army knife of the 21st century—you can do everything on it—be entertained, work, and do commerce."

In Speros' mind, Web marketing is the wave of the future: "A lot of money is shifting to the Web, and there's still a lot of running room since the global penetration is still only about 12%."

"It's a whole new world when you can go



*In an English version, a long-tongued frog was the key visual in an ad with the headline, "In the new economy, nothing's out of reach if you have the right tools." In German, the same idea was conveyed with a lizard-like creature whose tongue ended in a trendy "e".*



*Zippers convey the same idea whether in Dutch or English in this ad, headlined, "When the connection is good, it shows."*

to Korea and see people watching television programs on their cell phones," he says.

Yes, there have been budget cutbacks, but Speros doesn't see them as problematic.

"We may not be doing as much visible advertising, but marketing isn't just visible advertising," he says. "We use public relations, event sponsorship, industry marketing, direct marketing, and surveys."

"There's a whole series of tools to expose our message. It's not necessarily all in broad-based media and it's not as costly," he explains.

Speros thinks of his brand as a promise: "It's a trust and a relationship. We have to reach out to the consumer in many ways. This is not a one-way conversation."

Branded entertainment that is not gratuitous is one way of getting a message across, Speros says. He thinks the 2000 movie, "Castaway," starring Oscar best actor winner Tom Hanks, was ahead of its time in branded entertainment. Although some called the movie a "two-and-one-half hour commercial for Federal Express," "Castaway" was critically acclaimed and won numerous industry awards.

"And best of all," notes Speros, a marketer to the end, "the movie ends with FedEx's tagline—the package always get delivered—even under the most unimaginably terrible circumstances."

As immediate past chairman of the Association of National Advertisers, Speros has spurred his fellow marketing professionals to embrace the spirit and the practice of multiculturalism by initiating and chairing the ANA's Multicultural Marketing Committee and the industry's first Multicultural Excellence awards. He's also been active on the Advertising Council and chairman of the board of BPA International.

He has held his position at E&Y for seven years—"considerably longer than the industry standard of 22 months," and previously held a similar position with AT&T for 19 years, where he managed and directed worldwide corporate and consumer communications, including the memorable award-winning and highly successful "Reach Out and Touch Someone" campaign.

In today's new world, marketers are finding they must ask prospective recipients for permission first. ●

## con·nect

*v.* **con·nect·ed, con·nect·ing, con·nects** · to join or fasten together. · to associate or consider as related · to join to or by means of a communications circuit

## Con·nect Al·li·ance

*n.* an effective group of aligned, independent media representatives who offer best practices to connect media owners to increased revenues

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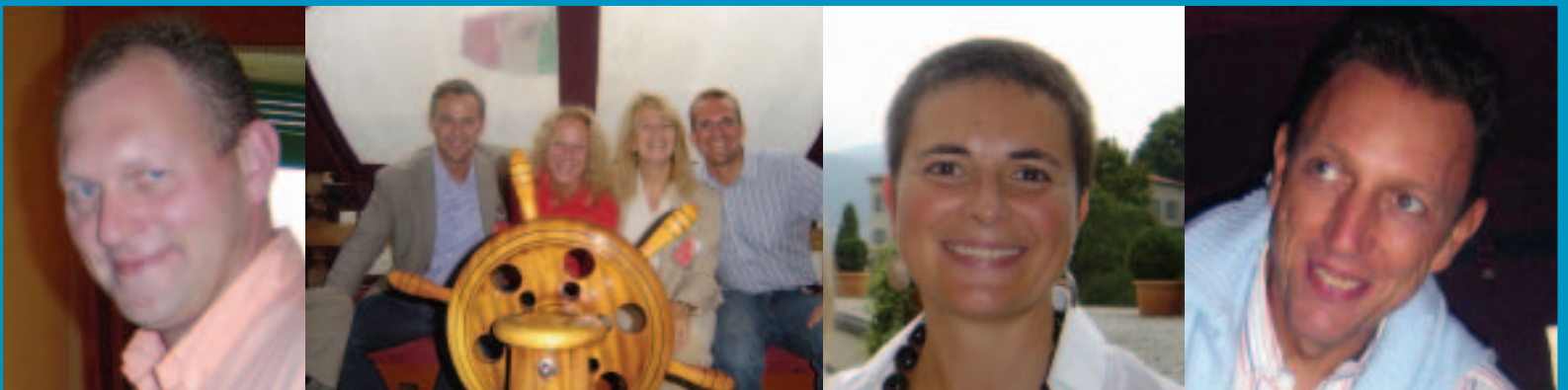
The Fourth Annual Connect Alliance Publishers' Seminar was held this year at Lake Maggiore, Italy.



(From left) Photo 1: Desmond Sowerby, *Associated Newspapers*, Antoine Dubuquoy, *Le Monde*, and Simon Darragh, *The Guardian*; Photo 2: Anna O'Sullivan, *The Times*; Photo 3: Bob Breen, *Handelsblatt* and Yosh Ikegami, *Yomiuri Shimbun*; Photo 4: Mark Savage, *Mediaedge:cia*



(From left) Photo 1: Juan Jordan, *Recoletos* and Frederic Lahalle, *Affinity Media*; Photo 2: Eva Favre, *Affinity-PrimeMEDIA*, Sabine Fedrowitz and Angelika Marx, both *Mercury Publicity*; Photo 3: Frank-Paul ter Berg, *Reed Business* and Colin Smith, *Oliver Smith & Partners*



(From left) Photo 1: Peter Leene, *Het Financieele Dagblad*; Photo 2: Stefan Nero, *Dagens Industri*, Lisbeth Olness, *Dagens Naeringsliv*, Trude Margel, *Aftenposten*, and Mikael Lönnqvist, *Helsingin Sanomat*; Photo 3: Patrizia Migliorini, *Tod's Group*; Photo 4: Bernard Kedzierski, *K.media*



(From left) Photo 1: Michael Karnig, *karnig4media* and Britta Luigs, *Bauer Verlag*; Photo 2: Jim Koene, *Reed Business*, Dirk Van Roy, *Roularta*, and Nick Edgley, *Daily Telegraph*; Photo 3: André Freiheit, *Gruener + Jahr*

# the perfect orchestration

(whether business or football)

On March 3, 2005, a man named Rinus Michels died. Michels was credited with inventing something called “*totaalvoetbal*.” In translation (from Dutch), this means total football. In translation (from English!), this means total soccer.

Total football came to prominence in the World Cup of 1974 in which the Dutch team (while eventually losing the final to West Germany) thrilled the world with a range of individual skills and egos from which Michels orchestrated a perfect sporting symphony. Put simply he found the alchemy of teamwork and produced wonderful teams at Ajax of Amsterdam, Barcelona, and ultimately the Dutch team of 1988 which won the European Championship in a manner not seen before or since.

That same alchemy is constantly being searched for by marketers and the marketing services community that serves them and their brands. It would appear that our corner of the world is not overpopulated with managers of Michels’ skills although we have no shortage of egos and those capable of eloquent argument that supports their claim to primacy or at least *primus inter pares*.

If we listen to the siren voices of the extended agency community, the main beneficiary will be the furniture industry as it ups production of boardroom tables big enough to accommodate all those who believe they have an unarguable right to a seat. Depending on who you listen to, you will hear that marketing is channel-led, consumer-led, brand-led, or simply led by the big idea. The arguments are mostly cogent, and all have a point but all you can really conclude is that all these factors are ingredients of success and thus are co-dependent. The perceived disaggregation of the marketing services industry makes it hard for its clients to determine who or what should lead, and unless and until the holding companies reorganize themselves into horizontally integrated marketing consulting businesses it will ever be thus.

One thing is clear regardless

“ The [alchemy of teamwork] is constantly being searched for by marketers.”

of structure. Michels’ teams left the locker room with a plan that involved a pretty clear insight into the strengths and weaknesses of the opposition and were thus well placed to exploit their vulnerabilities. Perhaps, more important still, they had a plan for what to do when things went wrong. This is a Darwinian approach to problem solving that has little to do with the survival of the fittest (words never written by Darwin) but everything to do with the ability to successfully adapt to change—a central premise of his thesis.

Translated into business, this becomes the art of briefing and making it clear throughout the supply chain who does what from the start, understanding how roles need to evolve in response to micro and macro marketplace changes, and what to do when things go wrong. To imagine that any structure works better when the brief is both common and clear stops somewhat short of intimacy with nano technology.

So assuming that we get as far as one brief, one vision, where should the Rinus Michels of marketing really sit?

It seems that there are three choices. The first option is the marketing services holding company. A wise manager and a supporting cast. The internal power to build a tailored resource, cherry-picking the most appropriate assets and the



B Y R O B N O R M A N

permission to cut across the razor wire of profit and loss accounts. The skill and the will to package a flexible (both commercially and geographically) relevant resource that can be applied strategically and executionally to the business problem in hand. One throat to choke and one back to pat.

This model exists and it works; not perfectly, not all the time; but it works. It works best, of course, when the wise man is discipline neutral and recognizes that scoring the goals, stopping the shots, and keeping the score are all essential ingredients of a well-played game. How can you ever let a single channel or discipline lead? It also helps a lot when he has the foresight and permission to step beyond the company to buy and apply resource when what he has is simply not best-in-class. Even Rinus Michels did not have the world's best player in every position on the field although he did a pretty good job with what he had.

Choice two is the channel neutral, strategy only communications specialist. The argument goes that only he with no vested interest in the executional revenue stream can take a truly agnostic view of the problem and the range of applicable solutions. To borrow another soccer metaphor...it looks great on paper, it's just a shame we are playing on grass. There is no McKinsey of marketing with the range of skills and geographical reach to orchestrate major communication campaigns; and it's not just about scale and reach. There are almost no examples of consultancies that genuinely have the operational dirt under their fingernails to provide great counsel on the role and application of every channel. This is not to suggest that these businesses are incapable of adding value but it's reasonable to hypothesize that it is more relevant in the context of course correction and moment of time inspiration than in the area of continuous process management and delivery.

The third option is the marketer, her or himself, because what you really want is this; best-in-class strategy and perfect execution across every channel at the most competitive price, all the time, and everywhere. Your job is to apply the skills of marketing to the business opportunity and surely only you, as employee or owner, can truly connect the business goals to the marketing goals. To achieve this you need to create a team

and a way of playing the game that suits your ends and delivers the maximum competitive advantage for your business for this, of course, is *totaalvoetbal*.

Okay. You have done it. You have taken the first choice or the third or if you are really smart a combination of the two, with you and the other wise man controlling the game from center field with a clear vision of threat and opportunity and the game plan to deal with both. Together you conduct a productive battle of ideas that allows the best of everything to come to the surface.

Just one challenge remains, and this one did not keep Rinus Michels up at night. You have successfully integrated your marketing supply chain but have you done the same with the business it is going to supply?

Internal integration and goal alignment remain the single greatest challenge to great marketing. Matching your matrix to that of your suppliers may well make you wish you had not taken the green pill. Where do you hold your budgets? In the brands? The business units? In individual markets, maybe? Do you integrate your distribution channels? Are the goals the same for retail as for e-commerce and direct-to-consumer? Do these decisions meet in marketing or only at CEO or CFO level?

These fractures are so often the biggest barriers to integrated thought and action, and if there is one thing that's tough for suppliers, it is to be all the things you are not. Few of us have the relatively simple task of running single brand, single territory, single channel businesses. The fact is that reality demands good behaviors on both sides of the relationship. The most complex matrices can work with aligned goals and attitudes, and very often aligning compensation helps as well. Similarly, the opposite is just as true.

Perhaps it comes to this. Arie Haan, one of Michels' many gifted players, thought total football was a state-of-mind rather than a system: "As it is at any moment, so you play; in many teams only two or three play, and the rest are looking; in the Holland team, when you were 60 meters from the ball, you were playing." ●

*Rob Norman, who says it is probably wise to include a disclaimer that the views in this article are solely the author's, is director, Interaction Worldwide, GroupM.*

“  
Internal  
integration  
and goal  
alignment  
remain the  
single  
greatest  
challenge  
to great  
marketing.”

2005 EACA Euro Effie winners

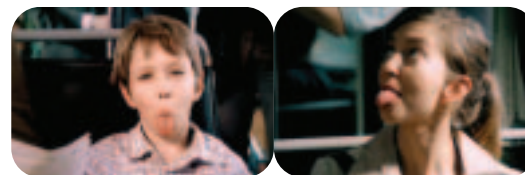
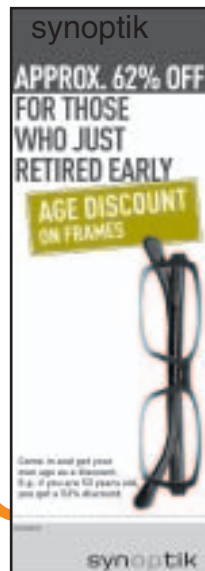
Capturing Gold



Category  
*Fast-moving Consumer Goods*  
 Client  
*Procter & Gamble*  
 Agency  
*Grey Worldwide Düsseldorf*  
 Country  
*Germany*



Category  
*Toiletries & Beauty*  
 Client  
*Lever-Fabergé*  
 Agency  
*Ogilvy & Mather Düsseldorf/London*  
 Countries  
*Germany & U.K.*

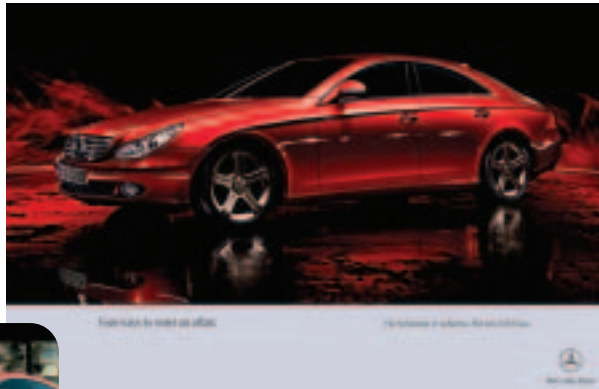


Category  
*Agency Network of the Year*  
*Grey Worldwide EMEA*

Category  
*Corporate*  
 Client  
*Adidas*  
 Agency  
*180 Amsterdam\TBWA*  
 Country  
*Holland*

Automakers Dominate Silver Awards

Category  
*Automotive*  
Client  
*DaimlerChrysler*  
Agency  
*Springer & Jacoby*  
Country  
*Germany*



Category  
*Automotive*  
Client  
*SEAT*  
Agency  
*Atletico International*  
Country  
*Spain*



Category  
*Automotive*  
Client  
*Audi*  
Agency  
*Audi*  
Country  
*Germany*

Category  
*Automotive*  
Client  
*Automobiles Peugeot*  
Agency  
*BETC Euro RSCG*  
Country  
*France*



BY

# patrick walhain

REGIONAL DIRECTOR  
ICOM EUROPE

*This bag was my favorite. A very appropriate size for short trips around Europe or to North America. But I won't fly with it anymore. During my last trip to New York, a Japanese passenger mistakenly took it and left his own luggage because the two looked so similar. Luckily, he returned it two days later.*



**PAIRS OF GLASSES**  
*Losing glasses happens to me frequently. At least, every quarter. Now I drop a second pair in my bag before I close it. And I feel prepared.*



**CONCERT TICKETS**  
*With the "Rolling Stones" back on tour, I order concert tickets from promoter Michael Cohl for cities where I travel. I have attended more than 50 concerts. Next February, I fly to Tokyo for both business and concerts.*

**MONEY**  
*Everywhere I go shopping, I carry cash for negotiating prices. With cash, it's much easier than with a credit card. Try it next time even in luxury shops as well as at flea markets.*



**FREQUENT FLYER CARD**  
*I am an Air France addict (and my membership card is always with me). Best company. Good food. Great frequent traveler program, now called Flying Blue. I haven't used a single reward point so far. Like an astronaut, I am planning to fly several times round the earth.*



**USB KEY**  
*A new and real benefit for travelers who hate carrying too much weight, like me.*

tell us what's in your bag. send submissions to [editorial@inter-national-ist.com](mailto:editorial@inter-national-ist.com).



LONDON

*Paul Maidment, editor of forbes.com, discussed how business reporting and investment analysis on the Web compared to print at a luncheon. (All photo identifications from left.)*

1 *Noreen Dooner, Barclays Capital; Bob Crozier and Liz Humble, Forbes.*

2 *Tommy Fanning, IDA.*

3 *Justin Taylor, OMD International.*

4 *Charles Yardley, forbes.com; Helen Campbell, I-Level.*

5 *James Adam, Impact Media.*

6 *Jim Spanfeller and Paul Maidment, both forbes.com.*



Media Trends

NEW YORK

*Publishers from around the globe were hosted by WorldMedia to discuss issues involving media, advertising, and national trends.*

*Standing from left: Conover Brown, World Media; Tom Yamamoto, Nikkei Business Press, Melissa Worrell, World Media.*

*Seated: Rogerio Gabriel Comprido, Group Veja; Andrea Bredow, Der Spiegel; Eileen LeMuet, Groupe Express-Expansion.*





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LONDON

Attendees were all smiles when M&M Europe presented its annual awards for media strategy and creative. (All photo identifications from left.)

- 1 Malcolm Hanlon, ZenithOptimedia.
- 2 Carolyn Gibson, BBC World; Gretchen Parks, Citibank.
- 3 Deborah Armstrong, National Geographic Channel.
- 4 Rob Bonnet, BBC; Michaela Cooke, BT.
- 5 Jean-Christophe DeMarta and Stephen Dunbar-Johnson, both International Herald Tribune.
- 6 Joseph Siart, TNS Secodip.
- 7 Stuart Bailey, Carat Business.
- 8 Marien Faasse, Mindshare Amsterdam; Nick Mesquita, Economist.
- 9 David Weeks, Economist; Nicky Gordon, Carat Business.



PEOPLE AND PLACES



NEW YORK

Nick Utton (2nd from left), chief marketing officer, E\*Trade Financial, gave his outlook on where financial services marketing is heading at an event organized by the Financial Communications Society. Others attending (from left) include Karen List, New York Times; Utton; Becky Saeger, Charles Schwab Corp.; Tim Hart, Financial Times; Ahmed Yearwood, Y Internet.



LONDON

IAA U.K. organized a panel discussion on ROI for a monthly luncheon. (All photo identifications from left.)

1 Jeff Upward and Jacqui Purdy, both Total Media; Dominic Allon, Economist.

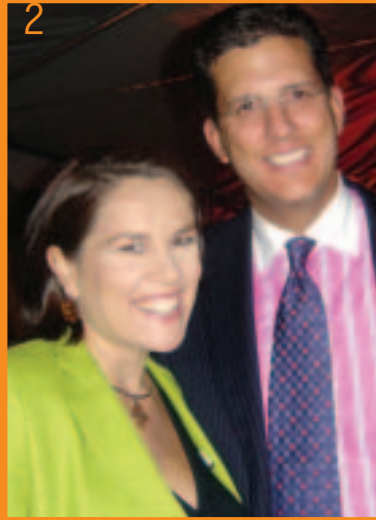
2 John Billet, Billets; Adrian Vickers, Abbott Mead Vickers BBDO; Archie Pitcher, HAT; Anthony Young, ZenithOptimedia.

3 Jon Ghazi, BT.

4 Claudia Reinesch, AuditStar.

5 Mark Dixon and Oliver Eills, both London Times; Sven Olsen, Foote Cone & Belding Worldwide.





NEW YORK

BBC World hosted members of the U.S. marketing community at a taping of "The World Economy Debate: The Business of America." (All photo identifications from left.)

1 Naomi Bradford, BBC World; Sue Decker, Yahoo; Susan Popper, SAP.

2 Tanya Beckett, BBC World; William Hildreth, Deloitte, Touche, Tohmatsu.

3 Vijee Manuel and Sharon Gamsin, both MasterCard International.

4 Jonathan Howlett, BBC World; Bill Baker, Thirteen/WNET & WLIW.

5 David Oliver, Oliver Smith & Partners.

6 Jeff Randall, Jane Gorard and Evan Davis, all BBC.



Suzanna



**KANTOR** London Wall Street Journal Europe, Advertising Development Director

1992 LONDON Harrods Ltd.

1996 LONDON TSMS

1999 LONDON Dow Jones International

1993 BUDAPEST Prosperity 2000 Group

1998 LONDON Magicscene UK

2004 LONDON Wall Street Journal Europe

Charles



**LEI** Shanghai CNBC Asia Pacific, Senior VP-Greater China

1985 LOS ANGELES PDS Corp.

1991 CHICAGO MediaTech

1995 LOS ANGELES NewsCorp/20th Century Fox Home Entertainment International

1997 BEIJING Walt Disney TV International

1987 LOS ANGELES Lei & Associates

1993 WESTLAKE VILLAGE, CALIF. Decision Support Services

1995 HONG KONG Walt Disney Company/Buena Vista Home Entertainment Asia Pacific

2005 SHANGHAI CNBC Asia Pacific

Nina



**HAN** London MTV Networks, VP-International Development, Nickelodeon

1990 NEW YORK Sunbow

2005 LONDON MTV's Nickelodeon

1995 NEW YORK Lunabeen Media

Neil



**SARTORI** Munich Journal International, Head of Sales for Departures and Centurion

1990 LONDON Reed Business Publishing

1995 LONDON Mercury Publicity

2005 MUNICH Journal International

1989 LONDON Metal Bulletin

1993 MADRID Luis Andrade Publicidad International

2000 LONDON Times Newspapers

Elaine



**ANG** Singapore BBC World, Marketing Executive-Asia

2000 SINGAPORE MTV Asia

2005 SINGAPORE BBC World

Everyone has learned that you can't mess with New York. The city that defined the '80s hit a rough patch four years ago. The psychological recovery has been slow. After London officially joined the New York-Madrid Axis of Fear, it seems everyone has finally resigned themselves to the new realities, and that's allowing the city to get on with what it does best: everything but garbage collection!

**airport**

Okay. So JFK arrivals are the worst. Long lines, nasty immigration officials. The bad fluorescent lighting really should be addressed by H.R.H. Bloomberg, but presumably he's got other things on his mind, such as gentrification in Harlem and saving the Tribeca Film Festival. That new Terminal 8 departures area could give some inspiration, but don't hold your breath.

Thankfully there's a hip new alternative to cabs and town cars. Book OzoCar ([www. OzoCar.com](http://www.OzoCar.com)), your new savior: Smart drivers await curbside with a crisp little Toyota Prius to whisk you straight into Midtown, saving mileage and looking eco-chic. An idea long overdue.

**hotels**

It would be unwise to pick a hotel for you, because the city is the home of the idea of the hotel: big grand and luxurious landmarks. Please do not stay at the Sheraton. Clearly the Carlyle remains the top choice, but if you want the quiet scene, may we suggest the Righa Royal, which offers beautiful suites and discreet power consultations in thickly carpeted lounges. It's a great secret meeting spot for media CEOs and the Hollywood jeterati.

If you're more of a downtown type, we regret to inform you that the Soho Grand rooms are still the size of a Japanese

sandbox; the Paramount needs a renovation; and there is a people-peeing-in-the-hallway problem at the Gansevoort, which say locals, ruined the neighborhood in the Meatpacking District. If you haven't given up and packed for Le Meridien or the Hudson (nice), then try the friendly folks at the new Hotel on Rivington in the Lower East Side. It is such a beautiful hotel. The private dining room here is all chic sophistication.

**food**

What's the latest? The best places are a mix between the tried-and-true and the too expensive to be tried. Per Se, located in the new Mandarin Oriental at TimeWarner center remains outstanding, but so dull—a bit like riding around in a Rolls Royce. You are constantly reminded that you should be enjoying it, but you'd probably have more fun in a beat-up convertible. Nevertheless, if you're the client, you really should insist.

One of the city's many great beat-up convertibles is Frank's, home of fantastic Italian food and located on Second Avenue between Fifth and Sixth Streets. It's an insider favorite with rarely a tourist in sight. The drinks could be better, but the food is great, and it's fun waiting 40 minutes to squash your party of 12 around a farm table designed for four. Everyone

stands on the patio out front. It's amazing, this lovely boom in al fresco dining spots, a byproduct of Mayor Bloomberg's smoking ban in 2002. Note: they are commonly called the "crusades."

The great thing about the crusades is now restaurants don't smell so bad, and that makes Balthazar a better breakfast spot than dinner spot. Situated in Soho and only minutes from the face-

having dinner at Bette, Amy Sacco's other restaurant, where your waitress can help you negotiate entry for later in the evening, or try across the street where Home is now connected by a secret inner passageway to GuestHouse, the hottest new club on the circuit. Great music, gorgeous Australians, and bundles of beautiful people are the order of the night, located minutes from each other in the Meatpacking District.

**other musts**

We're not going into the museum thing or the Broadway thing or the cool celeb thing. Two



Floor-to-ceiling glass walls at the Hotel on Rivington offer guests spectacular views of Manhattan and beyond.

spray samples at Amore Pacific, it's part of the quintessential New York morning ritual: Roll out of your friend's couch; on your way to the subway, run past Balthazar take-away; sprint two blocks for Dean & DeLuca coffee on Broadway; turn left and hit Amore Pacific for face spray. Then hop the subway uptown—only 20 minutes late for work.

**clubs**

Unfortunately the club scene has gone a bit gritty, but the classic sound of New York rock and roll, with a tinge of urban cowboy, is alive and well. Score your entry to Bungalow 8 by

things to do: Make sure you attend a roof party and go shopping, just for the warm friendly service! That weak dollar means the Abercrombie & Fitch on South Street Seaport is packed from morning till night with foreigners scrambling over any last remnants of clothing. Only in the New York branch of Abercrombie while in line for unisex T-shirts can you make a date in Stockholm with a person who lists "sparkly service-oriented personality" as a job qualification. It's classic consumer Americana, and New York remains the country's cultural king. ●