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FOR ADVERTISING, MARKETING + MEDIA PROFESSIONALS

VOLUME 5
2009

Why Marketers Should Take Risks Now





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FEATURE

22 | Why Marketers Should Take Risks Now

Today's Biggest Risk: Simply Staying Still? Or Moving for the Sake of Moving? *Rishad Tobaccowala* | 23

Evolution & Revolution *Scott Berg* | 26

Gauging the Value of the New *Deborah Marquardt* | 26

Luxury Watchmaker Bell&Ross Uses 2009 to Make Strides
Roberto Passariello | 28

Mercedes' Cannon says: "Change the Dialogue" *Stephen Cannon* | 29

FACTORY SHANGHAI: China's Creative Melting Pot | 30

An Ideal & An Idea *Lucas Watson* | 30

Crowdsourcing Engenders a New Ad Agency Offering *Victors and Spoils* | 32

Open Access For Employees And Clients *Amy Vickers* | 32

Anticipating the Future *Laura Desmond, Andrew Robertson and Kim Kadlec* | 35



2009 : 5

Publisher's Letter | 4

Frontlines | 6

Companies and products in the news

Commentaries | 14 and 36

Sébastien Danet | Andrew McLean

Working with the World | 16

Allyson Stewart-Allen

Culture Shock | 18

Vignettes from around the World

Globetrotters | 20

Newsmakers from around the world

China & the West | 38

Janet Carmosky

Viewpoint | 40

Guy Gilpin

People & Places | 42

Big smiles at get-togethers around the world

Hub Culture | 48

Edinburgh

DEPARTMENTS



7

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Data source: Circulation: "ABC Report of Jan.-Jun. 2007"
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Understanding Risk Helps Us Grapple with a New Marketing Future

Risk is a word that is often met with trepidation today. However, when we broached the subject of “Why Advertisers Should Take Risks Now” with a number of industry leaders, we were surprised by how much thoughtful discussion the topic generated. In fact, we at **The Internationalist** are proud to have produced a feature story on the subject of risk that harnesses so many positive interpretations of the word, particularly at this point in time for the global marketing industry.

In the process, we’ve learned that understanding the need for risk-taking also helps to develop a better grasp of our direction forward as an industry. There’s no question that there is a strong focus on re-invention and responsibility as we all move toward 2010 and beyond.

Today’s marketer is wrestling with a new conception of brand building in a constantly-changing economic environment, while also trying to manage the new integration of consumer control, accelerating technological developments, the impact of social trends, and an unimagined level of media fragmentation. The task may never have been so challenging, or so energizing to those who are willing to experiment, make bold moves, collaborate, be creative, chart new courses, or anticipate the needs of the future.

In very practical terms, however, these times underscore some new basics:

- » Marketers want more digital solutions
- » Going forward, they will keep ad budgets very close to the vest
- » The fast-growth markets offer tremendous pull
- » Ideas spread quickly around the globe

Welcome to the new world of risk-taking in marketing.

Deb Malone
Publisher

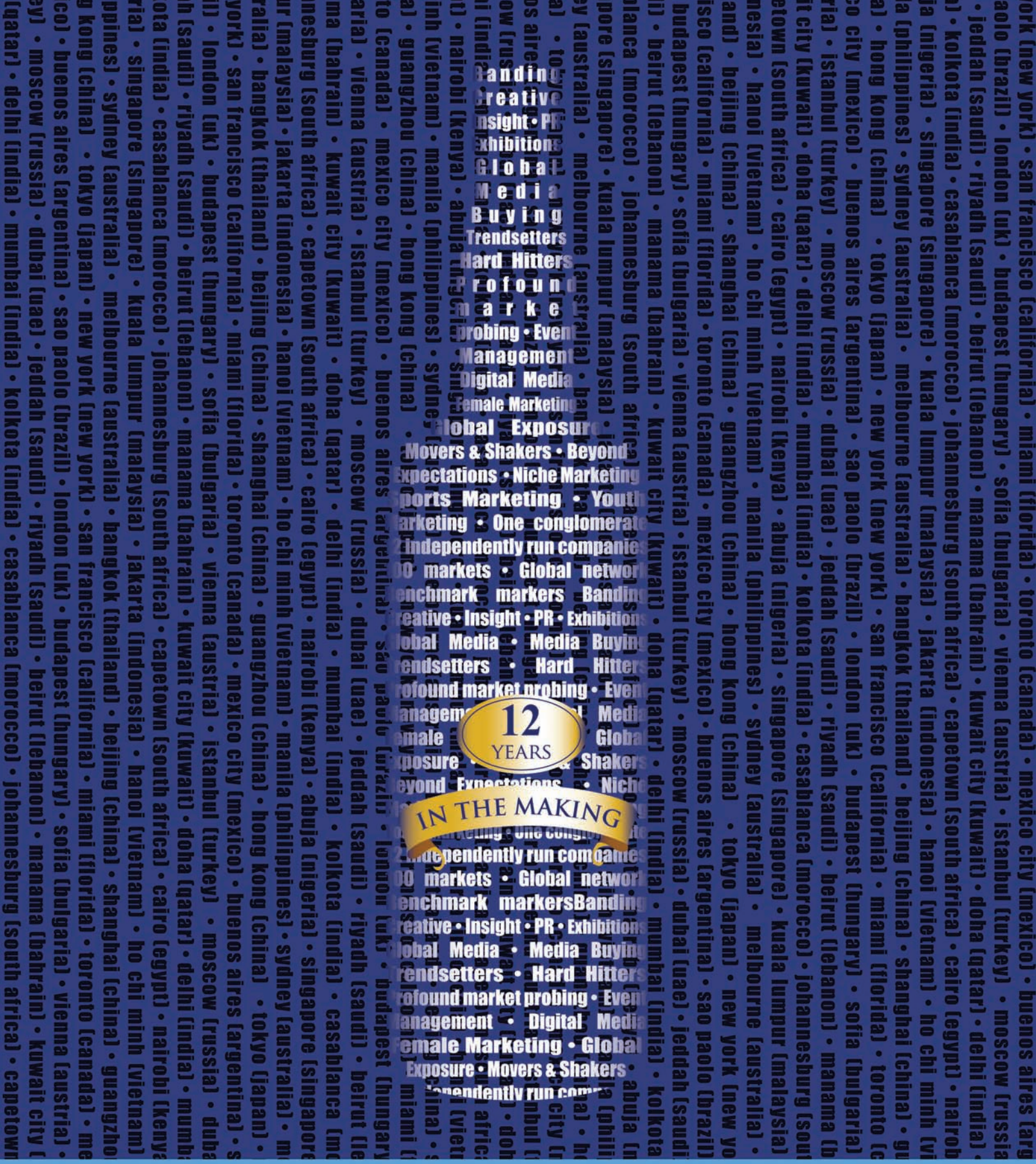
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12
YEARS

IN THE MAKING

The B.E. International independent group of companies was established in 1997 as an answer to the challenges facing agencies and clients looking to expand on a global level. It has grown steadily into a business conglomerate comprised of 12 independently owned strategic companies with 38 partners and affiliates in over 100 markets around the globe. With unmatched expertise on every front of the media business, BEI is deservedly touted today as Global Communication Architects.

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Peek Freans Creates Indulgence with Harlequin Hunks



Kraft's Peek Freans in Canada has partnered with Harlequin, the Romance publisher based in Toronto, in order to associate their Lifestyle Selections cookies with indulgence and romantic escapism.

Women are lured to the Peek Freans website where they can download the latest Harlequin romance — *Montana Royalty*, submit their own e-novella, or enter an online contest to win a romantic vacation to Montana, Prague or Hawaii — the same locations where the Harlequin heroines meet their men. In fact, the lust-filled *Montana Royalty* may even be downloaded at the office in “boss-friendly” format as a PowerPoint bullet-form presentation.

The campaign, targeting women 25-55, was created by Draft FCB and MacLaren Momentum of Toronto. It also included actual cookie sampling presented by typical Harlequin characters — handsome princes or heroic sheriffs, as well as doorhangers in shape of a Harlequin novel, designed to encourage traffic to the Peek Freans website.

The Lifestyle Selections cookies have less sugar and fat, added nutrition and signature flavors like vanilla bean latte. The

new, healthier-focused brand has experienced strong revenue growth in Canada, in part, because women do not want to be reminded that they are missing a full-fat treat. According to Vanessa Grekov, Senior Product Manager, “Women know that when they eat a cookie they're feeling a little bit bad, but Peek Freans Lifestyle cookies are good for you so you're going to have to find other ways to be bad.” Enter Harlequin romances...

Credit Suisse Develops *Future Fundamentals*

One of the world's leading banks, Credit Suisse, will be the exclusive partner in a custom initiative entitled *Future Fundamentals* to explore the future trends that will affect the way we do business and live our lives.

Devised by National Geographic in conjunction with Media Planning Group, *Future Fundamentals* was created to equip Credit Suisse audiences with information and analysis on key business and social themes. Based on research and past trend analysis, renowned ‘Futurists’ will share insights about these powerful changes, their positive impact on the world and how to strategically plan for the immediate future.

The initiative will include custom content pieces in National Geographic magazine, a series of 60-second vignettes airing on

National Geographic Channel and an exclusive content hub, www.nationalgeographic.com/futurefundamentals, hosting all of the print and on-air media elements as well as further insights including podcasts, white-papers and past work from all of the featured ‘Futurists’.

The program will also air content on Sky News in Europe and feature online campaigns on **NationalGeographic.com**, **SkyNews.com** and through the .Fox network. Featured ‘Futurists’ will also speak at Credit Suisse events in 2010.

In Europe & Asia, the program will be marketed with insertions in *Fortune* magazine and via a co-branded marketing campaign across the .Fox Network that also includes coverage

St. Regis Hotel Kicks Off a Celebration of the Bloody Mary

It's not often that a specialty cocktail turns 75, and St. Regis is not going to miss the opportunity. The spicy drink has become a signature of the St. Regis brand since its creation in 1934 at the King Cole Bar in New York (although originally called the "Red Snapper," as "Bloody Mary" was then deemed in poor taste).

A series of initiatives and special offerings at St. Regis hotels and resorts around the world will occur through the end of the year to mark the association. In the US, noteworthy chefs are honoring the cocktail with their own recipes; in Rome, an epicurean menu that echoes the drink's ingredients is being created; and in Bali, a spa treatment will include a Vodka Tomato Clay Wrap followed by an invigorating Tomato Vermouth and Mineral Salt bath.

The St. Regis has created a special **World Collection Bloody Mary** menu that combines local flavors of their destinations around the globe with the original recipe. Some examples include:

- » **The St. Regis Beijing's 'Great Wall'** replaces vodka with Tsingtao beer and adds freshly squeezed lime juice to the traditional St. Regis Bloody Mary blend.
- » **The St. Regis Houston's 'Harry's Texas'** combines fresh tomato and lemon juice with tequila and a mix of Texas inspired spices.
- » **The St. Regis Mardavall Mallorca Resort's 'The Mardavall Pepper Snapper'** uses Fleur de Sel salt from Ses Salines, Gin, fresh tomato juice and a combination of Mediterranean spices.
- » **The St. Regis Aspen's 'Sunset Snapper'** combines green, yellow and red tomato juice with vodka to emulate Colorado's sunsets.
- » **The St. Regis Bora Bora's 'Bora Mary'** combines fresh watermelon or strawberry juice, vodka and lime with the traditional Bloody Mary



mix for an exotic cocktail.

The first St. Regis Hotel was founded by John Jacob Astor IV in New York City over a century ago. Today the St. Regis brand of hotels is known for luxury, custom service and refinement in the some of the world's best destinations.

For more information, visit www.stregis.com.

with National Geographic

in Latin America. *CNBC Europe* will also be airing versions of the 60" TV vignettes to promote the online hub.

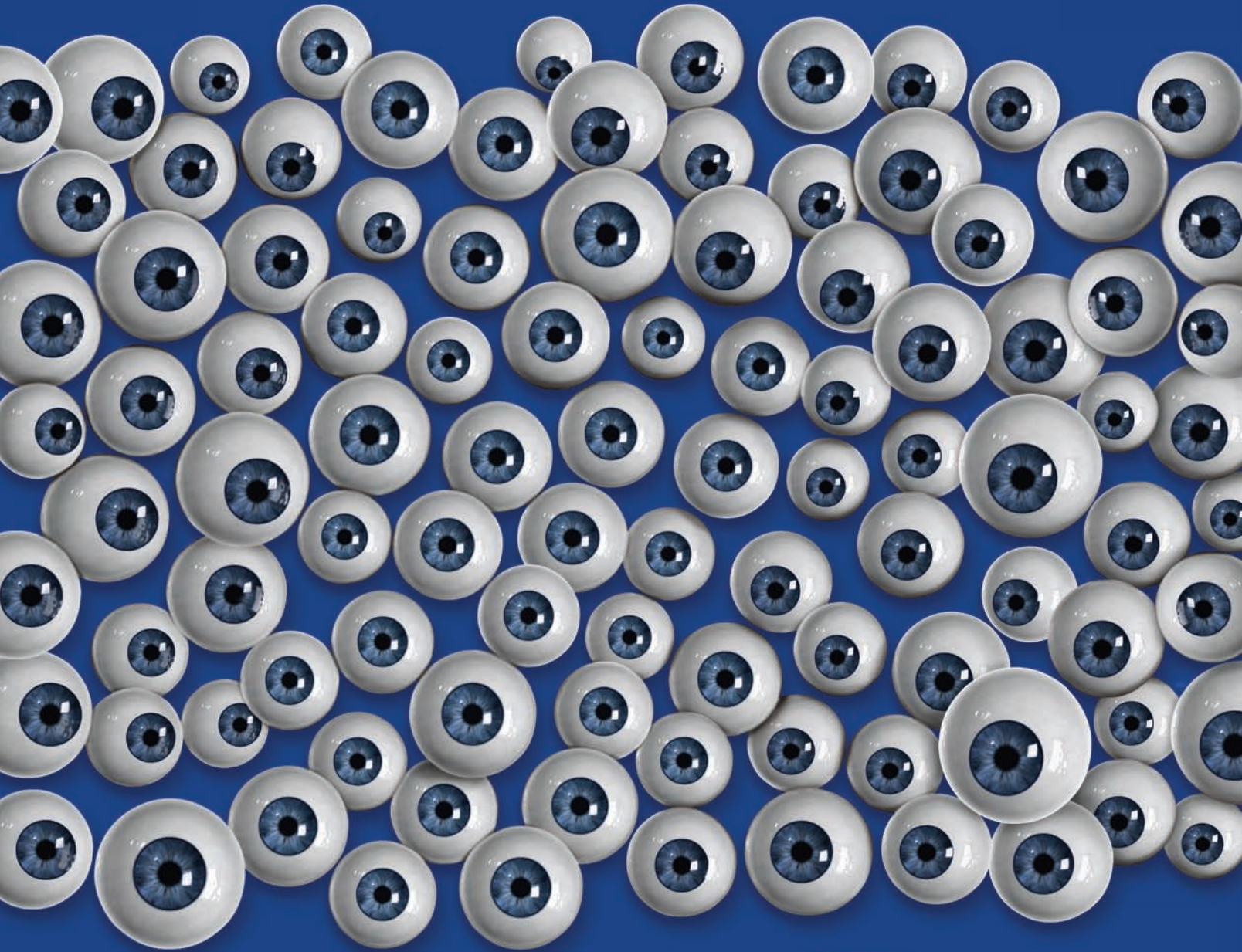
Deborah Armstrong, Senior Vice President, Sales & Partnership Marketing at National Geographic Channel said, "We are delighted to create this program in partnership with Credit Suisse. In a vastly altered world and uncertain times, National Geographic's credentials as a trusted and credible thought-leader are more relevant than ever. Through the 'Future Fundamentals' initiative with Credit Suisse we will provide unique and compelling insights into what the future may hold for us all".

For more information, go to: www.natgeotv.com.



Has your brand ever felt it is being watched?

3,84 Million eyes see your advertisement in the Frankfurter Allgemeine Zeitung and the Frankfurter Allgemeine Zeitung Sunday edition.



According to the AWA 2009 increasingly more people are reading the F.A.Z. Both the weekday and the Sunday edition reach more than a million readers, together they achieve 1.9 million readers. To find out more about how you and your brand can profit from this target audience contact: Kerry O'Donoghue at k.odonoghue@faz.de



Advertisers & Consumers Simultaneously Surveyed on the Power of Twitter

In a marketing world where the consumer is “in control” and often at the forefront of using and creating new media, it is interesting to see research that compares the views of consumers with advertising professionals.

A recent LinkedIn Research Network/Harris Poll surveyed beliefs about the power of Twitter by asking a group of 1000+ advertisers and ad agency executives and a group of 2000+ consumers the very same questions.

It seems like everyone, especially in the media, is answering “what are you doing?” in 140 characters or less with a “tweet” and letting their “followers” know what they are up to each hour of the day. The survey was designed to learn from two key trendsetting groups — advertisers and consumers — if Twitter is simply in its infancy, just a “media darling,” or a product that has already experienced its fifteen minutes of fame.

Opinion of Twitter — ADVERTISERS

- » 45% of advertisers agree that Twitter is in its infancy and its use will grow exponentially over the next few years.
- » 21% believe Twitter will not move into the mainstream and is something mostly young people and the media will use.
- » 17% believe Twitter is already over and it's time to find the next best thing
- » 17% of advertisers also say they don't know enough about Twitter to have an opinion about it.

Opinion of Twitter — CONSUMERS

- » 12% say that Twitter is just at its infancy.
- » 12% also say it is just something that young people and the media will use.
- » 8% of consumers agree it is already over and it's time to find the next best thing.
- » 69% of consumers claim they do not know enough about Twitter to have an opinion about it.

Age Divide on Knowing Twitter:

As might be expected, there is also an age divide on opinions of Twitter. Younger advertisers and younger consumers are more likely to have an opinion on Twitter than their older counterparts.

Those who do not know enough about Twitter to have an opinion: Among Advertisers —

- » 11% of 18-39 year olds
- » 20% of 40-49 years old
- » 21% of 50 and older

Among Consumers —

- » 55% of 18-34 year olds
- » 80% of 55 and older

Effectiveness of Twitter — Advertisers

- » 8% of advertisers claim that Twitter is very effective for promoting products and ideas
- » 50% say it is somewhat effective.
- » 34% say it is not that effective
- » 8% believe it is not at all effective for promoting products and ideas.

Effectiveness of Twitter — Consumers

- » 8% of consumers also believe that Twitter is very effective for promoting products and ideas
- » 42% say it is somewhat effective.
- » 31% say it is not that effective
- » 19% believe it is not at all effective for promoting products and ideas.

Conclusions?

According to this LinkedIn Research Network/Harris Poll, it does not seem as though Twitter has made it mainstream yet, despite the number of popular television news shows that invite consumers to send tweets. While advertisers and marketers expect Twitter to grow, its effectiveness as a marketing tool will most likely hinge on consumer education.

As a result, marketers ought to play the lead role in promoting such consumer education if they truly want to move Twitter beyond infancy. This includes helping the public to better understand:

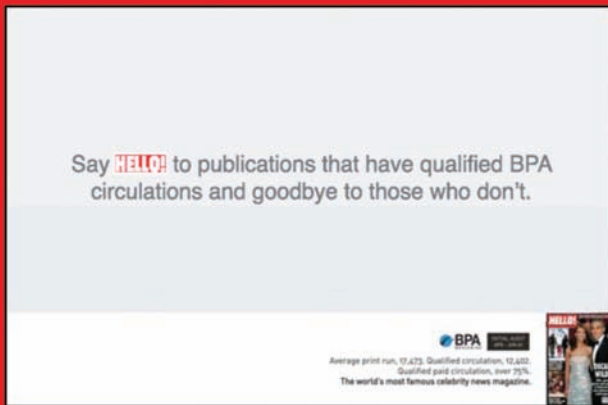
- » Why they need to learn more about Twitter
- » Why they should pay attention to it
- » Why they should “tweet”

About the Survey:

Harris Interactive is a global leader in custom market research aimed to help clients achieve business results. The company serves clients globally through North American, European and Asian offices and a network of independent market research firms. For more information, go to: www.harrisinteractive.com.

The LinkedIn Research Network is the world's largest source of quality B2B respondents for the Market Research community. Built upon trusted connections and relationships, LinkedIn has established the world's largest business network with over 43 million professionals. The company is backed by the following investors: Sequoia Capital, Greylock Partners, the European Founders Fund, Bessemer Venture Partners, Bain Capital Ventures, Goldman Sachs, The McGraw-Hill Companies, and SAP Ventures.

BPA's First House Ad Contest Won by HELLO! in Dubai



BPA Worldwide, the media auditing company, has created an ingenious program to promote its own services and help its member publishers. This summer it announced the first House Ad contest to encourage individual titles to promote the value of the BPA audit as a means of trust and as an added stamp of circulation credibility for its advertisers. Winners would receive an award for future BPA services.

The first place prize in this inaugural House Ad contest was won by HELLO! magazine in Dubai, published by Motivate Media. The winning entry is pictured here. Ian Fairservice, Managing Partner and Group Editor of Motivate Publishing, commented: "Motivate Publishing has championed this initiative in the [Middle East] region, and auditing is now gaining

importance with advertisers who recognize the value of being able to qualify their investment."

Thirty entries were received from around the world and reviewed by the BPA Media Managers Committee. BNP Media took second place with its "Apples to Apples" house ad, and another entry from Motivate Media, entitled "Clown," won third place.

According to BPA President & CEO Glenn Hansen, "The creativity and messaging of the ads was truly outstanding. We hope publishers will continue to utilize their house ads as they promote the value of audited media to advertisers and media buyers."

BPA will hold the 2nd annual House Ad competition in mid-2010.

BPA Worldwide is a not-for-profit organization founded in 1931 and governed by a tripartite board comprised of media owners, advertising agencies and advertisers. Headquartered in Shelton, Connecticut, USA, BPA has the largest membership of any media-auditing organization in the world, spanning more than 25 countries. Worldwide, BPA serves more than 2,800+ media properties — including over 1,700 business-to-business publications, more than 300 consumer magazines, 150 newspapers, 450+ web sites, 50 events, email newsletters, databases, wireless and other advertiser-supported media — as well as 2,700 advertiser and agency members.

Contact: www.bpaww.com

UK's Marketing Society Goes Green with "5 Rs"

The London-based Marketing Society is working to "demystify" environmental issues for consumers by encouraging advertisers to adopt its "Five Rs" in all marketing communications. They include: **Re-use, Reduce, Recycle, Respect and Reward.**

The initiative, created through an alliance with The Marketing Society and Prince Charles' May Day Trust, was chaired by Jo Kenrick, the Fallon Business Director on the Asda account and former B&Q Marketing Director. She hopes that consumers will benefit when advertisers made green claims by using "ordinary language."

Other initiatives undertaken by the group include suggestions for marketers on how to better feature products that help save energy and water, the introduction of a new eco-labeling system on packaging, and the launch of a consumer information website.

In additionally, the Marketing Society is highlighting the footprint logo of the UK's Carbon Trust, which has established a carbon footprint for marketing. The Society is aiming to reduce that score over the next two years.

Contact: <http://www.marketing-society.org.uk/about-the-society/may-day-network/>

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National circulation

YOMIURI	13,799,473
ASAHI	11,460,461

(Combined Total of Morning and Evening Editions)

Read at work by board directors or higher

YOMIURI	25.2%
ASAHI	20.7%

sources: Japan Audit Bureau of Circulation (ABC) "Newspaper Publisher Report," average of Jul.-Dec.2008/J-READ2008 (Nationwide)

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Handelsblatt Reconfigures its Formats for Next Generation Readers

In a world where instant access to information is critical, where Blackberrys, smart phones and soon super phones are de rigueur for executives, and where the lines between technology and media increasingly blur, German business publisher Handelsblatt has reconfigured its approach to providing news.

In a simultaneous launch of three renewed platforms—print, online and mobile, Handelsblatt has created a new cross-media program that has become both streamlined and more readily available to the information needs of Germany's business and financial communities. In fact, all stories and features will now be prepared in a central newsroom and packaged to suit the requirements of its various media, then distributed via the relevant media channels in formats tailored to the specific information preferences of readers and users.

Marianne Dölz, Managing Director, Handelsblatt Publishing Group says, "Sure it's a gutsy investment in challenging times to reconfigure the Handelsblatt products for an increasingly mobile business audience, but has there ever been a better time?"

All Handelsblatt media have been upgraded and optimized in terms of both content and visuals. Some of the specific changes include a resized and redesigned newspaper, greater



online depth including unique financial tools, and an easy-to-read mobile format, including apps for BlackBerry and iPhone. This systematic integration of all media channels is expected to increase contacts, attention levels and coverage for the brand. Bob Breen, International Business Director, iq media marketing, the sales division of Handelsblatt Publishing Group, adds: "Selling Handelsblatt in the new print format in tandem with Handelsblatt.com & mobile has nothing to do with work - it's an adrenaline rush, a dream come true!"

More Info: handelsblatt.com



Lucozade to Launch in China as a Health Drink

In a new effort to enter more emerging markets, GlaxoSmithKline (GSK) has partnered with drinks and instant noodle-maker Uni-President China Holdings to distribute Lucozade in Chinese supermarkets.

With a brand name that will literally be translated as "excellent suitable glucose," the Chinese version of Lucozade has also been formulated with a stronger flavor. Invented by an English pharmacist in 1927 in order to give sick children a glucose boost and stave off the flu, the drink was originally found only in chemists' shops.

Rebranding Lucozade from a medicinal pick-me-up to sports drink occurred when Ogilvy & Mather created a campaign that focused on decathlon champion Daley Thompson at the 1984 Los Angeles Olympic Games. The brand was also transformed from a bottle wrapped in cellophane to packaging that better resembled a soft drink.

Now, Lucozade is primarily sold in the UK, the Republic of

Ireland and Hong Kong as a sports drink. In China, in the cold drinks section of the supermarket, it will compete against Red Bull, PepsiCo's Gatorade and Coca-Cola's Powerade. The sector is estimated at \$25 billion.

GSK is also looking beyond its core strength of the UK and associated Commonwealth countries. Other partnership deals are in the works for the United States, Mexico or Brazil.



Wayne designs cell phones in Shanghai



Marcos is an IT consultant in San Paulo



Sonja is a frequent flier in Munich



Anthony owns a restaurant in Napa Valley



Martine is an energy specialist in New Jersey



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after the crisis, what media strategy?



Sébastien Danet's comments are summarized from his keynote remarks at the September Connect Alliance Partners Meeting in Paris, where the Media Network CEO for France offered his perspective of the global advertising situation and its effect on media — analog and digital. His comments, directed to an audience comprised of some of the world's top publishers, came as the industry hoped to enter a less bleak final quarter of 2009. According to Danet, "I don't have a solution, just a vision of the situation."

Do not expect a recovery.

The end of the current economic crisis will not signal the end of the crisis for analog media. It is impossible to solve all the issues and all of the problems now facing analog media. There is no question that there will be a continued decline in market share for newspapers and magazines; however, in truth, their circulation has been declining for decades. Digital natives will not turn to print, and advertisers will not return exclusively to print. The current crisis is simply an accelerator of this trend, rather than the cause. Yet, there are still other solutions for this media.

Media value is at issue.

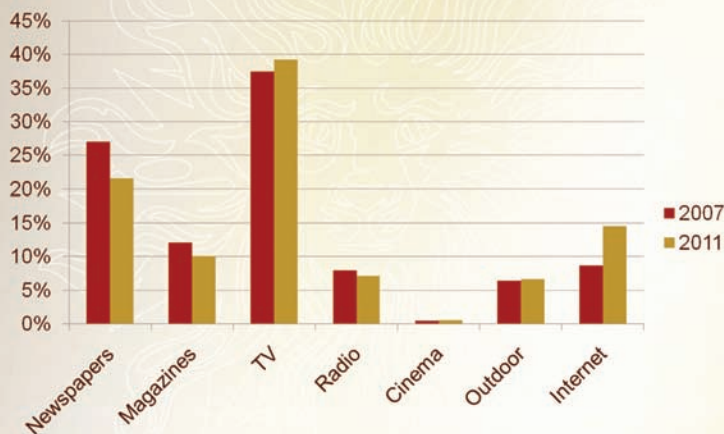
However, we all face another problem. Not a volume problem, as one might suspect given the current decline — but a VALUE problem. The value of media has clearly weakened in last 12 months. Even as we may enter less dismal times, it will be difficult for media to show a price increase. Tensions between media agencies and sales houses have been at an all time high this past year. We will see more consolidation in the media agency market. Almost 20% of accounts are under review. Here in France, key pitches are occurring for even the most stable of large governmental organizations like SNCF and La Poste. There will be more account changes.

Advertisers are the big winners in today's pricing realities. We will see ad rates fall and commissions fall.

However, advertisers will achieve huge gains in their marketing mix. This, though, is not sustainable for media agencies year after year.

ZenithOptimedia predicts that 2010 will be a "breakeven" year with roughly zero growth. Advertisers are now "de-freezing" budgets, and we anticipate fewer cuts than in last 12 months. You might say that "we are at the bottom of the swimming pool."

Share of total adspend by medium



It is important to resist the move to media devaluation, and say no to constantly eroding prices. Recovery will not solve these problems, and with zero growth in 2010, the situation will remain difficult next year.

BY SÉBASTIEN DANET

Digital is not going away. Internet-media consumption represents 34% in the US; and 23% in Europe. Magazine consumption represents about 6% in both regions. Mobile is gaining speed, as is digital radio and television. Digital media will gain share, regardless of the economic situation.

At least in France, this points to the fact that the remuneration model at agencies is outdated. Much of the Anglo-Saxon world now operates on a fee basis, which is better. Payment on performance, rather than on commission, moves us into the creative with creative agencies and production. It is far more dynamic. Of course, advertisers still renegotiate when budgets go down, but the impact on the media agency will be less dramatic than survival a substantial downturn.

We should not blame digital.

There is clearly a transfer of audiences to new media. Digital media is now fashionable, precise in its ability to target, and adaptable. And it is now moving so fast — that it represents 50-70% of our business. In fact, this represents a huge Human Resources problem. There is a significant percentage of media staffers that simply do not have the current depth of knowledge in digital. In fact, the business of selling advertising and buying advertising is not that different than it was 20 years ago. The mode may be well outdated.

There is a provocative school of thought that suggests we should diminish human relationships in the business of buying and selling media as it is simply too expensive. Neither media agencies nor media owners

can afford huge teams of buyers or sellers. In the near future, perhaps TV buyers should also be outsourced to India or Romania, instead of keeping hundreds of employees in Paris. Perhaps the entire buying process can be done electronically without any human relationships. Is this disturbing? Would you consider it outrageous? Perhaps, but the thinking is still based on recognizing much of the reality in today's economic situation.

This is not yet the time for obituaries.

There is a future for print and there are advertising opportunities. Print has one of the most important attributes to today's advertising thinking: CONTENT. Moving more content online is an asset to be better developed. We have seen magazine audience growth in the US growth (2008 v. 2007) for such brands as *The Economist*, *Forbes*, *Marie Claire*, *Men's Health*, *Elle*, *Newsweek* — all of whom have strengthened their online content assets.

Do not wait for the next new business model.

There will be many new and different models and media solutions. Not all will succeed. Nonetheless, think out of the box. What will be the new Kindle or the next iPod for print? What will be the new forms of payment for content?

It is possible to leverage the power of a print media brand, especially now that revenue sources are much more diversified. Communities existed long before the internet started, and media — at its best — connects with its specific community. Unfortunately, media brands do not market themselves enough.

Look at music. In a declining market, many felt that music would be difficult to monetize. However, Apple's i-Tunes now accounts for 25% of all music sold in the US. Apple is currently working to supply radio to the iPod through commercial links with radio stations and music publishers. Who would have thought that there would be a big business connection with the FM tuner on the iPod? It is simply a new business model for an older, but newly-refreshed medium.

Innovate! Use the digital toolbox and engage in conversations with consumers. The potential of user-generated content, mobile and social networks creates power with readers and enables publishers to monetize these activities. Do not stand still. Get rid of old habits. Abandon all clichés. Transform through ideas, talent and innovation.

Does Obama's US Healthcare Plan Need a New Marketing Campaign?

Need a new Healthcare Plan? Order now, while supplies last!

No one is saying that the development and marketing of a new value proposition for President Obama's healthcare reform plan is simple.

However, fundamental marketing principles suggest that consumer research, a roll-out plan and relevant messaging can work for even something as unwieldy as a nation's healthcare program. President Obama is currently embroiled in one of the most emotional and contentious public policy reforms in US history, which will push him hard to clarify his plans and market them to the nation. (Just think of it as a larger-scale version of replacing Snickers with a "new and improved" candy bar.)

Here are some marketing tactics that can increase the chances that "hard working Americans" (read "the middle class") aren't still bankrupted by over-the-top medical bills:

Excite people with the value

proposition: Key to this is to keep it simple, make it positive and inspiring, and show us the way. As the Washington Post newspaper reported in late-July, Obama will use Town Halls (read "focus groups") to dangle the details of what the healthcare proposition is... and isn't, named by some as "the 8 No's" for insurers (including "no discrimination for pre-existing conditions," "no dropping of coverage for the seriously ill"). What Americans want is clarity of the objective, true to cultural type. Will all Americans be covered by a new and improved healthcare program? What is the return on the \$860 billion investment? From where will the funding come for this audacious program? What are the details of the package?

Let the product development team

get on with it: It seems Obama has learned from the Clinton fiasco. He's pushing Congress this time to take the lead in formulating a new plan, so constituents' and the

industry's interests permeate its essence. This is a smart strategy — as it shifts the focus from the CMO personally to protect his personal capital and credibility during the process. His biggest leadership challenge will be to manage his strong impulses of consensus building and bipartisanship which served him so well as an Illinois Senator and Presidential campaigner.

Create the messages: Managing how to sell a "public option" seems the most challenging and contentious, as it suggests to Americans a Socialist approach to healthcare provision in what is a laissez-faire culture. Instead, it's best to focus on other aspects of the plan such as one of its key provisions to prevent insurers from refusing coverage of pre-existing conditions.

Get the message out: Obama supporters have been mobilizing across the country to spread the word that a new healthcare plan for America is essential. Think of it as word-of-mouth, tapping into the unmatched network built during his presidential campaign last year. *Organizing for America* [OFA], the Democratic National Committee's political arm, says it has enlisted more than 2 million people in active support of the plan since the beginning of the summer, which has completed a 19-stop cross country



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bus tour, held over 18,000 health care events in all 50 states and in 435 congressional districts. According to its Deputy Director Jeremy Bird in a recent interview with the Associated Press, “we’re building a long-term organization with leaders in the community who are trained. It was successful in the election and it will be successful again.” Howard Dean, 2004 presidential contender and former Democratic National Committee chairman concurs that the public health care plan is essential to motivating the party’s base voters (read “sales force”).

Involve the markets in the campaign:

Consumers and organisations that support healthcare reform have entered almost 1,000 videos in a contest to choose a TV ad to promote the new legislation. From cartoon shorts to stark images of peril, the Democratic Party has assembled a panel of grassroot activists, celebrity judges and party officials to pick the winning submission which will become the 30 second spot. 20 ads

have now been short-listed (my.barackobama.com/page/content/hrvcideos/) by judges including Will.I.Am and Rosario Dawson which TV spot will be paid for by the OFA, with donations being solicited from visitors to the website. Entries feature children speaking directly to camera as well as some that are graphic, including a motorway crash, a woman drowning and another sitting on a window ledge on fire.

Timing is everything: Even President Bush’s chief of staff Andy Card explained seven years ago that Administration’s post-Labor Day campaign for the war in Iraq, suggesting that “from a marketing point of view, you don’t introduce new products in August.” As misleading as the subsequent six-month marketing campaign was, even President Bush knew he got the timing wrong.

Clearly the President’s experience running a successful general election campaign is being applied to this historic moment in American history. Provided he continues to align all these components, he will go down in history as not only a great reformer, but also a great marketer.



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Nation Branding Gone Awry



By Elliot Polak



Elliot Polak, a dual American — French national, is the Founder & CEO of Textapeal and a recognized authority on cross cultural marketing. His company helps some of the world's leading global brands cross borders successfully. Born in New York, he is the product of a highly diverse background which includes Dutch, Belgian, Irish, Danish and Norwegian influences, and from an early age was exposed to competing Protestant, Jewish, Catholic and atheist beliefs. In his spare time he enjoys travelling, skiing, tennis, writing, playing the piano and juggling.

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Denmark's sexy brand image takes a beating

The senior operations director for tourism agency Visit

Denmark stepped down after a promotional video made to encourage international tourists to visit Denmark was released online and then criticised heavily by the media. The video tells the story of an attractive new mother whose baby is the product of a drunken one-night stand with a foreign tourist. She is in search of the baby's father due to the fact that she is unable to remember his name or nationality because she had been too intoxicated. The video has caused backlash, as it is perceived to send out a negative message about the nation, unprotected sex and promote promiscuousness.

Denmark is one of the most respectful countries in the world of women's rights, and is a strict enforcer of equality in all areas of public and private life. This is an inside cultural joke gone horribly wrong. In Scandinavian countries such as Denmark, making fun of oneself and one's image is very common in advertising, and seen as a stylish, ironic way to avoid a direct "hard sell". Some Scandinavian commercials use this cultural trait, and say exactly the opposite of what they mean in order to gain sympathy. A classic instance of "export marketing" gone wrong: not taking global perception into account, using an inside cultural reference as a global message, being misunderstood — and instead of getting people's sympathy, reinforcing the worst possible stereotypes of your brand.



Nigeria blasts Sony ad over "Criminal" portrayal

Sony's commercial has caused uproar in

Nigeria, with official complaints that it portrays a negative image of the nation, suggesting Nigerians are untrustworthy and prone to partake in criminal activity. During the ad one of the actors states that "you can't believe everything that you read on the Internet" or he'd be a "Nigerian millionaire by now". The Nigerian federal government claimed that by releasing such a statement Sony is ruining the country's image. Sony apologised and edited the ad accordingly, changing the phrase to exclude Nigeria completely from the ad.

The Nigerian federation has also bashed the new and very successful sci-fi blockbuster film 'District 9'. It includes a Nigerian gang of criminals, gangsters, prostitutes and cannibals, using the name of the former president as that of the gang leader. The suggestion of such negative associations with the population and particularly the idea of

cannibalism have caused the film to be banned in the country and a letter has been sent to the production company asking that the scenes containing Nigerian references are deleted.

What is particularly jarring to African sensitivities is the use of cannibalism — a long standing Western colonial myth perpetrated to reinforce the perception that Africans are inferior and perhaps subhuman.

Nigeria is currently attempting to counter negative stereotypes by rebranding the country as a good place to come and do business. Sony's extreme portrayals come at a bad time for the nation.



Beyonce unwelcome in Malaysia

Beyonce's planned performance in Malaysia, part of her world tour, has been indefinitely

postponed due to Malaysia's opposition Islamist party protesting against the singer's show. They succeeded two years ago in preventing her from visiting due to "moral issues". The group claims that such unclad acts promote sexual promiscuousness and are a bad example for the nation's youth. It is not just Beyonce that has spurred protest from the group but also other Western artists, who in some cases have adjusted by wearing more clothes than usual on stage.

Beyonce does not seem to wish to adapt her act to local demands, or be seen as caving in to a minority group in one country. And why should she? It is her career and her life. But that's not the point. The point is: in order not to become the hostage of circumstances outside of their control, international brands need to look carefully how they associate themselves with pop icons, and stay particularly close to the pulse of markets with fast shifting, competing internal values. Malaysia is a predominantly Muslim country in which parts of the population object strongly to sexual suggestiveness. There is also national sensitivity, as it appeared a few years ago when the prime minister at the time banned a Toyota commercial using Brad Pitt as the pitchman, on the grounds that "Malaysians are just as handsome as Westerners." Local political and religious groups take advantage of such sentiments for all kinds of reasons. "Rejection reactions" such as this one is harmful to Malaysia economically, as a significant part of its activity depends on tourism, and portraying a consistently welcoming face to the rest of the world is important in attracting foreign dollars. However they also reflect a genuine internal reality of the country, where competing and contradictory values co-exist.

In 1970, a US company set out to advertise their soap in Saudi Arabia. The ad showed the following progression of pictures: a pile of dirty laundry on the left, a washtub full of soapsuds in the middle and a pile of clean laundry on the right.

But since Arabic is read from right to left, the ad was a total flop.

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GLOBETROTTERS

from the blackberry of deborah malone



This GLOBETROTTERS column is designed to keep the international community connected. Not only will it spotlight who is where in the world now, it will also describe the adventures we all experience by living a life of constant worldwide travel. If you've ever been hijacked, stuck in a revolution or committed an unforgettable cultural faux pas, everyone in our community will be curious to hear about it. Please do tell us, and don't forget the photos!

TO SUBMIT TO GLOBETROTTERS, EMAIL: deborah.malone@internationalistmagazine.com



NATHALIE KARNIG JOINS KARNIG4MEDIA

► Nathalie Karnig joins the Stockholm-based international advertising representation company her father, Michael Karnig, created in 2002. This makes her the third generation Karnig to actively work within the international media sector, and she will run the company jointly with dad.

Nathalie has traveled back to Sweden after spending 2 years in Australia, where she has been undertaking a Bachelor of

Communications degree at Edith Cowan University while also working at Adcorp in Perth. She had also interned at Affinity Media in Paris.

Nathalie's focus will be the company's B2C clients and developing new media solutions for clients.

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MULTIMEDIA CELEBRATES 20 YEARS... A LITTLE EARLY

► Orlando, Florida based Multimedia, the international ad rep firm founded by Fernando Mariano, is kicking off 2010 with a flourish. Anxious to get the new year underway, Multimedia has sent 1200 boxes of their "freshen up" program to key ad decision makers around the world. The package includes a CD presentation of

media facts and economic data from key emerging countries and other tools to "freshen up" an international media buy.

Begun initially as the exclusive US representation company for Brazilian newspaper, *O Globo*, Multimedia has grown dramatically to have a global footprint. With a strong focus on BRIC (Brazil, Russia, India, China) and other emerging countries, Multimedia now operates a network of 82 agents in 31 countries.

According to Mariano, "We're looking forward to our future; we

couldn't have a more appropriate portfolio of media offerings for a world with new economic priorities."

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BEILENBERG'S NEW INTERNATIONAL ROLE AT SPORT+MARKT

► Gerd Bielenberg, formerly of German publisher Verlagsgruppe Handelsblatt, started in a new role this October at Cologne-based SPORT+MARKT, the international research and consultancy specialists. He will be responsible for the company's international business development, while also managing their existing international subsidiaries.

One of Gerd's strengths during the past several years was a strong focus on Central and Eastern Europe, especially the Ukraine and Poland. No doubt, this will be of continued interest to SPORTS+MARKT as they take full advantage of Gerd's international sales and business expertise.

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NICHOLS JOINS THE BBC INTERNATIONAL TEAM IN NEW YORK

► Kristin Nichols just moved from Chicago to take on a new role as International Account Manager for BBC World News and BBC.com. She had been working most recently with the BBC America ad sales group in the President Obama's hometown.

Originally from America's Heartland—the state of Wisconsin, this is not Kristin's first opportunity to live in New York. She had worked as a Marketing Analyst at premium cable network HBO/Home Box Office in Manhattan. She also lived in Madrid during her college years.

When asked what she likes best about the Big Apple, she immediately responded, "the food... and of course working in international television."

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**AURÉLIE DESMAS
SHEPHERDS MOTHER
TONGUE
IN AMERICA**

► Aurélie Desmas has crossed the pond from London to become the New Business Developer, North America at Mother Tongue Writers, the

translation and localization company.

Originally from France, Aurélie has been with Mother Tongue since 2006 as a project manager working with international advertising agencies on English, German and French campaigns. Here earlier career as a web editor provided involvement on projects ranging from the adaptation of computer games for French users to the navigation and design for Musée d'Orsay in Paris.

(We just hope to get invited to her Bastille Day Party in New York!). Aurélie is pictured here at New York's Grand Central Station with Mother Tongue founder, Guy Gilpin.

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**LES MARGULIS
GOES NATIVE**

► The well-known "Uncle Les" Margulis has enjoyed a few reincarnations of late — many of them involve agency assignments or management training in far-flung places ranging from Kiev to Moscow to Johannesburg to Beirut. Les has now made his way to another important growth market-- India, where he is serving as President of RK Swamy Media Group/ Media Direction in Mumbai. He's pictured here dressed for the Dawali holiday.



With a staff of 150 and reporting to RK Swamy Group CEO Shekar Swamy, Les' job is to move Media Direction to the next level, drive new business and make significant contributions to existing clients. Interestingly the new role may indeed be a bit of a reincarnation. Les enjoyed a 24-year career at BBDO, and was actually involved in the founding of Media Direction over a dozen years ago.

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OBITUARY: Tribute to Basil Bicknell by Archie Pitcher CBE

Basil Bicknell died peacefully at home on 9th August 2009. He was born on 28th June 1930 in Sloane Square, London.

His father was well known in the advertising world as he sold space in the motoring pages in the *Evening Star* and *Chronicle*.

Basil was called up to do National Service in the Royal Horse Artillery and following this he joined The Territorial Army at the Honourable Artillery Company in 1951 with which he remained active as a Major until 1971. He also served as a Pikeman from 1989 until retiring in January 2009. As such he attended many distinguished occasions as part of the bodyguard of successive Mayors of London.

In 1951 he joined the *Sunday Times* selling advertising space until 1953 when he joined *The Financial Times* becoming an international representative and sold the first and biggest supplement for them in Australia.

In 1961 he joined Condé Nast Publications in New York City. He was instrumental in setting up joint ventures with all the international editions of *Vogue*. He returned to the UK in 1964 to become the Advertisement Manager of *Vogue UK*. There he met Sue, his future wife, and they married in 1965. They have been together for almost 44 years having two daughters and a son.

He left Condé Nast in 1968 and joined Life International which folded in 1970. He then worked for *The Times* in 1971 and subsequently *Vision* in 1973. *Vision* invited him to run their Advertisement Department in New York in 1975. In 1977 he joined *The New York Times* and

spent the rest of his formal career selling international advertising and running a team of representatives around the world.

He became very well known throughout the media industry for his vast range of contacts from Ralph Lauren to HM THE QUEEN. His diplomatic skills and breezy demeanor enabled him to contact VIP's worldwide where he was perceived as a "citizen of the world". He lived in the USA until 1984, then Paris until 1990, returning to London before retiring in 1994.

Basil has been a member of the International Advertising Association since 1963. In 1998 he was a key member of a small group from the UK Chapter that pitched successfully for the IAA World Congress 2000 — the Millenium Year. Basil chaired the sponsorship group that raised the incredible sum of £2.6 million without which the event would not have been possible.

Basil's contribution was immense, and when the finale visit to the Dome was cancelled by the government because it was losing £2 million a day, Basil negotiated a sponsorship from Diageo for an alternative event which rounded off a very successful congress.

Basil will be sadly missed by his family and a vast group of friends from the army and the media industry worldwide. He gave selflessly to those organizations to which he was passionately devoted. I pay Tribute to Basil as a wonderful and charming English gentleman who will be greatly missed by all who knew him.

taking risks

Why Marketers Should Take Risks Now

Risk is an emotional word in the best of times. Its span of associations is dizzying: adventurousness, bravery, boldness, opportunity, luck, gamble, danger, exposure... Risk is the opposite of safe and certain.

Risk also takes on a variety of connotations in a marketing world now shaped by a dramatic economic re-setting. Webster's simple description for the verb is "to take a chance;" however, **The Internationalist** has found that many key voices in our industry agree that today risk-taking requires action — authentic, responsible and often bold moves on the parts of marketers and agencies alike.

To pull together so many thoughts on such a sprawling and important subject, we broke down some very passionate responses to "Why Marketers Should Take Risks Now" into various subtopics, determined by the range of views expressed.

» **Rishad Tobaccowala** sets the tone by discussing today's biggest marketing risk: **SIMPLY STAYING STILL OR MOVING FOR SAKE OF MOVING?**

» **Scott Berg** of Hewlett-Packard and **Deborah Marquardt** of Maybelline offer their views of **EXPERIMENTATION**.

» Two luxury marketers, **Roberto Passariello** of Bell&Ross and **Steve Cannon** of Mercedes, demonstrate how **BOLD MOVES** have made a big difference to their brands.

» **Daryl Arnold** of The Factory Shanghai and **Lucas Watson** of Procter & Gamble discuss how **COLLABORATION & CREATIVITY** are necessary now more than ever.

» **CHARTING THE NEW** outlines the solutions found by the new crowdsourcing agency, **Victors & Spoils**, as well as by Razorfish's **Amy Vickers** on open sourcing.

» Finally, **ANTICIPATING THE FUTURE** looks at how **Laura Desmond** of Starcom MediaVest, **Andrew Robertson** of BBDO and **Kim Kadlec** of Johnson & Johnson discuss the new marketing universe in a recent panel.

Today's Biggest Risk: Simply Staying Still? Or Moving for the Sake of Moving?

We are at dramatic time of change brought about by technology, globalization and a new economic re-setting — all of which have contributed to change both consumer expectations and behavior. Opportunities and threats exist on a global basis, which serve to change people's lives dramatically. Marketers and advertisers must meet the requirements of people, and therRight now, there is literally a tsunami of things happening rapidly. Reinvention occurs constantly, and as a result, today's biggest risk is simply staying still. But there is also a similar risk that lies in moving simply for the sake of moving. Today, to be successful, a company must find out what is meaningful change, and then learn about that change. Yet, a company must also remember what should not have to change. There are always key areas in any company or industry that are enduring; without them, there is nothing to stand on. No foundation.

Listening now becomes significantly more important to a marketer, who constantly needs an ear to the ground — whether through traditional research or the likes of Twitter and social networks. A marketer also must listen to those who created the brand. In fact, the archives of the brand will demonstrate that strong brands have navigated change often. Even Apple, a company that we accept as cutting-edge, is still a 25-year-old brand, and it has had its share of ups and downs. Of course, other companies have even longer histories. To better understand what endures, we must recognize the product quality and the consistency that sustains a brand from one year to another. Only then can we ask, **“How do you remain relevant without becoming unrecognizable — all in the pursuit of cool?”**

Why, to become contemporary, would you become a new brand and kill the old? What's the point? We have all seen how far some brands can successfully expand in today's world without destroying their heritage — Crest can be about all kinds of teeth whitening; Arm & Hammer can associate baking soda with cleaning, and in turn expand to a line of laundry detergents. Crest cannot be a detergent; it is not in the brand essence. Dove and the concept of “Real Beauty” offer tremendous potential for contemporary relevance. Listening to a brand's history,



As the Chief Executive Officer of Chicago-based Denuo, Rishad Tobaccowala has been called many things: “one of the most influential thinkers in the North American advertising industry,” a “Marketing Innovator” according to TIME, one of the “Top Five Business Leaders” according to Businessweek, and “the smartest guy in the world,” according to a blogger at NATPE. He simply calls himself an “idea man.”

Tobaccowala also serves as the top innovation leader on the management board of Publicis Groupe's VivaKi, the strategic media/digital entity that integrates the assets of Starcom MediaVest Group, ZenithOptimedia, Digitas, Razorfish and Denuo. Part of his role within Publicis Groupe is to identify what is happening and to advance new ideas throughout the agency's worldwide network.

An early pioneer of Internet advertising, Tobaccowala started his interactive marketing agency within the Publicis Groupe empire in 1993. A graduate of both the University of Chicago and the University of Mumbai, the focus of his studies was not marketing, but rather mathematics, finance and economics.

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consumers, competitors and employees is critical to moving forward. Often, when considering reinvention or expansion, the brand's target audience is consistent.

As a result, much of today's change actually lies in how one utilizes media.

One may not immediately make the right choices in media. My recommendation is to **"Think a little and do a lot."** (Traditionally, we are trained to do the opposite.) The only way to realize what works and doesn't work is to experiment. We can learn a lot from the principles of software creation — with the constant updating of versions — 1.0, 2.0, etc. Not long ago, we wrestled with three-year plans and five-year plans... before Twitter and social media gave us instant feedback. **This does not mean that a company's businesses goals and strategies have changed, but it does mean that there are new platforms to be understood.** For example, social media is broadcast word-of-mouth; it is essentially a new network — the people's network. It is better to think about how to incorporate "the people's network" into a marketing plan than it is to ask, "What's my Facebook strategy?" (We don't consider our NBC strategy or our Condé Nast strategy when working with TV or print).

Interestingly, as we experiment and learn about media, we often discover just how ill-prepared any organization is for the new world. While the world becomes more digital, people remain analog.

People have feelings and turfs and control issues... and they don't like to change too fast. As a result, it is best to test new types of media when they are small. There exists the risk of waiting too long. Today, everyone is making a mess of things; however, they are learning. **It actually takes a long time to catch up if an organization waits to participate in the new.**

This cannot even be considered a process of evolution versus revolution; today we live in a time of continuous iteration, and we have to do that continually to know what works. Yet, this option is better than taking big bets. Only the desperate take "Hail Mary" passes.

Clients must become more involved in the digital world. Yet, companies are often challenged by organizational issues and the need to consider incentives differently. Questions continually arise. Which partner should be doing this? Does the social media specialist or the PR company offer my digital solution? Or is this a role for both the creative agency and the media agency? How do you proceed? My answer is: **"The future doesn't fit in the containers of the past."**

Today, it is often said, "Only the paranoid will survive." I say, **"Only the schizophrenic will thrive."** Today, companies need two business models — the existing business model that has brought about historic success and, simultaneously, a new model that incorporates new talent or different incentives or new circumstances. Then they have to allow

the two models to work together. No one will focus on the new if only using the existing model.

Some clients have tactical key performance indicators, which are great, but these tools now need to be more strategic. Generally, those at the top of a company realize that the organization needs to do things differently. Interestingly, the young in the organization know it, too. However, it's the middle group, often the long-time staffers and dedicated champions, who are usually the most dubious and scared. This usually means that the organizational environment has not found new ways to promote innovation.

Innovation is about incentivizing risk, while also discouraging the fear of failure and preventing "playing it safe." An organization cannot thrive or create meaningful change if it doesn't alter its core structure and systems to allow for innovation. It starts with the support of the CEO of the marketing organization to ignite passionate people (who are not necessarily young people). Management then needs to direct, fund and protect this talent.

Innovation is not about trying new tactics and then sending out a press release. Don't ask, "What's the latest new thing?" Pay attention to the things that matter, and find the right filters and advisors. Reverse mentor — let the young make you very smart. True innovation is tinkering around with organizational behavior. It's about finding new ways to partner in a fast-moving world with only so much time to integrate.

Apple may be considered a tightly-controlled company given the reputation of its founder, but all 100,000 apps for the iPhone were developed by outsiders. They have created a new ecosystem which works for these times. Google allows employees to devote 10% of their time to new projects. Microsoft spends \$10 billion on R&D, largely because they recognize how vital it is to keep abreast of change and encourage innovation.

This is an Era of Responsibility, and people are looking to marketers, institutions and other people. Consumers are not paying attention to only what these groups say, but, more importantly, to how they act. **In fact, ACT may also be thought of as the accumulation of Authenticity, Community and Trust, which creates the fabric of responsible branding today.** A product must validate what you believe, it has to be accepted beyond yourself and your company, and it must behave within that sphere with integrity.

Perhaps the best advice I can offer in this fast-changing media world is to listen to yourself and your friends. You are consumers and users of the latest media trends. Don't think of yourself as a marketer. I don't come across stupid clients — only smart people who forget how smart they are! They know customers, brands and incentives. For marketers, these times are not about understanding technology. They are simply about iterating and doing. And that is far better than thinking big thoughts.

experimentation

EVOLUTION & REVOLUTION



Scott Berg, Hewlett-Packard's Senior Director of Global Digital Strategy
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Scott Berg, Hewlett-Packard's Senior Director of Global Digital Strategy, is busy these days. With 70% of the company's revenues originating outside of North America and with over 100 million websites around the globe associated with its customer base, his role in managing the "HP digital ecosystem" has never been more challenging. Well-known for his beliefs about embracing experimentation in both new media opportunities and in the growth markets of the world, Berg believes that marketers today are in the process of simultaneous evolution and revolution.

"Evolution," he says, "relates to how technology and the information age had changed our lives. I can connect anywhere in the world by any mobile device. This has enabled control and recognition of authenticity to be shifted to the end consumer. A revolution is occurring, because this essentially marks the end of ignorance. Anyone can find out anything at any time on any company. If you don't listen to the consumer and manage your transparency, and ultimately your destiny, the consumer will do it for you."

"Customers can easily find reviews on your products," says Berg. "But we're confident enough in our brands that we'll encourage comparison." HP is now testing the mobile marketplace's evolutionary and revolutionary changes in the East Coast region of the US. A customer can request a report on an HP product by simply typing "REVIEW" on his mobile phone. A review will be instantly returned, as well as a coupon to purchase the

item in question. A retailer can then scan the data from the phone at the time of purchase to insure the coupon offer. Scott Berg adds, "Authenticity is critical. People now know how to find information. If you claim something, you better be able to deliver it."

"Constant feedback has taught us to move from campaign management to actually working to manage our entire business ecosystem. For example, running a campaign can lead to boosting sales, but what if there's not enough product, service or support to handle the increase? All elements are in a symbiotic relationship to contribute to the total HP experience. And from a business standpoint, this allows for a greater variable cost structure, rather than an emphasis on fixed costs. We succeed today by managing ecosystems, not campaigns."

This does not mean the end of experimentation. According to Berg, it leads rather to a new vein of strategic experimentation, rather than the tactical variety of the past. In other words, we now know that media and technology will continue to change. We've digested that. Our new area of learning is to best determine how to take consumer-led realities and work them within a company ecosystem. "Consumers are not on the fringes anymore, so how do you encourage them to be advocates? And how do you best do this to project the responsibility and authenticity of your brand, while also managing to benefit a company's bottom line?" A very good question.



Deborah Marquardt, Vice President of Integrated Marketing at the cosmetics giant, Maybelline, commented on the changing advertising ecosystem as part of the PricewaterhouseCoopers "Advertising Industry Business Transformation Series" during New York Advertising. The discussion centered on how marketers needed to transform their businesses after dramatic technological and economic shifts.

GAUGING THE VALUE OF THE NEW

As the discussion turned to issues of advertising value, integrated programs and digital experimentation, **Marquardt**, now in her role for one year, was frank in her remarks. "Of course, multidisciplinary programs are part of the future of advertising. However, it is only responsible to ask, 'How do we staff to leverage such spending and investment?' I get lots of multiplatform strategies thrown at me everyday, but if I can't explain a program succinctly to the marketing staff, I'm not going to do it."

She believes that integration and multiplatform marketing are challenging disciplines in difficult economic times, and

social media has added to the complexity. "Everyone thinks social media is free. It's not free," Marquardt stressed. The manpower hours it requires for companies to have an effective social media presence often means finding assets in an organization and moving them. "Our youngest employees are digital natives, but getting teams of new talent to manage the process is difficult. The question is, 'How do I leverage this investment?'" There are also risks in relying too closely on the new frontier of social media. "We're trying to get the consumer's pulse. Trust and authenticity is king. You need to organize knowledge to be authentic."

Deborah Marquardt may best sum up the balance she seeks between testing the new and achieving fiscal responsibility with the following remarks: "I need to know what any program is worth to the brand, and how it can be activated to the consumer. And can I leverage the value of it with the staff that I have? Digital marketing is elastic. But it's also labor intensive. Realistically, we can only do a few things well."

That doesn't mean that we're not looking for opportunities everywhere — TV, print and digital. We can't stop talking to our customer — wherever she is — in a break-the-clutter way."

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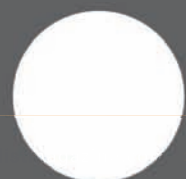
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Luxury Watchmaker Bell&Ross Uses 2009 to Make Strides



Roberto Passariello has a career that has spanned the client, agency and media owner sides of the business, and might be called a rare Advertising Renaissance Man.

Currently, Director of Marketing and Communications at luxury watchmaker, Bell&Ross in Paris, he has held positions in France as Director of Marketing at Eurosport, Advertising Director at EuroDisney. His agency experience included International Account Director roles in Europe at Bates, BBDO and Darcy. He even did an early 2-year stint as a brand manager at Procter & Gamble. Fluent in English, French, Spanish and Italian, his university education was in Chemistry at the Georgia Institute of Technology and Michigan's Kalamazoo College — both in the United States. CONTACT: r.passariello@bellross.com

Bell&Ross ranks among today's highest quality watches for reliability, legibility, precision and functionality. The company's origins are in creating watches for extreme professions that require exact timepieces—elite police, military bomb experts, submariners, divers, aviators, astronauts. Inspired by the clear visual indicators of a pilot's dashboard, most B&R watches are unique in appearance with a square bezel, rather than the more common round face. They are priced in the top echelon.

However, compared with their competitive giants in the luxury watch category, Bell&Ross is a relatively small brand and not as well known. Director of Marketing and Communications, **Roberto Passariello**, in the role for less than a year, not only faced this challenge, but was charged with growing the brand in a crisis year when luxury purchases were slowing. He knew he could only succeed by taking a risk.

"From a professional point of view, it would be naive to think that we can continue to do 'business as usual,'" Roberto Passariello replied when asked about risk. "There are too many opportunities, but importantly too many 'unknowns.' One cannot just look at past experiences to extrapolate or plan our future actions and strategies. Who could really have predicted the impact of Facebook or Twitter? Who could have really predicted the changes in the music industry when iTunes arrived? Who could have predicted Obama?"

Taking risks is not only necessary...we really have no choice! As an Advertiser, you

have to go into new areas. One has to try and err; there is no 'yellow brick road' any more! One has to take strategic risks, but also be faithful to certain direction and vision. But the world is new and different. We need to try new media, new messages, invent new ways to talk to our consumers. And accept change."

Passariello started by maintaining advertising spend across all key Bell&Ross markets when most watch and luxury brand companies were cutting back. Despite his own skepticism about online metrics, pricing and potential for luxury environment, he then increased the company's budget for web advertising. He created a presence in social networks like Facebook and launched official forums like Timezone in the US. "We were also quite efficient at placing our watch as official timekeeper in some key websites like Forbes in the US and Le Point.fr in France."

B&R product development was also quite aggressive. "At the 2009 annual Baselworld watch fair, we launched 13 different models, some of which were quite innovative. Most competitors were quite shy this year. The interesting models were not only a success with the Press, but they also created momentum at the consumer level."

Results were quite astonishing. "Bell&Ross is seeing actual growth in 2009, and we have become a Top 10 Ranked Watch in a majority of our key markets — France, UK, US, Singapore, Hong Kong and Japan. Spain and Italy were hit particularly hard by the crisis in terms of luxury consumption; however, we decided to up our spending in these countries anyway. I expect we will see results in 2010!"



At a recent IAA Luncheon in New York, Mercedes' **Steve Cannon** talked about the luxury market during an economic downturn. He noted that \$11 trillion of wealth was eliminated from the top 0.05% of the US upper demographic strata — the equivalent of the GDP of the UK, Germany and France combined. He also emphasized that it takes 7 years and \$1 billion to get a new Mercedes concept from the development stage to production. And, as we all now know, a lot can happen to a world economy during that time. So what's the good news?

Mercedes took a big risk on a new E-Class campaign that debuted in the midst of the economic downturn and continues to run throughout 2009. Estimated at \$75 million, this is the company's biggest ad spending effort in 2 years. Although its message emphasizes the heritage and key brand attributes of Mercedes Benz, it was just recalibrated enough to acknowledge current sensitivities. Or as Cannon says, "if luxury is a dirty word, change the dialogue." And the E-Class did just that — it gave consumers a reason to purchase by underscoring the world's most advanced safety features.

The TV commercials showcase the E-Class' new "Attention Assist" technology which prevents tired drivers from falling asleep at the wheel, and a revolutionary automatic braking system that kicks in when a driver loses concentration and the car senses a potential impact. The voiceover calls the E-Class "the future of the automobile."

Many US carmakers used the recession to reassure Americans about payments. Hyundai, Ford and General Motors all promised to help customers pay for their cars if they lost their jobs during the first year of payments. Honda's message became "designed and priced for us all."

Despite Mercedes' emphasis on safety, it did mention the starting price of \$48,600 for the E-Class at the end of each television spot and in the print ads. (This was actually lower than the starting price of the 2003 model.) However, Cannon explained, "For Mercedes-Benz customers, \$48,600 is a huge value story, and those people know it, so I don't have to go out and say, 'value, value' — that's not appropriate for our brand."

So did it work? Cannon told the IAA audience that the E-Class claimed the highest scoring car ad of 2009, resulting in a 15 share point gain since the campaign began.

Steve Cannon shared the best practices that Mercedes gleaned from their aggressive recessionary marketing program:

FOCUS ON CORE VALUES

For Mercedes, this means — authenticity, craftsmanship, design. "Having the advantage of a strong brand, the recipe for us is pretty straightforward," said Cannon. "Focus on your core values, connect your brand story to consumer needs, and try like crazy to resist the short-term temptation of discounting that might move the sales needle, but could also do lasting damage to your brand."

GET CLOSER TO YOUR CUSTOMERS

Cannon found this was accomplished through interaction with its online owner community "MB Advisors." The site communicates with 1000 Mercedes Benz owners on a weekly basis and enables them to collaborate on product ideas, evaluate ads and talk about the Mercedes customer experience. "We have found that the process builds advocates," said Cannon. "Their responses tend to be candid and immediate — without the 3-month turnaround of the typical focus group. MB Advisors is transforming how we gather information from customers."

VET & OPTIMIZE YOUR MARKETING PORTFOLIO

Cannon outlined how he reconsidered some of the long-time Mercedes golf associations, but revved up New York and Miami Fashion Week sponsorships to focus more on trendsetters interested in design. (This actually resulted in record sales to women.) "All in all," Cannon said, "This careful culling means that at a time when many marketers are cutting back on their marketing spend, we're as visible as we've ever been."

Echoing Stanford economist Paul Romer who coined the term, *A crisis is a terrible thing to waste*, Cannon said, "At the end of the day, it comes down to using the crisis as an opportunity to hone and build on what is at the heart of any luxury enterprise. For Mercedes that means, "Strengthening the brand, building up the rapport between the customers and the brand, and communicating the brand attributes that motivate people to buy."

COVER STORY: RISK

Mercedes-Benz

Introducing the 9th generation E-Class. Starting at \$48,600*

It is, quite simply, the most advanced automobile we have ever created. And the world's first vehicle that actually studies your driving habits in order to form a unique profile. With every meter, your E-Class watches over you to help prevent, prevent and anticipate the road ahead. Helping to awaken you with ATTENTION ASSIST technology if you should start to doze, alerting you with Lane Keeping Assist if you begin to wander from your lane, even automatically applying the brakes, if necessary, with a system known as DISTORNE PLUS. And every facet of its design is imbued with purpose. Its flared hood and flowing lines make for one of the most aerodynamic cars on the road. Its aggressive profile reveals performance characteristics in motion, including suspension that will adjust itself in milliseconds to perfectly adapt to changing driving dynamics. This is the new E-Class. This is Mercedes-Benz. MBUSA.com/e-class

Mercedes' Cannon says: "Change the Dialogue"

over



Stephen Cannon became Vice President-Marketing for Mercedes-Benz USA (MBUSA) in June 2007. In this role, Cannon is a member of MBUSA's executive management team with overall responsibility for marketing communications, market research and product management of the Mercedes-Benz and Maybach brands in the US.

Cannon began his automotive career in 1991 as executive assistant to the president and CEO of Mercedes-Benz of North America (predecessor to MBUSA). From there, Cannon moved to Stuttgart and joined a small team tasked with the development, manufacturing and launch of the M-Class.

He has a Bachelor of Science degree in Economics from the United States Military Academy at West Point where he graduated with honors. He is a US Army Airborne Ranger and served a 1st Lieutenant in West Germany during the fall of the Berlin Wall.

collaboration

Brothers Daryl and Wayne Arnold created Profero in London 11 years ago as the first independent, full service media and creative agency dedicated to “seizing the opportunity presented by the new medium called the Internet.” Today, Wayne is now based in New York at the newly-open US operation, while Daryl takes on his global role from Shanghai. Other offices include: London, Paris, Munich, Madrid, Milan, Singapore, Hong Kong, Beijing, Tokyo, and Sydney. The name Profero was chosen as it means “to carry out, bring forth or advance.”

FOR MORE INFORMATION:
www.factoryshanghai.com
CONTACT: daryl.arnold@profero.com

People who visit Factory Shanghai generally come to the same conclusion: “It has to be seen to be believed.” The concept of **Daryl Arnold**, Global CEO of Profero — the full service digital agency in a dozen key world markets, Factory is a unique space dedicated to nurturing Chinese creative talent from many diverse disciplines. Located on the ground floor of the agency’s building — not far from the Greenland Jiulong Hotel in Shanghai’s Kongkou District (The American Concession), it houses a recording studio, digital studio, art gallery, bar, restaurant, exhibition/event space, and now even pop-up retail.

Factory allows young creatives to use the company’s equipment for free. It also encourages collaboration and features the kind of environment where meeting, participating and working together is easy. Plus, Factory’s monthly visitor program encourages top global talent to stop by. The likes of musician Quincy Jones and shoe designer Jimmy Choo, along with industry luminaries who may be just

slightly less famous, have made pilgrimages to the space in order to share insights with young creatives and better connect them to the world.

According to **Greg Paull**, Principle at R3, the independent consulting firm well known for its benchmarking of agencies — particularly in China, “Factory is very ambitious, but it works.” Paull continues, “Factory is entirely Daryl’s concept. He may run Profero globally, but he is based in Shanghai and Factory is like his ‘Chinese Andy Warhol’ moment. However, he is really investing in China and its talent, rather than simply talking about it.”

Factory is most concerned with the process of creativity and fresh thinking, and sees itself largely as a work in progress. However, it is not cut off from real-world experience. For example, Factory members can outsource their talents to international projects that might need first-hand Chinese insights.

And Factory Shanghai also understands business. It provides management, license and intellectual property services, so that individuals and collaborators receive a fair share of the revenue generated from their work. It will also go so far as to provide seed money for exceptional individuals to establish their own businesses or bring their ideas to market.

工場

An Ideal & An Idea

According to Procter & Gamble’s **Lucas Watson**, Global Team Leader for Digital Business Strategy, “Seventy-percent of the business impact in interactive media is driven by creative quality.” Watson was among the featured industry leaders at The IAB’s (Interactive Advertising Bureau) fifth annual MIXX Conference & Expo, held jointly with New York’s Advertising Week in late September. This year, MIXX adopted the dramatic theme of “Fueling Interactive Advertising’s Creative Revolution.”

Watson discussed how an ideal and an idea are the starting points for quality creative. However, he also talked about how that level of work is increasingly being

sought outside of traditional agency channels. He cited a global design contest for P&G brand HUGO BOSS, where 13,000 entrants from 108 countries competed to illustrate a limited edition bottle of the brand’s HUGO fragrance.

The winner, Marvin Pedro, a designer from the Philippines, was chosen this August by both experts and www.hugocreate.com web users. Pedro’s simple, stylish urban design illustrated the contest’s City Sounds theme and presented a contemporary look for HUGO that would appeal to a new generation.

“This kind of thing can be incredibly intimidating for our agency partners,” admitted Watson. “Our best

agency partners are able to accept and then amplify ideas even when they’re not their own. Today a marketer needs to reward cross-agency collaboration as well as nurture experiments and innovation.”

Lucas Watson believes that in a digital marketing world, simplicity makes a difference. He also emphasizes the importance of the context within which ads appear and encourages all to keep an open mind about sources of creativity. “Simplicity is the true creative brilliance, but creativity is also about knowing what to leave out.”



& creativity



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crowdsourcing

For those unfamiliar with the term “crowdsourcing,” it was coined by **Jeff Howe**, a contributing editor at *Wired Magazine* and his editor, **Mark Robinson** in a 2006 article entitled “The Rise of Crowdsourcing.” Howe went on to cover the concept in a blog, and then followed with a book in 2008 called *Crowdsourcing: Why the Power of the Crowd is Influencing the Future of Business*. Jeff Howe offers two definitions of the term on his website:

The White Paper Version: *Crowdsourcing is the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call.*

The Soundbyte Version: *The application of Open Source principles to fields outside of software.*

charting the new CROWDSOURCING ENGENDERS A NEW AD AGENCY OFFERING

Evan Fry, Chief Creative Officer of the new Colorado-based agency called Victors and Spoils, was recently quoted in *The New York Times* as saying, “Crowdsourcing is looked at as a trend du jour. We want to be the first agency that gets it right.”

For many, the word “risk” is inexorably linked to the new. However, in today’s marketing world, “new” is increasingly becoming associated with “open access.” Agencies in particular are exploring new models as they seek to serve marketers as agents of change, rather than as “status quo” suppliers.

Fry, along with colleagues **Claudia Batten** (formerly of the video game advertising company, Massive) and **John Winsor** (formerly of Crispin Porter, like Fry) have taken the ultimate risk and set up shop as a creative agency built entirely around crowdsourcing principles.

According to Evan Fry’s blog, the goal of Victors & Spoils is “to provide businesses with a better way to solve their marketing, advertising and product-design problems by engaging world’s most talented creatives.” He continues, “Companies need an alternative to both current ad agencies as well as current crowdsourcing platforms. One that offers the strategic direction, engagement and relationship management that agencies deliver today,

but one that also delivers the engagement, cultural relevance, results and good ol’ ROI that crowdsourcing (if managed and directed well) can deliver.”

Fry goes on to suggest that Victors & Spoils offers a new agency model via a collaborative creative department dedicated to solving strategic problems and comprised of “a global digital community where anyone who wants to participate can.” V&S also presents a new approach to creative compensation that enables participants to earn a share of revenue from each project.

This aspect of compensation is underscored in the agency’s name. According to the company’s online invitation to participate, “It’s ‘Victors,’ plural, because we never reward just one winner. And we always have multiple ways to win. So not only do our monetary ‘Spoils’ always go beyond first place [we award for 2nd, 3rd, etc], we also reward for participation.” All of which will build each creative’s V&S Reputation Score — which will help determine a share of the revenue for each project.

It’s a model we’re building every day. And it’s a model we believe in. One that combines the best of what a creative agency can do and the best of what crowdsourcing can offer to arrive at solutions for your brand that are strategic, forward thinking and most importantly, effective. Let’s work together.

OPEN ACCESS FOR EMPLOYEES AND CLIENTS

In a PricewaterhouseCoopers “Advertising Industry Business Transformation Series” panel discussion at New York Advertising Week, **Amy Vickers**, Vice President/Global Enterprise Solutions at Razorfish, talked about coping with a new marketing universe. According to Vickers, “For many of our clients, customer service is the new marketing. There has been a back office breakdown.”

Razorfish, formerly owned by Microsoft, had most recently been in the news for its acquisition by Publicis Groupe, as the French advertising giant continues to grow its digital revenue.

Vickers has watched how the company’s own aggressive growth to over 2,000 employees globally had required expansive knowledge management in a shared-services environment. She acknowledged that the agency had lacked a system for effective internal communications. As a result, the company created a Wiki-type in-house database accessible to all project teams in an effort to share knowledge within the agency.

The benefits were immediate. “It allows employee input to bubble up,” said Vickers, and “keeps Razorfish competitive and relevant.” Razorfish also provides this Wiki approach to clients interested in using and managing their own internal proprietary shared-data service. This kind of open access allows any company with proprietary data, the ability to tap into it. And such resources can be invaluable.

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the best
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2009 internationalists

OF THE YEAR

NOMINATE THE NEXT INTERNATIONALIST OF THE YEAR

The Internationalist will mark its sixth annual profile section celebrating those international marketers who are truly the people behind the year's outstanding cross-border campaigns. We are seeking nominations from **you**.

Nominees should “break the mold” with their multinational brand communications. Their marketing campaigns ought to stand out from the crowd and from other brands in their categories. To qualify, their international campaigns and media expenditures must occur during the 2009 calendar year. This year may have been challenging; however, there are many individuals who took the kind of marketing risks in the international marketplace that are now producing results.

<http://www.internationalistmagazine.com/nominate.html>

anticipating the future

Starcom MediaVest's **Laura Desmond** sees the biggest marketing changes ahead as the redefinition of value and the need to maintain a global perspective.

"More and more, marketers of consumer product goods have been obsessed with value. They've had 10 or 20 years of growth driving more niche brands with niche products directed toward niche targets. And that was attractive, at the time, to consumers, who seemed willing to pay.

"But there will be a big change in how many products advertisers market... or even manufacture. Advertisers want to get back to basics and simplify their portfolios. By and large, they're keenly aware of what their brand is and what price points are sustainable in an up-and-down economy."

She advocates doing 'a gut-check' of what you're about. "By being as consistent as you can, you begin to gain market share. And remember: there's still plenty of market share to be gained."

Clients need to concentrate on areas where there's "a clear need for a product instead of creating products that exist only because consumption is high." This leads to further global thinking, not only from an advertising perspective, but from every brand element — from packaging to media.

Agencies will have to work "seamlessly" with clients, according to Desmond, as "there won't be much time for anything else." She anticipates that there may be fewer local advertising efforts as they may not sync with the new need for simplicity and efficiency. "There are 18 to 20 markets that matter," and they will be the primary focus of smart marketers.

In fact, these top markets do not reflect geographic convenience, but resonate with a similarity of attitude and influence. Chicago, for example, may have more in common with Western European capitals than it does with other Midwestern regional cities. Some major U.S. markets may have more marketing synchronicity with the UK or France than they do with neighboring Canada or Mexico. It's a different way of thinking about the world... and can make it more management for marketers.

In terms of rebounding from the recession, Desmond believes that "consumer confidence and spending is not coming back soon. But I do think that bread-and-butter marketers and manufacturers are looking at 2010 as a touchstone year." She added, "The advertising industry tends to be a lagging indicator," and made note of how the Blackstone forecast suggested that the economy will improve in the manner of a "Nike swoosh" — a curve that moves steadily, but slowly, upward. Not a bad marketing symbol either....

Johnson & Johnson's **Kim Kadlec** agreed that "the times of excess are over." Fortunately, J&J's products are "broad-based and value-based," according to Kadlec. She admits that the company "has not had to change our

model as much as some others.'

However, her concern is with the consumer. The economic difficulties of late 2008-2009 have made an indelible mark on many lives — and one with significant ongoing consequences for marketers. "Look at the younger people, the up-and-comers. How will they react after their parents lose their jobs, be forced to sell their houses, and not afford college tuition? It's important for us to keep our eyes on them. They'll be very different from the generation of 'boomers' whose legacy is to spend heavily and save lightly.

According to BBDO's **Andrew Robertson**, "we've gone from a credit crunch to a consumption crunch." Citing the agency's research on spending habits, behavior, and interests of consumers in 27 countries, he noted three key trends:

1. People are down-trading and trading out when they believe they can find significant savings for small compromises in quality. This includes the growth of private labels and the development of second- and third-tier brands. The exception seems to be in Asia—particularly, China, where instead of trading down, people are reducing the frequency of their purchases — buying once in every six weeks instead of every two or three weeks.

2. People are trading out of categories, especially, those categories that involve a lot of credit. Cars are lasting longer than leases. And, now, the replacement cycle will last even longer.

3. People are treating themselves. They're trading up in lower categories. "And I have a sneaky feeling," says Robertson, "that another era of irrational experience may soon be on us."

Andrew Robertson agrees with Laura Desmond about a new sense of value for marketers. He says, "Focus on what's valuable. Kick out things that are wasting your resources."

"Driving people's moods today is the fear of unemployment and the decline of their largest single asset, their house," says Robertson. "Consumer decision-making has gotten a lot sharper and a lot more decisive. Grocery shoppers are spending 20 percent more time in supermarkets. It's not because they're spending more. It's because they're looking at labels, shopping in their own heads and hearts." It has never been more important for marketers to "find out what makes up their value proposition — about where they offer the greatest value to consumers and how they can have the greatest impact."



New York's Sixth Annual Advertising Week 2009, held at the end of September, presented a number of opportunities to learn more about risk, and in one of the featured Leadership Conversations, Laura Desmond, CEO of Starcom MediaVest, Andrew Robertson, President & CEO of BBDO Worldwide and Kim Kadlec, Chief Media Officer of Johnson & Johnson's Global Media Group discussed: Is marketing ready for life after recession?

“...refreshes the parts other beers cannot reach or why the ad funded creative content model may be back to the future...”

Remember rolling your eyes when your parents said that “music today is much worse than it was.” Sadly I am going to utter the same sentiment and relate it to ads today. My midlife advertising prognosis is that with fragmentation in media, we have reduced the focus on creativity. Coming from a life-long media man, this may seem less than credible but I started in media at a time when an ad that was shown only 8 times (Hanson-Changes) on UK TV was the most memorable ad that year and for some years after.

Fragmentation may have driven us to a “quantity versus quality” creative brief, but great content still communicates. Even more important, content that makes people feel something, in any media, stands out. If you have never shed a tear in Extreme Makeover Home Edition, ET, the final scene of the movie Love Actually, or the Beach Boys/Airport scene, you have no heart. The same thing applies to humor in ads and content – get your audience to feel

something and you’ll get noticed.

This explains why online ads are struggling...we use the PC as a device, not an entertainment vehicle. We use it for information, and pull from it; it is not having the impact in message delivery we had hoped would match its usage.

It is also continually proven, most recently by a survey from Deloitte, that ads seen on TV are more memorable and effective than those shown on any other medium. But we are not seeing great TV ads the way we once did. Creativity in television has declined and with a couple of exceptions, we have not seen ads that connect with people, make them smile, cry or feel emotion that can translate into the behavioral change that advertisers seek.

Some examples that bucked the current trend and hit the spot...

The first took a car which was known as the Italian Rust Bucket and turned it into a desirable object of beauty. Fiat showed how their car was hand built by

robotic machines moving in a beautiful ballet to Italian opera.

The second and a more recent ad was for the Sony Bravia Television and featured remarkable color. Not only was the ad a huge success but the making of the ad (yes it was all real and not CGI) became one of the most viewed YouTube pieces in 2006.

A more simple but equally effective ad that you may remember took the relatively boring subject of identity theft, injected it with humor and went on to achieve cult-like status.

If all else fails, grab a celeb, but make sure you give your ad emotion and meaning. Christmas has lost a lot of emotion, but last year, Martha Stewart and Donald Trump tugged at the heart strings with the Macys “Yes Virginia,” ad which built on where the stars do Christmas theme. These two spots became the most remembered and well-liked of last year’s holiday season.

BY ANDREW MCLEAN



Fiat showed how their car was hand built by robotic machines moving in a beautiful ballet to Italian opera.



This ad on identity theft gained cult-like status.



The point is, what is missing today are ads that make a connection. We've sacrificed quantity for quality, and I am doubtful that we are going to get it back through the 30-second television spot. My thoughts are that it will only be through a more thoughtful integration of advertisers and content that we may see the sort of impactful audio visual treatments that really drive messaging and medium integration that creates strong emotional connections between brands and consumers and drives behavioral change. Now, I am not joining the choir saying television is dead, but I agree with Chase Carey's, President of News Corps, recent comments that the model of 100% ad funded networks does not work anymore.

The challenge is that in 2010 television ad revenue will be down for the third year in a row. While the average cost of programming, sports rights, and talent has continued to rise, making the networks' paper-thin margins even smaller, an impossible scenario unfolds, declining revenue leading to declining programming quality and declining audiences.

Advertisers know they need to form a deeper connection with content and yet we have not progressed further

than product placement. The question is why are we not getting better advertiser supported content? It may be that we have the wrong folks at the table, but mainly (and now I really bite the hand that feeds me) I think that the advertisers, the CMOs and marketing departments, don't provide the environment where this can flourish. Of course, with the current pressures to reduce marketing expenditure as company revenues fall, this is an even tougher ask, but it's also about a shortage of experts, examples of success, and the associated data and analytics to justify either an additional investment or the moving money to a content area.

Truly great advertising is based on story telling that people relate to. It used to be that this was the USP for television, but now video games and online programming are laying a claim to this. So what should advertisers and their agencies be doing differently?

For a start they should have a plan and start to build a strategy. They need to experiment and look for content partners with whom they have empathy. Remember, content has to be entertaining and engaging. It requires an authentic meeting of minds, a partnership that hinges on mutual



Andrew has had a 25 year career in advertising which is surprising as he looks so young! His career started in journalism but followed money to media sales at magazines before joining the agency business as a television buyer back in the 1990's. He moved to The Walt Disney in 1994 to oversee their media buying but moved back to the agency world and to New York in 2000. A decade later had having led Mediaedge:cia to be Global agency of the year (twice) he is charged with leading business and corporate development at Groupm - WPP's consolidated media investment management operation, serving as the parent company to agencies including Maxus, MediaCom, Mediaedge:cia, Mindshare and Kinetic. GroupM is the global number one media investment management group (RECMA 2009). In addition to this he is the US and NY President for the International Advertising Association. His favorite ads are those for any of his clients and the older Heineken ads a brand to which he shows remarkable loyalty.

appreciation of each others' business, creative objectives and ideals. Great content and advertising has one thing at its core – originality. That's what is needed.

With so many companies talking about producing online video and other forms of "branded entertainment," I'm amazed by how people often talk about these trends as if they are new. The earliest forms of audio and visual media were advertiser produced from the radio shows of the 50's to the soaps of the 60's. We had these skills but stopped nurturing them and left the process to others. Maybe a trip back to the future is in order....



Martha Stewart and Donald Trump tugged at the heart strings with the Macys "Yes Virginia," ad.





PERSPECTIVES ON

China & West^{the}

Janet Carmosky

Shortcuts to China Literacy

*Janet Carmosky has been criss-crossing the United States of late (after having spent nearly 20 years settled in China). Her company is offering **China Business Boot Camp** in cities from Cleveland to Atlanta, St Louis to Denver... and she has also been presenting her views to business leaders and marketing executives through various forums, including *The Internationalist's*. Everywhere she goes, American executives unabashedly ask her straightforward questions about China. She answers them here with a level of directness and clarity that her US colleagues would appreciate.*

Lately it's hard not to notice China. It's on the cover of Fortune and The Economist in the same week; every day at least three or four features in the WSJ and the NYT originate in China. President Hu Jintao just left the USA, and President Obama is on his way over to China. China pops up in a wide range of conversations: Economy, politics, climate change, finance; religion, geopolitics, education, water; nuclear power, bioengineering, space programs; Africa, the Middle East, Russia, Pakistan.

People are beginning to realize that China is, without exaggeration, part of every global problem and every global solution. Similarly, as China's power has unfolded these past three decades so has the complexity of its society and the range of its interactions with the outside world. It's all become so comprehensive, which makes my job as a professional explainer of China to the west, and vice versa, a bit more challenging. The situation calls for some.

Some day, dear reader, when you become a member of **The China Business Network**, follow me on **Twitter**, or at least buy me a cup of coffee, we'll explore "What China Means to Us As (fill in the blank as appropriate)" in more depth. For now, here's a quick reference. Carmosky's Shortcuts to China Literacy, if you will:

Q. Does China want to rule the world?

A. No. They would like to be in control of their own destiny – energy and natural resource security are their primary international goals. Otherwise, they have their hands full with domestic mess and would frankly much prefer if the USA would get through its current mess with colors flying, so as to better continue in its role as Big Daddy.

Q. Is China a military threat?

A. No. See above. In addition to domestic mess, China has 14 nations on it borders, including at least 3 nuclear powers (Russia, India, Pakistan), a few rogue nations (North Korea, Burma), and five Stans with major economic, drug, and Islamic issues. Tibet and Xinjiang want independence. The traditional enemy, Japan, shares no land border but is just across the water. So while yes, China has lots of guns, some rather advanced, China would also very much appreciate it if America would

remain in control of Pacific (and other) shipping lanes as well as continue to hold the crown of Military Superpower, because China is kinda busy.

Q. How can we get all our jobs and money back, since they seem to have all moved to China?

A. Earn it. Begin by accepting that China has been meeting the West more than half way for the past 30 years in a very successful attempt to make its country attractive for FDI, its markets wealthy enough to justify development, and its productive assets and labor force relevant enough to meet the challenges of development. Our turn. Let's see if we can put ourselves in their shoes and make our nations attractive as investments, markets, productive bases, and labor sources to Chinese.

Q. How can we win if the Chinese play dirty?

A. Don't even try to out-Chinese the

Chinese. Out-western them. Start — as above — by respecting them. Whatever "rules" were or were not broken, the Chinese have been exceedingly determined and diligent to meet the goal of basically pulling their nation out of poverty. Now let's be sure that we are diligent, determined, and confident in our strengths. Don't play dirty but don't be hypocritical either.

Q. What can westerners do that Chinese can't do better?

A. Be idealistic. Insist in rigor in the process. Communicate externally. Build a brand. Structure a lasting partnership. Support bottom-up innovation. Create an organic ecosystem for the commercialization and scaling of new technology. Train people to think laterally and write persuasively.

Q. What can the Chinese do better than westerners?

A. Be practical. Explore shortcuts. Mind

meld within a group. Respond to short term opportunity. Form and exploit ad hoc alliances. Follow government's lead. Start a small local business. Train engineers.

Q. What do the Chinese believe in?

A. Shortest possible answer: Chinese culture is about food and money – both need to be shared with the people who've got your back. Government is the king. Not everyone is smart, but smart is the gold standard by which people ought to be measured. Don't take yourself seriously, it's a sign of stupidity. Leaders need to be strong, life is not supposed to be easy. Good times never last so make hay while the sun shines. China is not a culture of ideals or religion, but of survival and the moral values most compatible with survival.

Q. Aren't they communist?

A. Are you kidding me? The Chinese invented money, they understand it deeply, they like it a lot, and they are not particularly egalitarian. Every dynastic change comes with its ideological extreme, because people who are going to lay down their lives to overthrow the old regime have to think there's something bigger at stake. Mao was first and foremost and megalomaniac; communist very much secondarily.

Q. What about Tibet?

A. It's a valid question but we really need to check our sense of moral superiority at the door. America slaughtered its indigenous people; European nations colonized Africa.

Q. Isn't China really polluted?

A. Yes it is. Because the Chinese decided, twenty years ago when they converted their fertile ground into factories where As Seen On TV Knickknacks could be produced in massive quantities, that they would rather have cash now and figure out how to clean up the water and air later, when they got good and rich. That's what the west did, after all, and

what China is attempting now, notwithstanding the extremes to which they have allowed their land to be degraded. Still, in their top-down, government-led, diligent way, they will keep plugging away at the objective. By the way, China is already at least 10 years ahead of any other nation in renewable energy. More solar, wind, and hydro than every other country put together. Really.

Q. Are the Chinese poor or rich? Modern or traditional?

A. The range of China's economic and behavioral traits can be plotted – very roughly – along two axes. First, the generational axis: War Survivors (born 1910-1950) lived through massive uncertainty and deprivation; Red Babies (born 1950-1970) were manipulated to carry out brutal man-

made disasters; Children of Plenty (born 1970-1990) have experienced tremendous security, wealth and freedom relative to previous generations. Next, the urban-rural divide. The coast and some inland cities experience wider influences and relatively few constraints on their lives and livelihood; rural Chinese, although finally getting a bigger share of the wealth in the past decade under the Hu Jintao-Wen Jiabao regime, nevertheless experience the world mainly through local travel and TV.

Pass it on. While it's become harder to ignore China, it hasn't necessarily gotten easier to understand China.



Janet Carmosky is a career China business specialist and one of the leading voices on China business in the US. She has experience in a wide range of industries in China, where she lived and worked as Janet Zhang — from 1985-2003. In 2008 she co-founded The China Business Network as a platform where corporate executives and professionals in China, the US and beyond, can connect and share expertise, projects and learning both online and offline. Currently CEO and Editor-in-Chief of The China Business Network, she writes and speaks about the cultural and

organizational dynamics that result in missed opportunity for both sides. With near-native fluency in Mandarin and solid Cantonese, she also facilitates board-level communication between Chinese and American organizations.

*Janet has a BA Chinese Studies (U. Pennsylvania 1985) and has worked in senior management for Burson-Marsteller PR (Director, Shanghai); Web Connection/chinadotcom, (Director of Operations, Shanghai); Richina Fashion Retail, (Genl Manager, Shanghai, Beijing, Hong Kong); Richina Capital, (VP, Shanghai); Coopers & Lybrand Strategy Consulting, (Shanghai) and other firms. Her past and current clients include Office Depot, Wella AG, Bacardi, Marriott, Continental Airlines, PR Newswire, Wal*Mart, Corning, Waste Management, Sony, Citroen, Alcatel, Ethicon Endosurgery, Briggs & Stratton, Unilever, Alparma, Givenchy, Yue Sai Kan. Her publications include Alcatel in China: Business as an Adventure (2003) a case for MBA students at Switzerland»s MD and Harvard Business School, as well as articles, essays and chapters in various Economist publications.*

CONTACT: janet@thechinabusinessnetwork.com

signs of success: traditional Chinese symbols in advertising

In China, as around the world, a well-chosen symbol not only helps the customer to remember a brand, but it also strengthens the company's reputation and adds value to its products.

After China first opened its doors to the outside world in 1979, modernity was initially very much in vogue. Exposed to western culture for the first time, the Chinese were swept away on a tide of enthusiasm, and anything traditional fell out of fashion. Companies favoured westernized symbols and styles for their product packaging, and many

historical buildings were demolished to make way for the new and exciting high-rise future.

However, in the last decade, the Chinese economy has grown at an unprecedented speed, and the country no longer has an inferiority complex. Since its entry into the World Trade Organisation in 2001, there has been more contact between China and the rest of the world than ever before, with the result that foreign culture has lost some of its exotic appeal. The Chinese have increasingly come to appreciate the glamour and fascination of their own traditional

culture, which now intrigues and fascinates the whole world. Used correctly, traditional symbols have a timeless beauty that transcends fashion — and marketers are more than keen to tap into this.

Some of the best-known and most potent symbols in traditional Chinese culture

include the dragon, phoenix, crane, pine tree, lotus, and auspicious clouds. The dragon is a legendary creature in Chinese mythology and folklore, and a symbol of power. In earlier times, it used to stand for the emperor, with the phoenix representing the empress, but now it is often used as a symbol of Chinese culture (while in the West, it is sometimes used as China's national emblem). The traditional auspicious cloud pattern represents good fortune and future success, and is commonly seen on antique clothing, jade and sculptures. The crane and pine tree represent longevity, whilst the lotus represents nobility.

Colours too have strong connotations in the Chinese mind. Red, in particular, signifies luck and prosperity, and is literally regarded as the national colour. The lanterns hung out for the spring festival, the precious lacquered boxes prized by collectors, even the wall of the Forbidden City — all are red.

As invoking traditional culture becomes increasingly fashionable, more and more Chinese companies are incorporating these time-honoured symbols into their corporate iconography and advertising campaigns. A good example of this was the 2008 Beijing Olympics. The



For the Chinese Lunar New Year, Nike teamed up with Clot to launch the lucky-red inspired Nike Clot Air Force 1, the auspicious addition to the Nike 1World AF1 Project that features a total of 18 influential style leaders in sports, music, art and design. The Nike Clot Air Force 1 pays tribute to the themes of luck, happiness and prosperity — as represented by the color red — which prevail during traditional Chinese Lunar New Year celebrations. Special features of the Nike Clot Air Force 1 include: an upper-shoe made from red Clot Royale Deluxe Silk, the most recognizable Chinese-made textile, with embroidered trademark Clot graphics inspired by thousand-year-old Chinese prints

BY GUY GILPIN & XIAOJUN DANG

auspicious cloud pattern appeared on the Olympic torch, which was predominantly red in colour, while the Olympic medals were made from jade inscribed with a dragon pattern. This deliberate use of traditional culture proved a great success, demonstrating its enduring power.

The Olympics were a celebration of China and its arrival on the world stage, so it was only to be expected that they would draw on the country's rich heritage. But paradoxically, it is often the most modern brands that make the greatest use of traditional symbolism. For example, the "double happiness" pattern which features prominently in Chinese wedding ceremonies has been used on the products of a high-tech webcam manufacturer called Hai Tian Di. This clever way of leveraging a traditional motif to illustrate the power of new technology in strengthening human relationships has helped make the product a big success. Several PC manufacturers in China often use symbols such as dragons, orchids and butterflies on their products as well.

This juxtaposition of old and new exemplifies the approach taken by many Chinese companies. By combining the rich cultural heritage and mystique of China with western design values, they hope to take their products to a global audience. China is the message, and western-style design is the medium.

Likewise, international brands



In a groundbreaking move, Pepsi changed its iconic blue can to red to better connect with Chinese cultural associations with color.

who want to break into the Chinese market are also trying to channel the power of Chinese culture. For example, Nike introduced a special edition Clot Air Force 1 trainer in China ahead of the 2008 spring festival — the most important holiday in the Chinese calendar. The product was red, with auspicious cloud patterns all over it, making it perfect for this celebratory time. One year during the spring festival, Pepsi changed its classic blue packaging to capitalise on the power of the colour red. (Its great rival, Coca-Cola, obviously has an advantage when it comes to brand colours in China — though more by luck than judgement, one suspects!)

Foreign brands have also tried to use China's oriental mystique to sell their products in their home markets. Designer John Galliano of Christian Dior has used the pattern of a dragon on yellow clothes for its magnificence, and Kenzo has created dresses inspired by the peony, a traditional Chinese flower associated with elegance and luxury. Blue and white porcelain, the colour red and

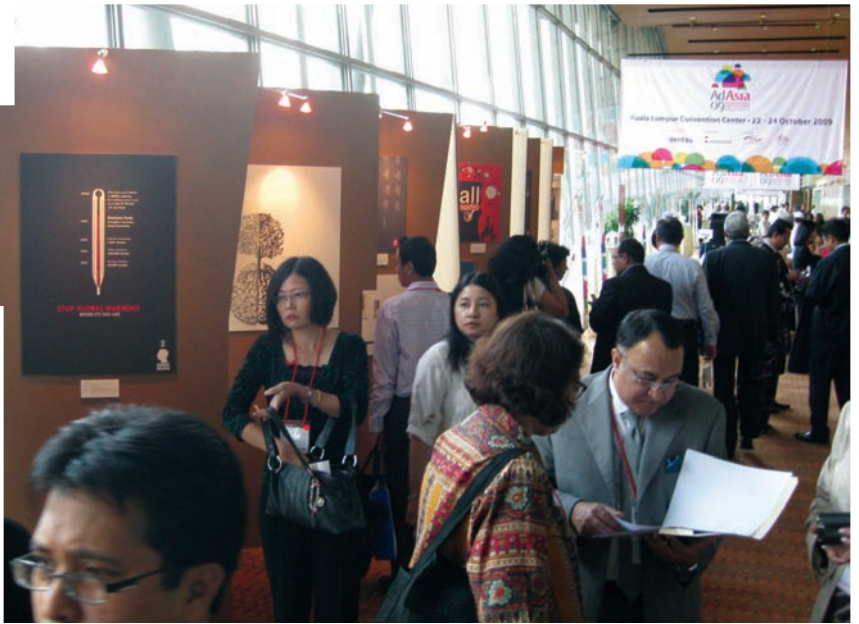
Chinese characters have also all had an influence on fashion designs around the world.

However, while the sheer size of China's population, and the richness of its millennia-old culture, make harnessing the power of Chinese symbology appealing, western brands must proceed with caution. In the same way that the Chinese emphasize their "Chineseness" in export markets, foreign companies should remember that their westernness can be a strong selling point, as it is often associated with sophisticated design, advanced technology and high product quality in the Chinese mind.



Guy Gilpin was brought up between Belgium and England and cannot spell 'blue' (or is it bleu?). He is the Founder of Mother Tongue translators and adapters.

Xiaojun Dang is a Project Manager at Mother Tongue in London and was born in Shanghai.



ADASIA 2009 RETURNS TO KUALA LUMPUR, MALAYSIA AFTER 19 YEARS

The biennial AdAsia Congress was hosted by the Malaysian Advertisers Association at the KL Convention Center this October. Billed consistently as the region's most significant marketing communications event since its inception in 1958, AdAsia is run under the auspices of the Asian Federation of Advertising Associations (AFAA).

According to AdAsia09 Organizing Chairman Peter Anthony Das, "The recession is only a part of the problem. The media landscape continues to evolve with the entry of New Media platforms. Consumer behavioral patterns have also shifted dramatically with the intrusion of social networks and blogs."

All photo identifications from left:

- 1 Mr. Takayuki Shimizu, IAA JAPAN; Mr. Masahiko Horie, Japanese Ambassador to Malaysia and his wife at Dentsu Night
- 2 Mr. Kiyo Akasaka, United Nations Under-Secretary-General for Communications and Public Information, who addressed the Congress on "The United Nations and how its universal values are applicable to Asia's challenges and future."
- 3 Mr. Kenji Shiratsuchi, Executive Officer Dentsu Inc. who addressed the Congress on "Ideas for Society."



WINE TASTING HOSTED BY THE ECONOMIST

To support an IAA-New York networking event, *The Economist* recently hosted a wine tasting event that highlighted New York State's Finger Lakes Wine Region. Shaw Vineyard poured their Reisling (recently noted by *The New York Times'* wine columnist Eric Asimov as this white variety gains a foothold in the United States), as well as Pinot Noir and a Cabernet Sauvignon. International marketers, agencies and media owners mingled as they learned more about Shaw and the area around New York State's Seneca Lake growing region.



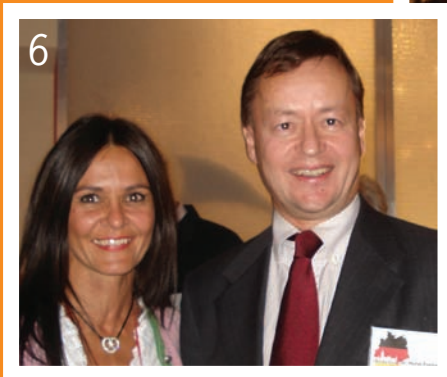
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- 1 Catherine Merchant-Jones, Prudential and Michael Lee, IAA.
- 2 Tom Brookbanks, Mediaedge:cia.
- 3 Megan Norwood and Caitlin Crawford, The Wall Street Journal.
- 4 Mary Catherine Burdine and Jay Torrito — both The Economist.
- 5 Alison Zarecki, Eileen Casey and Aleksandra Lacka — all Zenith Media.
- 6 Claudia Guzowski, The Wall Street Journal and Larry Levy — L.JL Associates.
- 7 Laura Saitta and Marsha Sharpe — both Publicitas North America.
- 8 Adnan Brankovic, Initiative; Paul Wildes, The Economist; Guy Forestier-Walker, MPG and Andrew McLean, Group M.



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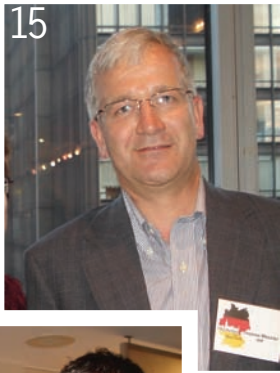
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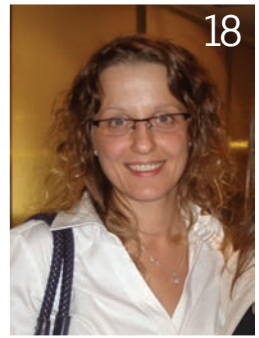
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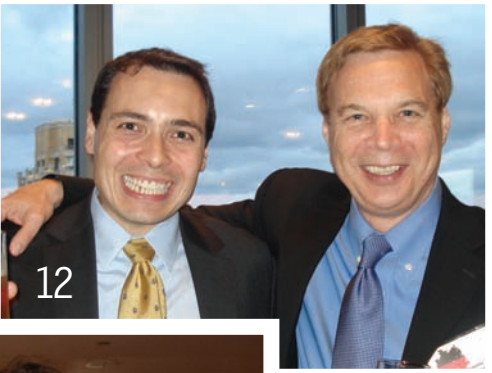
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Oktoberfest comes to New York



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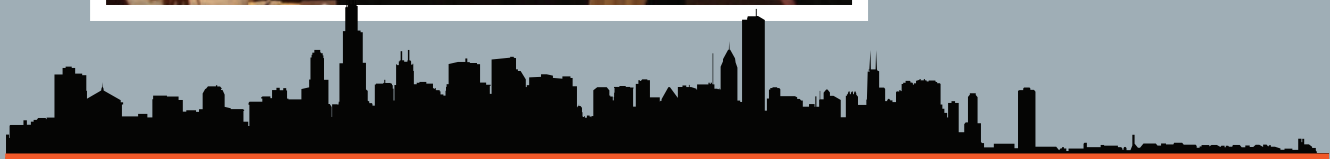
OKTOBERFEST COMES TO NEW YORK

The *Internationalist* presented the second annual Oktoberfest Comes to New York in association with the German Media Community, including Axel Springer, Burda Community Network, *The Frankfurter Allgemeine Zeitung*, Gruner + Jahr, Publicitas for *Süddeutsche Zeitung* and *Elle*, and WorldMedia for *Der Spiegel*. This celebration of Germany's finest beers, wines and cuisine took place high atop the German Consulate Building adjacent to the United Nations. Guests learned more about the world's fourth largest ad market, while German Consul General Dr. Horst Freitag presented his views on the current German business market in light of Chancellor Angela Merkel's Reelection.

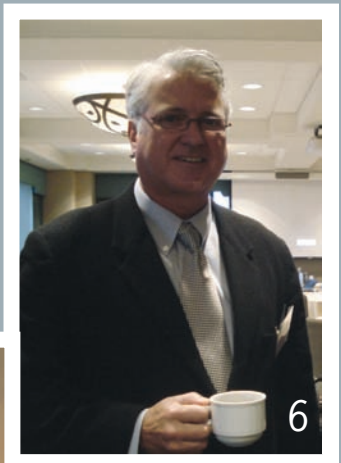
All photo identifications from left:

- 1 Adnan Brankovic, Initiative Media; David Steifman, Huson International Media and Neil Carty, Initiative Media.
- 2 Adrian Looney, Dean Zikria, Raphael Blum — all Pfizer Global Pharmaceuticals.
- 3 Yan Jaing, Pfizer Global Pharmaceuticals.
- 4 Gerlinde Brixius, JPMorganChase and Lian Brandt, Holtz Rubenstein Reminick.
- 5 Laura Parsons, Calvin Klein and Kevin Conetta, Publicitas.
- 6 Helena Anwander-Ramolla, Burda and German Consul General Dr. Horst Freitag.
- 7 Natalya Meytin, Shirley Wai and Jeannie Ng — all WorldMedia.
- 8 Salvatore Zammuto, Burda.
- 9 Kerry O'Donoghue, Frankfurter Allgemeine Zeitung and Tim Mickelborough, Thomson Reuters.
- 10 Elisabeth Muhlmann, ELEGRAN and Juergen Ostertag, Pryor Cashman.
- 11 Doug Craig, Sharp Communications; Andrew Dreyden, Publicitas; Dustin Guzowski, Huson International Media.
- 12 Matt Seiter, MagnaGlobal and Graeme Hutton, Universal McCann.
- 13 Gretchen Parks, CitiGroup; Melissa Worrell, WorldMedia.
- 14 Zoe Cirrone and Nicholas Dejanosi — both Thomson Reuters.
- 15 Thomas Massler, IBM.
- 16 Conover Brown, WorldMedia
- 17 Laura Saitta, Publicita.
- 18 Sylvia Wilson, mwhadvertising.
- 19 Andreas Schilling, Burda; Michael Monheim and Peter Wuentenberget — both Axel Springer.

Contact our team: Conover Brown, Melissa Worrell, Natalya Meytin, Jeannie Ng, Shirley Wai
conoverbrown@worldmediaonline.com melissaworrell@worldmediaonline.com

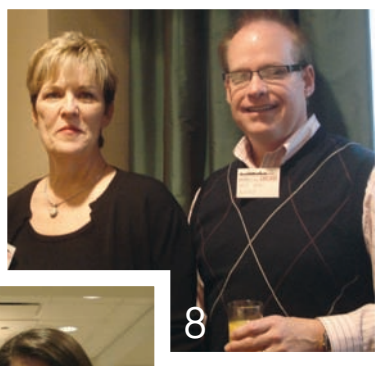


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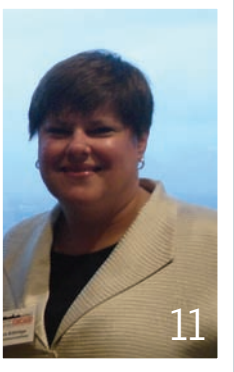
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MEDIA MATTERS CHICAGO

The Internationalist's **MEDIA MATTERS** series is a new concept in connecting people and exchanging ideas. It gathers together key thinkers on international marketing/media issues and challenges them to discuss today's opportunities in a fast-paced forum of debate and interaction. **MEDIA MATTERS**, sponsored by Publicitas North America, made its debut in Chicago as **The Internationalist** wondered whether the Windy City, home to President Obama, is also becoming the U.S. Capital for International Marketing and Media Strategy. The event explored key issues with Chicago's internationalists, as well other world-wise marketers.

All photo identifications from left:

- 1 Moderator Deborah Malone of The Internationalist laughing with Panelists Anita Liskey, CME-Chicago Mercantile Group; Fritz Johnston, Boeing and Ben Richards, Naked.
- 2 A view of Metropolitan Club's skytop meeting room with Media Matters participants.
- 3 Eugene Varnado, DraftFCB and Jerry Verghese, Boeing.
- 4 Chris Nolan, Publicitas; Christian Kugel, Denou and Howard Moore, Publicitas.
- 5 Jeremy Monton, DraftFCB and Julie Simpson, Boeing.
- 6 Tim Love, Omnicom Group.
- 7 Ben Richards, Naked and Fritz Johnston, Boeing.
- 8 Vickie Szombathy, Spark Communications and David Jenks, Boeing.
- 9 Christopher Dimmock and Alissa Lasky — both DraftFCB.
- 10 Beth Uyenco Shatto, Microsoft; Diana Smith, PHD, and Sean Finnegan, Starcom MediaVest Group.
- 11 Barb Kittridge, Spark..
- 12 Megan Barstow and Elizabeth Fernandez-Cuervo — both Accenture.
- 13 Shekar Swamy, SwamyBBDO & Hansa Group.
- 14 Shufen Zhao, Chicagoland Chamber of Commerce and Janet Carmosky, The China Business Network.
- 15 Steve Piluso and Donna Kirchman — both PHD.
- 16 Shawn Adams, Panduit.

The Roots of Edinburgh

Everyone has roots. Sometimes, it's nice to explore them. Today's globalized world has made mutts out of most of us — we come from several places, have lived in multiple cities, and trace lineages back to many places. More than a few can trace roots to Scotland, a major source of emigration to the US, Australia and Canada in generations past, and a place that trades on the idea of roots, history and tradition for a living. This northern land remains a nation, part of the United Kingdom, and its beating heart is Edinburgh — one of Europe's oldest and most beautiful cities.



Edinburgh is the second most popular visitor destination in the UK, swelling to double its normal size every August during a series of festivals known as... wait for it — the Edinburgh Festival. This ancient area of Scotland where, as they say, “we invented innovation.” These innovations notably include scotch whiskey, golf, very large mosquitoes, and it seems, ketchup. (Its like a national dish.) It's actually haggis, a dish you can discover independently.

Arrivals

It's easiest to hop a taxi from the airport, but the nice way to enter Edinburgh is by train — perhaps up from London. The tracks hug the Scottish coast and offer stunning views out to sea, alternating seascape and golf course along the way. There are many sheep. When you arrive, you will need a place — for which we have several recommendations: The **Missoni** hotel is gorgeous and fashionable, full of flavour. The **Glass House** is a cool boutique hotel with a lively bar, and the **Apex** is well located, just a short distance from **Edinburgh Waverly station** - a good business choice.

A little farther out are a host of

stunning castles sure to deliver the true Scottish experience. **Dundas Castle** has something to offer and is run by Hub Culture members, so you're likely to get extra special treatment if you mention that upon arrival. **Eilean castle**, on the northwest coast, is another gem.

Whiskey

It is very important to drink whiskey while in Scotland — in some places it is easier to get than water. A strong smell of Cheerios permeates Edinburgh, but there is no Cheerios factory here — its just the smell of barley and hops being distilled into this golden life force. When ordering, ask for **Balvenie** — a smooth round selection with a soft taste. It comes from Speyside, a beautiful location due north, where the water has a soft taste. There is also **Oban**, a west coast whiskey with a strong, peaty flavor. It tastes of a cold Atlantic wind.

Of all the places and pubs to drink, you could try the **Thistle Street Bar** — a cozy location with an open fire and friendly pub feel. For something a bit more modern, try the **Voodoo Lounge** or **George Street**, where lots of spaces crowd together to jostle for your Scottish pound: **Le Monde**, **Living Room...**

For divine food Scotland's hottest boy-toy chef, **Martin Wishart**, offers stunning fare in his eponymous restaurant. For a

real treat, head to **Loch Lomond**, where the chef's teams take a full week to prepare a selection of dinners served each Wednesday — Sunday.

Activities

A visit to **St. Andrews**, the home of golf, is in order. Scotland is a golfer's paradise and a must-see on the golfer's itinerary. For a full list of such activities, walking tours in the mountains and how to find the **Queen's estate at Balmoral** (no buck shots allowed) check out **Visitscotland.com** and **CometoScotland.com**.

For the last year, Scotland has been celebrating its homecoming, encouraging those emigrants now settled far away to return for a taste of their legacy. That all ends this winter, as their nobel laureate poet, Robert Burns celebrates his 250th birthday. The author of Auld Lang Syne would be happy to see you back, even if your heritage was never there anyway. Like many of us on New Year's eve, the Scots tend to embrace everyone — often with a trace of Balvenie carried on the tune.

Stan Stalaker is the founder and creative director of Hub Culture, a real network merging the virtual and physical. Hub Pavilions are opening worldwide with workspace, online collaboration tools and support services for Hub members. He can be contacted at stan.stalaker@hubculture.com



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