

inter national ist

CURRENCY CRUNCH



how to get great value out of
multinational campaigns

inside issue

Euro RSCG's
Schmetterer
Tells Why
It's 'Business
As (Un)usual'

Toulouse
Helps Make
Boeing's
Budget Work
Harder

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cover photo: walsh photography/photonica

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may/june

Boxed In: Branding with Shrinking Budgets

future issues

Redefining Roles: Stretching Agency-Client Relationships

New Rules for Powerful Strategic Partnerships

21st Century Imperatives for Building Powerful Global Brands

Editorial submissions are encouraged.

Send your story suggestions and ideas including photos and calendar items to
editorial@inter-national-ist.com.

IMPORTANT DATES

may/june issue

AD CLOSING: April 25

MATERIALS DUE: May 2

september issue

AD CLOSING: July 11

MATERIALS DUE: August 1

Contact: advertising@inter-national-ist.com

We are pleased and heartened by the response to the first issue of *inter national ist*.

It has confirmed our belief that the international advertising community needs a vehicle for communication, debate, and the sharing of experiences. And that's exactly the purpose we are striving to serve, even as—perhaps especially as—we face such challenging times.

While international advertising, marketing, and media expenditures are often barometers of market confidence, they usually are the last budget lines to be restored.

It's during these difficult times that new perspectives on ideas and practices that would have remained unchallenged often arise as well as alternative solutions that prove effective. You can read how some of the best minds in the business are finding innovative solutions when they share their approaches to getting the best value out of multinational campaigns in our cover story, "Currency Crunch..."

Anne Toulouse, Boeing's brand guru, tells what she is doing to make a limited ad budget work harder, and Euro RSCG's Bob Schmetterer writes about what role creative thinking must play in the process.

We would like to hear what you have to say too.



deborah malone
PUBLISHER



nancy s. giges
EDITOR

Congratulations on a great-looking magazine—both design and content. It is a great contribution to the international marketing community.

SARAH HAZELL
Grey Global Group, London

Congratulations on a successful launch. It's nice to see all the "usual suspects" in the photo montage. If you ever want to hear about the WCSS group and what makes us great "internationalists" then drop me a line.

MATT RAYNER
Managing Partner
Mediaedge:cia, New York

Many congratulations you are truly off and running with a great first issue. Modern contemporary design, graphics, and good profile editorial and contributors. Also love the client angle with contributors and the P&G interview.

PAUL WOOLMINGTON
Chairman & CEO
The Media Kitchen, New York

*Just a note to congratulate you on the first edition of *inter national ist*. It is a well-produced and interesting read, which genuinely adds something new to the international advertising marketplace. I'm sure it has been a very hectic few months for you getting the publication off the ground.*

DAVID McMURTRIE
CEO
IMD plc, London

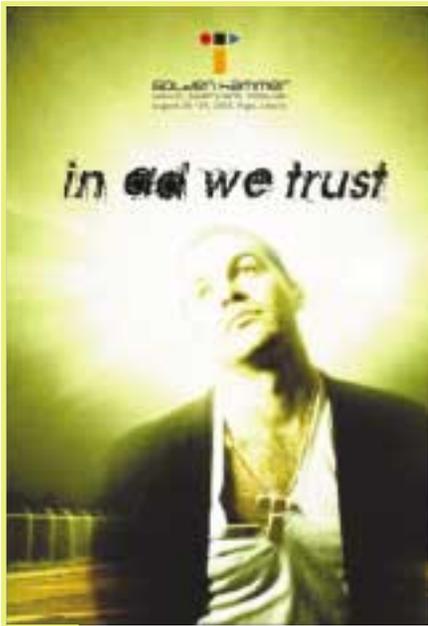
*I have just received *inter national ist*. It looks excellent with clear, contemporary graphics, and the articles are very interesting. Congratulations! I hope that it is generally very well received and wish you great success.*

CARL CULLINGFORD
IGP Ltd., London

*Congrats on your inaugural issue of *inter national ist*! It looks good, polished, has a sexy layout, and lots of pizzazz. You were clearly well-supported by the industry which is great news. Sir Martin Sorrell's column was great, and I liked the optimism of the lead story.*

ANNE PAPPAS
VP-Marketing
Time International, London

*Send letters, your opinions, and views to editorial@inter-national-ist.com. Please limit letters to 100 words. *inter national ist* reserves the right to edit letters.*



gold up for grabs

The Golden Hammer festival, organized by the Latvian Advertising Association, has grown into an international event for the region with participants in the advertising awards contest from more than a dozen countries. It is scheduled this year for Aug. 28–29 in Riga. To learn more about doing business in the Baltics, go to page 30. For information on submitting entries or attending the festival, check the website: www.lra.lv; or contact: laila@lra.lv ●

sms...400 billion messages sent globally and still growing

In Europe and Asia, SMS marketing has taken off as marketers plug into the short messaging service (SMS) boom that has mobile phone users transmitting fast, inexpensive text messages.

Most of the estimated 400 billion text messages sent globally last year—up from 250 billion in 2001—were person-to-person “texting,” but marketing applications are more and more common.

To succeed, marketers and their agencies often need a telecom partner although a growing number of promotions simply use an on-pack code that consumers can use.

SMS marketing is most effective when it’s fun. A few recent examples:

In China, McCann-Erickson Worldwide partnered with Siemens to create a contest for Coca-Cola Co. Cell phone users were invited to guess the next day’s temperature in Beijing; a correct guess could win a Siemens phone or a one-year supply of Coke.

Even losers could download Coke’s jingle as a free ring

tone. The result: 4 million messages were exchanged during the 40-day promotion and nearly 50,000 people downloaded Coke’s jingle.

In Singapore, the navy’s SMS recruitment drive included a battleship game developed by Saatchi & Saatchi that could be played against friends.

In Italy, Telecom Italia’s mobile phone unit TIM is boosting revenue with a direct line to God. Cell phone users sign up for a “Prayer of the Day,” a scripture reading, or “Saint of the Day” mini-biography of that day’s patron saint. Each text message costs 15 cents and is sent to users’ cell phones preceded by four quick beeps to alert clients that inspiration is on the way.

In the U.K., 15% of mobile phone traffic is already text, rather than voice, communication. Specialized SMS marketing agencies like Aerodeon and Enpocket have sprung up in London to handle SMS campaigns, now a routine

part of the marketing mix. Look for an SMS texting code on McDonald’s French fries bags (a campaign that got a 20% response rate) or Bacardi Breezer bottles (text in your bottle’s code to find out if you won a trip to Las Vegas).

Americans have been slow to start texting. The Yankee Group estimates that about 9% of U.S. wireless phone consumers use SMS, compared to about 65% in Europe. Until last year, U.S. consumers who subscribed to different service providers couldn’t message each other.

And U.S. consumers pay a flatrate for many minutes, so texting may not be significantly



London mobile marketing agency Aerodeon teamed with Bacardi Breezer for the spirit’s first on-pack SMS promotion in the U.K. In the Netherlands, Infospace, Bellevue, Wash., powered the McDonald’s McMovie Quiz that tied into the debut of the movie “Signs” last fall.



cheaper than talking, as it is in many countries.

What’s next: the leap from SMS to MMS. It’s already starting, as the simple text messages will be gradually replaced by MMS—multi-media messaging services—that allow more complex transmissions with audio and video images. ●

— *Laurel Wentz, international editor of Advertising Age.*

Issues for internationalists?
 international subscribers say their most pressing issues are developing integrated marketing programs and branding across borders. The economy comes in a close third. What are your biggest concerns?

RESPOND BY SIGNING UP FOR A SUBSCRIPTION AT WWW.INTER-NATIONAL-IST.COM AND GET YOUR FIRST ISSUES FREE.

ALL PRICES ARE IN
LOCAL CURRENCY
UNLESS OTHERWISE STATED

COMING EVENTS

APRIL 8
IAA U.K.

LUNCHEON SPEAKER:

Andy Fuchs, communications
manager, Toyota/Lexus

PLACE: Savoy Hotel

RESERVATIONS:

bookings@iaauk.com

PRICE: £51.50 members;
£56.50 members' guests; £71.50
non-members

APRIL 10
IAA SINGAPORE

Annual Advertising
Lecture & Dinner

PLACE: Shangri-la Hotel

RESERVATIONS: Patsy Ee,
6220-8382,

PRICE: S\$900 for table for ten
(IAA/IAS members);
S\$1,500 for table for ten
(non-members)

APRIL 10-11
WESTERN PUBLICATIONS
ASSOCIATION

WPA 2003

Publishing Conference

THEME: "Surviving & Thriving in
Publishing Today"

PLACE: Westin Hotel at
Los Angeles Airport

RESERVATIONS: 1-805-495-1863;

wpa@wpa-online.org

Members: \$195 per day;

Non-members: \$245 per day

Submit your events to
editorial@inter-national-ist.com

MEXICO

The Television Association of Programmers Latin America (TAP), a trade organization representing more than 30 panregional pay TV networks in Latin America, has signed an agreement with the Mexican Ministry of Health, Consumers Protection Agency; and the Radio Television & Cinema Office of the Ministry of Interior that encourages greater understanding of Mexican TV regulations and a better working relationship between cable networks and the Mexican governmental agencies. "This is an important development," said Sean Spencer of TAP, whose mission is to encourage a positive regulatory and business climate by fostering open dialogue among members, government, regulatory agencies, and other industry institutions.

CHINA

According to Asia Pulse, China plans to set its first industrial policy on the state-dominated press and publication sector, indicating that the sector may run more as a business. Among the changes will be a reduction in the number of steps related to government approval, streamlining of procedures practiced under the highly centralized planned economy, and allowing enterprises to run more independently. The report quoting a government official said the administration plans to approve joint ventures between Chinese companies and prestigious foreign public opinion survey firms in order to verify and authenticate circulation claims made by newspapers and periodicals, which are often overstated.

CHINA

China Online, quoting China's official Xinhua News Agency, reports that new regulations require Chinese media to give no less than 3% percent of their time or space allotted to advertising for public service announcements. The 3% ratio must also be observed for commercials during prime time from 7-9 p.m. Corporate sponsors of public service ads can use their names and logos but not the names of their products or services or any information related to the products or services.

REGULATORY ACTIONS

reaching the young and restless

Aiming to reach young, urban, high-spending consumers across Europe with advertising for new Dockers liquid-repellent pants, Levi Strauss hit 11 major cities through Metro International free tabloid newspapers with full page ads like these. Outdoor, TV, transit, and other print were also used. Creative is by Bartle Bogle Hergarty; media planning and buying by Starcom; PR by Exposure.



mobile phone advertising doubles in japan

Companies are trying to attract young consumers by synchronizing mobile phone ads with those on television and in newspapers, according to the *Nihon Keizai Shimbun*. The two leading ad agencies, Dentsu and Hakuhodo, have both joined with others to set up companies to produce and distribute ads over mobile phones. Advertisers include a range of businesses from those offering call melodies and games to food, drink, household goods, and financial institutions. ●

public service in poland

IAA Poland is running its first public service campaign under a major initiative designed to support important social and environmental programs in the country. The chapter chose for its first campaign to encourage Polish children to drink milk in order to get enough calcium and avoid serious bone disease as adults. "Drink Milk to Grow" was created by Communication Unlimited and consists of TV, press, radio, outdoor, and Internet executions. The campaign uses well-known figures encouraging children to drink milk in order to make it fashionable. ●



COMING EVENTS

APRIL 16-19
 IAA RUSSIA
 (in cooperation with the Council of Media Industry Associations, Russian Association of Advertising Agencies)
 Advertising week in St. Petersburg
 PLACE: Tavrishesky Palace, St. Petersburg
 RESERVATIONS: www.iaa.ru or 7-095-234-28-05
 PRICE: US\$500

MAY 4-7
 AMERICAN BUSINESS MEDIA 2003 Annual Spring Meeting
 PLACE: Westin Savannah Harbor Resort & Spa, Savannah, GA
 RESERVATIONS: Debbie Humphreys, 1-212-661-6360, ext. 3318 or info@abmmail.com
 PRICE: Meeting registration fee of \$1,195 for ABM members and their guests; spouses \$495

MAY 7
 IAA NEW YORK
 LUNCHEON SPEAKER: Linda Kaplan Thaler, president, The Kaplan Thaler Group
 PLACE: Princeton Club
 RESERVATIONS: iaaus@att.net
 PRICE: \$65 members; \$75 members' guests; \$95 non-members

REPORT FROM Brand Republic

east-west cross fertilization

Time was when it was taken for granted that London and New York were the capital cities of the advertising and media world. From Soho and Madison Avenue, talent would travel to run things in places that had yet to taste the fruits of the full-on, ad-driven consumer society.

If that world view ever held any credibility, it's been shattered by the appointment of 38-year-old Antony Young as chief executive of ZenithOptimedia in London. Not only is Young a New Zealander, but his formative years were spent, not at global headquarters, but in setting up ZenithOptimedia Group Asia, based in Hong Kong.

Neither is Young the only recent arrival from Asia to surprise Londoners. Kelly Clark took over late last year as U.K. chief executive of rival media group Mindshare, moving from the same post in Hong Kong to do so.

It's true that Clark hails from North Carolina, but there's no doubt that it's what he's done in Hong Kong that won him the top seat in London. He went to Asia in 1996 to set up a programming division for J. Walter Thompson, later becoming deputy chief executive of Mindshare when it was set up in the region.

It's intriguing that it's taken an advertising recession to spark wider global thinking

when it comes to hiring chief execs. Sir Martin Sorrell still predicts recovery in 2004, so will the inevitable new hirings see still more cross fertilization between East and West? Perhaps. In fact, it's worth noting where Sir Martin delivered his latest state-of-the-industry predictions. Not London, not New York — but Seoul. ●

—Mike Hewitt
 (mike.hewitt@haynet.com), new media director, Haymarket Business Publications, publisher of Campaign, Media Asia, Marketing, PR Week UK, PRWeek US, PRWeekAsia and dozens more marketing and communications magazines accessible to subscribers via www.brandrepublic.com

COMING EVENTS

still two different worlds in latin america

Despite great strides, Latin America still is made up of two diverse worlds. The vast majority of consumers belong to the third world, to use antiquated terminology. Not so most advertising executives, usually highly educated, part of Latin America's elite and the first world. Thus, their challenge is to create campaigns that speak to consumers who live in a different world.

This was the overwhelming message at the recently held 1st Annual Emergency Forum on Marketing & Communications in São Paulo. "It doesn't make sense for advertisers to use advertising similar to the U.S. or Europe in a market where consumers are generally low income," declared Carlos Tilkian, marketing director for Brazil's largest toy maker, Estrela. For consumers in the low-income classes, the key factor in almost all purchase decisions is price.

Estrela has plans for big

changes this year, including a new line of lower-priced toys. In addition, the company has pledged to increase its marketing budget, while at the same time, decreasing its ad spending. Like many advertisers in Brazil this year, Estrela is looking for short-term results and shifting ad funds to promotional marketing and point-of-sale efforts.

The experts agree that advertisers will find it much harder to gain market share in these new times. Sergio Amado, president, Ogilvy Latin America, said, "Gone are the days when you gain 'x' market share by putting 'y' into spots on the 'jornal nacional,'" a reference to the top-rated nightly news program of TV Globo with close to 90% of Brazil's television audience. Agreeing, Luiz Lara of Brazilian agency Lew/Lara, noted, "The game is over."

In the 70s and 80s, most

of Latin America lived in an economically closed environment. Imports were expensive, and the market offered very little competition. In the 90s as tariffs were cut and many Latin American markets opened up, imported consumer items poured into the market and became competitive with national products. With so many choices, consumers became a lot more sophisticated and demanding, especially low-income consumers.

The resounding theme from the Forum was that advertisers need to stop thinking only about advertising and more about communications as a whole. It is possible to win a Gold Lion for a very creative spot, but consumer buying habits are such that much more is needed to influence them to buy.

—Greg Jenkins, editor-in-chief of AdVertica.com, based in São Paulo.

MAY 19
THE ADVERTISING ASSOCIATION ANNUAL LUNCHEON
KEYNOTE SPEAKER: Professor Lord Currie of Marylebone, Chairman of the Office of Communications
PLACE: Savoy Hotel, London
RESERVATIONS: Arabella Banks, 44-020-7828-2771; or arabella.banks@adassoc.org.uk
PRICE: £90 including VAT

MAY 21
ADM MAP
The World Advertising Research Center's 3rd annual "Re-Thinking The Consumer" seminar
PLACE: Millennium London Knightsbridge Hotel, London
RESERVATIONS: 44-(0)1491-411000 or conferences@warc.com or www.warc.com/conferences
PRICE: £699.13 including VAT

May 26–28
FIPP
34th World Magazine Congress
THEME: Magazines: the Avant-Garde of Society
PLACE: Carrousel du Louvre, Paris
RESERVATIONS: Helen Bland, helen@fipp.com

JUNE 19
IAA NEW YORK
Summer Ball
THEME: Kabaret
PLACE: The Pierre
RESERVATIONS: iaaus@att.net

To see photos of people at events, go to page 32.

the ubiquitous robin kent



He's featured in a special "Creative Business" section of the Financial Times. He's the chairman-CEO of Advertising Age's Media Agency of the Year-Universal McCann. And he pulls no punches about his job: "It's hard to be a Brit and get American clients to trust us," he told the FT.

goodbye economic crisis



In Korea, Thailand, and China, consumers say they are full of energy and their lifestyles have improved in the past year, according to Hakuhodo's Global HABIT survey of 16,000 consumers, ages 15–54 in 21 major cities around the world, mostly in Asia/Pacific. They expect to see further improvements this year.

inter
national
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how to get
great value
out

C U R R



of multinational campaigns

currency crunch

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When Diego Scotti, VP-international advertising of American Express, told an audience recently that one of today's imperatives is "think locally, act globally," he wasn't mistakenly stating the oft-quoted slogan backwards. He was making the point that to get value out of global campaigns, audiences in every market must think a campaign is being directed specifically to them, regardless of the medium chosen to disseminate the information.

When transnational media became available to turn into reality the dream of reaching a global audience in one fell swoop, many companies thought that would simplify and make more cost-effective their job of telling their story around the world.

Cost-effective, yes, but with a caveat: only if the message is relevant and considered indigenous. And rather than make the process simpler, it's more complex today. But once an advertiser locks in the big idea, it can be a winner for some time.

"There's nothing like a big, enduring idea that resonates across countries and cultures to make a multinational campaign deliver on all metrics," says Linda Wolf, chairman-





Even when Cathay Pacific advertising is translated into local language, it has the same look, feel, and attitude as the print and TV executions that run in transnational media.



CEO of Chicago agency Leo Burnett Worldwide. “A brilliant idea that’s been committed to, has been built up over time, and has equity with consumers can stand the test of time and is often in fact immune to crunches.”

A few years ago when Cathay Pacific moved its business to McCann-Erickson Asia Pacific, each market where Cathay flew created its own advertising. “Each campaign looked good. But when you put them all together, Cathay Pacific stood for a number of things,” says Peter Hamilton, McCann worldwide exec VP-regional director, based in Hong Kong. “That was a concern.”

To achieve consistency, McCann coordinated everything with the same look, feel, and attitude from TV to the leaflet in the seat back. Today, Cathay has a total communications program that includes advertising across the region and local executions working together. The idea comes from the center, transcends borders, and can be made locally relevant, Hamilton says.

“If you’re going to do global or regional advertising that people believe in, you have to [change the] NIH syndrome from ‘Not Invented Here’ to ‘Now Improved Here,’” he adds.

Scotti agrees that a “top-down” approach is best, not a sum of all in all countries. Yes, collaboration is very important, he says, pointing out that the brand keeper is called a global brand “manager,” not a global brand “dictator.”

Collaboration helped American Express find its “Long live dreams” theme for cards for Europe that shifted the link with consumers from a wealth and power story to one about personal well-being and self.

“It’s a challenge to define what is special and bring products together to fully leverage the power of a brand, especially with diverse products

and services,” Scotti explains. But without doing that, brands can’t be built globally.

Relevance has also struck a chord with media owners. “It’s not enough just to be well distributed around the planet; you also have to be relevant and have viewers,” says Robert Perez, VP-integrated international ad sales at Discovery Networks.

Consequently, global media companies are investing in numerous feeds, customized and localized programming. “We’re taking an approach that Discovery Networks is *your* network in *your* country. That’s what drives audience viewership and higher ratings,” he comments.

“One size does not fit all,” agrees Jamie Prieto, head of business with regional clients at

Ogilvy & Mather Asia Pacific. “We have different models for delivering our multinationals’ messages, some more centralized than others. The most important thing is taking the

values that have made your brand vital, important, and differentiated in the first place and finding a way to make it relevant locally. Sometimes it’s across an entire region; sometimes parts of regions.”

When Andersen Consulting was forced to change its identity across 50 countries, becoming Accenture in just 147 days two years ago, there was never any doubt that both global and local advertising had to be part of the \$175 million campaign. “You can’t do one without the other and be successful,” says James E. Murphy, Accenture global managing director, responsible for marketing & communications. “Global media alone is not enough, and local media doesn’t get the reinforcement you need with our senior audience.”

Accenture and its agencies Young & Rubicam and Mediaedge:cia Worldwide determined the right balance of global vs. local by simply crunching

diego scotti

AMERICAN EXPRESS

“The challenge is to define what is ‘special’ and bring products together to fully leverage the power of the brands.”

robert perez

DISCOVERY NETWORKS

“You have to balance the needs of operating divisions, locally and regionally, and the overall mission of a company looking to develop brand equity and a world brand.”

andrew mclean

MEDIAEDGE:CIA WORLDWIDE

“Brands have to find out what the links are [among communities of people who share common interests] and create relevant shared meaning and excitement.”

the numbers. “Knowing what we wanted to achieve, we did the analysis to see what would drive various frequency and reach numbers and came up with formulas. It was just a matter of getting the most out of the dollar investment,” Murphy says. And today, the consulting firm is following essentially the same playbook although spending at its normal lower level of \$75 million annually.

Many agree that the key to choosing transnational vs. in-country media is in the identification of the target market. Willy Morgan, VP-managing director, AdMarket International, which specializes in buying local media in international markets for U.S. companies, is working with a computer company changing its name. Unlike Accenture, it is going only to national publications because the advertising is aimed at computer buyers, not senior executives. “To our client, this is just as much an international campaign,” Morgan says.

Similarly, the Fordham School of Business in New York, another AdMarket client, is using a local strategy advertising in leading national business publications in markets from Beijing to Dubai to Dublin to attract full-time day students for its global MBA program as well as sometimes adding *Business Week*, *The Economist*, *International Herald Tribune*, *Wall Street Journal* and the like to the lineup. Based on the international students the school is getting, “we certainly think it’s working,” says Ilhan Akbil, a dean at the Fordham School of Business.

“The right mix of local-multinational media [comes] from insight into the customer and consumer,” agrees Andrew McLean, chief client officer, Mediaedge:cia Worldwide. “The mistake many media people make is starting with

implementation before working out what the big idea will be that connects that brand or product to the customer and consumer.”

Brands must first identify the links among members of their target audience and create relevant shared meaning and excitement to gain a reaction. “We then see if multinational media vehicles can be used to make a connection,” McLean says. “The fact is that there are communities of people across the world with shared interests.”

That’s why Boeing believes it can use transnational media to tell its story around the world and get great value (see Profile on Page 19). If the audience is English-speaking, government, or senior people at multinationals, transnational media provide a great audience relatively inexpensively, Morgan agrees. “People aren’t expected to rush out and buy a 747 when they see the ad; it’s about maintaining that corporate memory and maybe help boost stock prices.”

Discovery Networks has been able to help a number of advertisers achieve their objectives by matching brands with the right vehicle. When BP was merging with Amoco, the company was looking for a turnkey global execution to run in addition to its local tactical campaign rolling out

market by market. “They did a wonderful overlay on the ‘Inside the Space Station’ program and were able to develop the brand on a world basis,” Perez says. The program aired in prime time in some 150 countries and more than 30 languages.

Sun Microsystems found the program a good fit to meet its objective of reaching early adopters of technology and business decision makers. Entertainment companies Warner Bros., 20th Century Fox, and Universal have worked with Discovery to develop theme weeks of programming where their new movies can be advertised to build awareness and drive traffic to the



When a mobile phone like the MOTO E360 is aimed at a target audience that crosses cultures, advertising runs on TV networks across the region as well as locally in both broadcast and print executions, all with the same message.

jaime prieto

OGILVY & MATHER ASIA PACIFIC

“The most important thing is ... taking the values that have made your brand vital, important, and differentiated and finding a way to express it that’s locally relevant.”





Regardless of whether Nokia is advertising in Estonia as in this print ad or elsewhere in Europe, Nokia taps into the idea of "Connecting People," a concept created by Grey Düsseldorf.



In this pan-European campaign by Grey Global, the Mars candy bar is positioned as one of life's "simple pleasures" in an increasingly complex world. Expressed as "pleasure you can't measure," the message takes different forms in different countries, capitalizing on a locally relevant pleasure. To the French, it's Aouït, the "sacred" month of playtime for every man, woman, and child. To the Brits, it's "5-1," the score when soccer-mad England beat arch rival Germany in Munich for the first time for a qualifying World Cup match. For the Germans, it's the pleasure of finding the last parking spot in sight in an ad not seen here.

cinema as the films are released around the world.

"This is a good example of a hybrid that moves between local tactical and blending the broader regional multi-regional approach using pan-regional TV," Perez explains. "These marketers are executing locally to drive the premieres of movies as well as taking a pan-regional approach and using the value of extra media components that are available.

A decision about whether a particular campaign for Motorola mobile phones will run across Asia begins even before the advertising process, says O&M's Prieto, whose agency handles Motorola. Certain Motorola products are deemed global and regional and are launched everywhere, while others may be designed for local markets.

"It's about defining rather than reflecting popular culture and always trying to create a link between interesting people and the unique features of the phone," Prieto says.

After testing different positioning concepts for the MOTO E360 phone, which has gaming capabilities, colorful wallpaper, and a screen-saver, to reach young professionals across the region, the company settled on one with broad appeal: the playful companion in a serious world.

"In Asian society, it's all about work and getting ahead. We know from research that Asians look for ways to relieve stress and escape a bit, and the phone is one simple fun way to do that," Prieto says.

The advertising is so flexible that there is a version that runs across the region on networks like CNBC, Discovery, MTV, Star, and others that are translated into local language. Spots show the target audience having fun with the phone to relax during serious moments. In one execution, a soccer referee gets so distracted by the MOTO E360, he neglects his duties. In many of markets, English is the preferred language for the spot because Motorola wants to portray the phone as an international brand that's aspirational, Prieto says.

For many, the decision about multinational components is tied to research. At Grey Global, it's

about how the campaign adds value to the brand, says Carolyn Carter, president, Grey Global Group, Europe, Middle East, & Africa, based in London. Her definition of a multinational campaign includes advertising executed locally as long as it encompasses the same idea because "every global brand that's successful has to win in every market."

"Truly powerful ideas can usually travel well because they are grounded in fundamental human

James E. Murphy

ACCENTURE

"You can't do one [global and local media buys] without the other and be successful."

insights," she says. "However, global vision must be balanced with local touch and getting the balance right really counts," she believes. "Everything has to be synergistic... and consistent, touchpoint to touchpoint. Otherwise you diffuse the brand."

At IBM, much of the value emanates from the company's single-minded focus on integration. "We're real sticklers about [integration] these days," says Mark Rosen, VP-integrated marketing communications, software group worldwide. And that includes integration of business unit advertising with corporate advertising.

In general, far-reaching, important strategic messages are the ones that get the most play in multinational media. "Speaking for the software group, I would rather spend my money on in-country publications and have the corporation fly that higher level of air cover making it easier for me to do my work in a country," he says. "But it's all driven by our business plan."

In the seven-plus years Rosen has been at IBM, he has seen a continual improvement in effectiveness of campaigns, growing out of better cooperation among country teams, the business unit teams, and the corporate team.

He adds, "We've had some pretty challenging times in the past five years, [but] we've been relatively steady. We have stayed with our plan." ●

Mark Rosen

IBM

"Far-reaching strategic messages are the ones that get the most play in multinational media."

anne c. toulouse

An *internationalist* interview

How Boeing is making a limited budget work harder

The story of Boeing's transformation from an aircraft manufacturer to a global aerospace company using branding concepts traditionally associated with consumer packaged goods is not new.

But what has not been told is how Boeing's branding and advertising efforts are a lesson in making a limited budget work harder.

"In our business, we frequently talk about lean manufacturing," says Anne C. Toulouse, VP-brand management & advertising. "Now we are applying that to advertising." She adds, "Lean is about streamlining processes while improving quality, becoming nimble while responding quickly to customer demand."

Among the steps the company has taken since it committed in 1999 to coordinate all brand-building activities are:

- Centralized its advertising with a single global agency, Foote, Cone & Belding,
- Incorporated consumer advertising practices to what could be deemed a b-to-b campaign,
- Used an umbrella campaign to maximize resources and a world headquarters media plan with a laser-like strategy (cherry-picking programming) to stretch dollars,
- Created a company-wide brand and advertising council to focus on process improvement, integration, and skills development,
- Leveraged its ad budget by taking a pan-regional focus with very few local efforts while the company is transforming from one that knows how to market in countries around the world to one that is a "citizen of those countries."

And the results? "In the U.S., we've seen a statistically significant gain in over 17 brand attributes," Toulouse says. Outside the U.S., the results are more mixed in part because the starting point was different. Overall, she is pleased.

"We're not spending at extremely high levels. This is a journey and a long term goal," she says.

Prior to 1999, Boeing did minimal advertising on its brand. Ads were business unit and campaign-driven, not brand driven. "We would be in a market,

then out, in, then out. Even though we had been on a transformation journey since 1996, perceptions hadn't changed. That was when Boeing decided that investing in the corporate brand made great sense," says Toulouse, who is directly responsible for the headquarters branding effort and oversees all advertising although each business unit is responsible for its own campaign.

"At headquarters, we are laying the foundation with broad regional campaigns presenting a consistent brand message and allowing the business units, such as commercial airplanes and integrated defense systems, to come in with laser-like campaigns targeted to their audiences."

One of the company's newest efforts, advertised now in Europe, is Connexion by Boeing, which offers air travelers high-speed intranet, e-mail, and Internet services in-flight at ground-based pricing.

In the beginning, Boeing chose to create one or two blockbuster 60-second commercials a year that would run on networks such as BBC World, CNN, CNBC, MSNBC, and others. Starting this year, the approach has changed to more but less expensive, shorter spots.

"We're getting more swings at bat. The approach has much more flexibility. And we don't have to come with the one over-arching message that covers everyone's needs," Toulouse says.

The goal was never to reduce the amount of spending but to maximize the available resources, she says. The signals are all pointing in the right direction: "I believe we'll be able to show by the end of the year greater output for the same dollars," she says. ●

Anne C. Toulouse is

Boeing's brand guru and oversees all advertising.



business as (un)usual

Today's volatile business environment signals the need for more than a worldwide overhaul of the way we conduct corporate practices. It's time to go beyond putting new measures and safeguards into place; we must redefine the very nature of global business itself. From "glocalizing" worldwide campaigns to aiding grassroots initiatives, it's no longer business as usual.

Strategic thinking, which has long served as business' cornerstone, is simply not enough any longer, no matter how brilliant. Strategic thinking alone won't accomplish what many clients are asking their partners to do: revolutionize their industries and create iconic global campaigns.

Even the majority of CEOs are not paid to be creative. They are paid to deliver the highest bottom-line results with the least risk, often through a linear process: Start with A, which leads to B, which leads to C. It's linear thinking, and it stands between you and great creative thinking.

To get to that creative thinking, we need to make what I call "The Leap," or the idea that enables you to start at point A, move to B, and then leap all the way to M...or beyond.

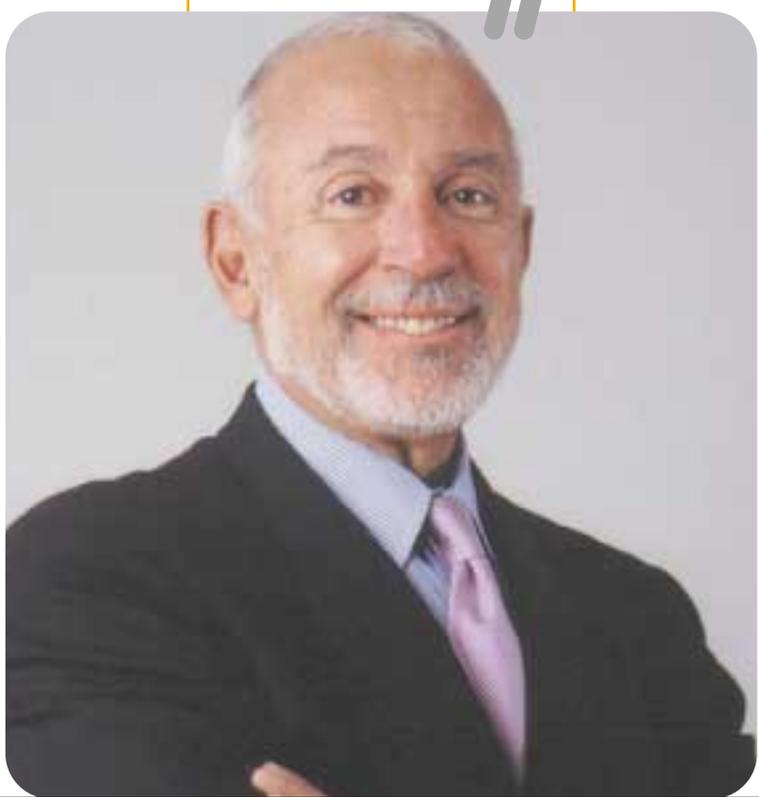
So who makes "The Leap"?

The creative people of advertising. Favoritism, yes, but based in fact. Creative advertising thinkers are not just well equipped to think about business in creative ways, they are the best equipped. Whether they are advertising agencies, direct marketers, PR firms, Internet companies, promotion companies, or interactive companies, creative communications companies are filled with people who are paid to think creatively and to make leaps on a daily basis.

Creative ideas are something on which we pride ourselves at Euro RSCG Worldwide. They are based on that non-linear "Leap," combining creativity and strategy in new ways, resulting in breakthrough solutions and industry firsts.

We should not be asking how we can formulate an advertising campaign, but instead, "How do we,

“ Strategic thinking is simply not enough any longer, no matter how brilliant. ”



clients and agencies together, define a creative idea?"

The best way to answer this is to take a look at some practical applications of creative ideas around the world that have not only transformed businesses but also helped to create and/or reinvigorate influential, global brands:

➤ The first client I ever had in advertising (at an agency called Scali McCabe Sloves), was among a small group of CEOs who plowed ahead and made creative leaps on their own. The client was Frank Perdue, and his idea was to take a commodity—chicken—and brand it. This seemingly simple idea revolutionized the poultry industry and served as a source of brand inspiration for many future business leaders.

Perdue passionately believed that his chickens were of higher quality than others, and for that reason he felt he was entitled to charge a bit more. By convincing consumers that they should now pay attention to the brand, Perdue took a monumental creative leap.

➤ Euro RSCG Worldwide has been Intel's global agency since 1996, and our partnership has been the essential ingredient when aiming for great creative thinking and a high intensity of trust at every level. If senior management at Intel didn't embrace creative ideas, none of their wildly successful breakthroughs like the "Bunny People" commercials or the "Intel Inside"

logo would have been created.

We also applied this same kind of creative thinking with Intel in China, where our priority was to raise awareness of computers. So our agency in China created a complementary campaign that educated the consumer about a processor and its importance. Because of China's size and scope, we turned to a nontraditional and decidedly low-tech means of building brand awareness: the bicycle. By manufacturing bike reflectors with the "Intel Inside" logo on the front, and information on the back, we educated consumers as well as created free advertising for Intel.

> When our Paris office, BETC Euro RSCG, was asked to work with the Paris subway system, it was the agency that took a risk and said that advertising was not the solution to the problem. RATP—Regie Autonome des Transport Parisiens—was facing a serious problem. Many riders complained that the metro was smelly, noisy, dirty, and generally unsafe. We soon realized the situation could not be reversed with advertising alone. Team members asked themselves the question: What business is RATP really in?

They realized that RATP should be in the larger business of providing services to customers who just happened to be extremely mobile. The leadership at RATP was open to creative thinking, and embraced the idea that what the metro really needed was a business transformation. Changing the Paris underground from a transportation company into a provider of mobile services required a complete shift in business strategy, a new competitive positioning, a new business model, and a long-term commitment. The collaboration began in 1995 and is still in place, all because RATP made "The Leap."

> A final example shows what can happen when we make consumers fully vested participants in the brand itself. In Argentina, Billiken is a well-known candy brand...that needed a makeover. It was the candy that mommy and daddy ate when they were children. Billiken needed more than just an ad campaign—the brand needed to be relaunched entirely. So we turned to the obvious partner: children. Because who better to create candy than the children who will eat it themselves?

We invited children to actively participate in the design and creation of Billiken's candy.

Inventá tu golosina.

- Ahora con Billiken los chicos podrán diseñar la golosina que más les gusta, eligiremos entre 2 y 10 golosinas y Billiken las va a fabricar.
- Esta campaña comienza el 25/06 y finaliza el 31/11, contaremos con 7 comerciales que se emitirán en Cartoon Network, Fox Kids y Magic Kids.
- Además en www.billikenclub.com podés jugar, ir al kiosco, darle de comer a Billikito, hacerlo jugar en su cuarto y chatear. También te podés hacer socio del club Billiken y recibir fabulosos premios y descuentos.

**Participá del sueño.
Golosinas pensadas por vos y fabricadas por BILLIKEN.**

Billiken



“ We should not be asking how we can formulate an advertising campaign, but instead, ‘How do we, clients and agencies together, define a creative idea?’ ”

For this, we built an online workshop where children (potential “candyologists”) could submit their candy ideas, forged alliances with schools, and undertook a massive promotional campaign that included print, direct mail, and television.

There’s a famous commercial in which someone eating chocolate bumps into someone eating peanut

butter, thereby creating a new product that’s a hybrid of both. Creative ideas are born out of the same principle: creativity blending into business strategy and business strategy absorbing creativity, forging a new way of developing brands and transforming businesses. They make that essential, nonlinear leap.

These examples in totally different categories—and many others—point the way to a new kind of creativity and a new breed of business. In today’s changeable business environment, the individuals and companies poised for this success will embrace intelligent research and analysis with unconditional creative passion.

Try it out yourselves. ●

Bob Schmetterer is chairman and CEO of Euro RSCG Worldwide and the author of “Leap: A Revolution in Creative Business Strategy,” published by John Wiley & Sons.

media challenges for 2003

matters

B Y
C H A R L I E
C R O W E

A few years ago, everyone talked about “unbundling.” This bit of jargon referred to the separation of the creative and media functions within an agency. Many claimed “unbundling” would ultimately lead to a radical change in the industry.

The argument went something like this: Because of the rise in the number and type of media channels and the corresponding need to monitor consumer behavior and continually revise and tailor the creative message, media independents would finally push out the creatives and all other marketing disciplines to gain the prized position at the client’s top table. Media, it was supposed, would become the gateway to all the other marketing services.

Now, of course, most brands have their own dedicated media supplier. But the final promise of “unbundling” has not come to pass. Media agencies are still gazing up at this high ground wondering how to plan their assault. And as the climb becomes more intense, they are still jostling with all the other marketing service providers over who deserves the compass, map, and pickaxe to get them up to the top first.

The first reason why the climb has been much tougher than some predicted is that creative agencies are still perceived by many clients as being closer to the brand. When the marketing director is faced with that marketing

challenge, she does not turn to her media buying company first (even though many have the expertise to advise on brand positioning and advertising strategy).

For example, Courvoisier is currently embarking on a radical move to re-position the cognac as a “house of fashion” rather than, as some might think, a drink consumed by almond-nosed old men. So the brand has turned to the hip-hop music and fashion industries, as well as a U.S.-based creative hotshop, to help it limber up for this feat of marketing gymnastics. This is not to say media companies don’t produce brand-building thinking; it’s just that they don’t shout about it or package the results as well as their creative relatives.

The second challenge is that despite all the creative ideas outlined in pitches, the media business is all too often won or lost on the basis of price. No matter how hard media agencies try, many clients still perceive them as just suppliers—companies that can’t radically change their business, only add to efficiency through cost-savings. So pure media commissions have also tumbled. This is still a poor environment to invest in all the “upstream” services that were talked about ten years ago.

The third challenge comes in the guise of “media neutrality.” So media agencies are struggling between the moral imperative of developing their service and the brutal financial imperative of protecting

Media, it was supposed, would become the gateway to all other marketing services.

existing revenue streams.

The fourth issue comes from the media owners themselves. Whether it’s Procter & Gamble spending \$200 million through Viacom or Unilever dealing direct with JC Decaux or AOL Time Warner, media agencies could be squeezed out of these major media deals.

I conclude with the fifth and most crucial challenge: Differentiation.

There is no reason why media agencies can’t bring in creative departments, bring in qualitative consumer research experts, advise on CSR, or buy brand consultancies. But they need a strong and bold positioning to overcome the many legacy issues and change the perception of many clients. Otherwise, media agencies will have to dodge a few more tumbling boulders on the way up to the prized marketing high ground. ●

Charlie Crowe is director of C Squared, a company that provides contract publishing and marketing consultancy services for international media businesses. He can be contacted at charlie@csquared.cc



credit cards

magnetic attraction

PERCENT OF CONSUMERS HAVING CREDIT CARDS

France	74.1
Britain	57.3
Spain	42.2
Germany	23.1

All four countries combined 47.5

Few sectors are savvier at using research data, segmenting consumer markets and working through a variety of media channels than the credit cards.

At a general level, many credit card brands have achieved a greater level of public appreciation than banks and other financial service providers in less than half the time. In *Reader's Digest's* second annual trusted brands survey,

Visa was named as the second most trusted brand after Nokia by respondents in 18 countries across Europe.

Perhaps the success is due in part to the many obvious benefits that cards offer. Still, credit card usage varies wildly across four key European markets, according to data from TGI.

And there is growing concern across Europe about rising

levels of consumer debt. Yet credit card brands seem to have avoided some of the negative associations that dog other financial service brands, such as banks. Perhaps there is a clue in the very name. The word "credit" conjures up many positive associations. It can mean, "doing well" or "scoring points," and everyone would like to be a "credit" to someone.

a part. And this hand continues to work wonders. As data from TGI Europa shows, a staggering 74% of French consumers use a credit card. The data is robust—the TGI Europa database researches a total of 55,000 people across Spain, France, Great Britain and Germany. The French penchant for plastic dwarfs card usage in

ONLY IN FRANCE DO MORE WOMEN THAN MEN HOLD CREDIT CARDS

	% MEN	% WOMEN
Britain	52	48
France	48	52
Germany	55	45
Spain	53	47

Yet a more realistic description for the product itself would be "debt card," not to be confused with debit cards, which generally don't require credit ratings and are used more like cash or checks since a user's account is debited immediately.

And evidence shows that this debt and the high rates of interest on top can be very significant indeed. It's hard to imagine the world of the credit card achieving so much consumer popularity if the name had truly reflected the product. So right from the industry's beginnings, the deft hand of marketing has played

Spain and Germany. In fact, only 23% of German consumers claim to use a credit card. Interestingly, France also has the highest percentage of female credit card consumers. As a swipe to the male sex, women make up the majority of card users. And in deeper TGI analysis, the French market also registers the highest percentage of credit card users in the 15–24 age group—12% as opposed to 7% in Germany.

The French results tally well with attitude statements that are also part of the research. The relatively low indices in the statements can be interpreted as a general

ATTITUDES OF THE TYPICAL CREDIT CARDHOLDER

100 -
neither likely
to vehemently
agree nor disagree

	BRITAIN	FRANCE	GERMANY	SPAIN
I use my credit card mostly for business	132	105	195	138
With a credit card I spend more than I otherwise would do	126	101	151	140
I usually consult a professional financial adviser before deciding on financial matters	113	102	118	117
With a credit card I can buy the sort of things I couldn't normally afford	107		112	120
Financial security after retirement is your own responsibility	103		118	
I am more aware of personal finance than I used to be	101	104	146	125
I am very good at managing money	97		120	
It is important to be well insured for everything	97	101		116
I don't like the idea of being in debt	94	101		108
Supermarkets and retailers should not be involved in personal finance	94		98	

Source: TGI Europa. (TGI asks consumers whether they strongly agree or disagree with a number of attitude statements. By crossing the results with credit cardholders, TGI provides a character snapshot. In this chart are the most likely statements a credit cardholder would agree within each of the four countries. Thus, with an index of 195, Germans are far more likely than the rest of Europe to agree with the statement "I use my credit card mostly for business." The different levels of index above 100 show varying levels of agreement.

ambivalence to the issues of credit and finance. This is clearly not reflected in the other three markets.

The U.K. has also seen a shift in acceptance of the credit card. Over half the country uses credit cards and around half of these are under 44 years old. About \$10 billion is spent using credit cards every month. Four out of 10 Brits are in debt and the average amount, excluding house borrowing, is over \$6,000. An average Brit spent around \$600 on Christmas presents last year and only one-third used his or her savings or current account. The rest used forms of credit—mainly credit cards and store cards.

Aggressive and intelligent marketing has contributed to this rise in use—in both numbers and amounts spent. Many brands now offer a 0% introductory rate. And techniques such as those employed by Capital One are growing, which the credit

card issuer claims has helped it grow market share especially in the U.S. but also other countries since its expansion outside of its home state in 1995.

Tailored cards (to interest groups, sports fans, etc.), sometimes called affinity cards, have allowed the group to identify and exploit trends. Higher than average volumes of direct mail have also helped and given pause for thought for above-the-line media channels.

And now retailers are upping the ante. In the U.K., for example, Tesco, a leading retailer, is even developing a credit card that tells the user if he or she has drunk too much alcohol. The card changes color to show different levels of alcohol in the breath. The retailer's survey claimed that one-third of a sample of 3,000 people spoke of having been so drunk that they had no recollection of how they used credit cards on nights out.

So credit cards are likely

to become more ingrained in consumers' lifestyles. But whether the Germans will break with their credit-averse attitudes remains to be seen. Perhaps when the economy picks up, expected early next year, the country will hit the plastic to celebrate. But perhaps unlike the Brits, they will keep the amount of borrowing at more sensible levels. ●

TGI, part of the WPP Group, researches the media habits and attitudes of people in 39 countries, delivering insights into 1 billion-plus consumers worldwide. For more information about this survey, contact Christina.Hyde@bmr.co.uk



the right move

BY JAMES M. CITRIN WITH WILLY BURKHARDT

Despite the current geopolitical and economic uncertainties, the inexorable march toward a globally interdependent world economy continues unabated. And that creates opportunities for internationally-minded executives—especially if you have the chance to lead an international division. But before you dive in, consider how committed a company is to international. These questions will allow you to judge whether the top position is set up for success:

1. overall strategy

What are the core elements of the company's international strategy? How were they developed and by whom? How well communicated and understood are these priorities?

2. expectations

How well does senior

management understand the dynamics of the international marketplace? If the company is American, given the very high relative wealth, media and technology penetration, and propensity to spend on leisure/entertainment within the U.S., are current expectations for the size, scope, and profitability realistic? Has Wall Street been oversold on the potential (as was the case with Warner Bros., Disney, Viacom, Universal and many others)?

3. integration/visibility

Most international divisions of U.S.-centric media and marketing companies are doomed from the start because they are viewed as clearly different from the core U.S. business. In reality, despite the high degree of complexity of most international operations,

the key to success is in the integration into the mindset of the overall company and high visibility across the organization. What steps is the company prepared to take to insure that this takes place?

4. content strategy

Most U.S.-centric companies want to “be global-act local”; yet their business models are built upon a straightforward export model. Few have had the foresight and patience to adopt a strategy committed to localization and user relevance. This can be particularly important for services such as cable/satellite TV and the Internet, where product usage patterns, customer preferences, and personal economic trade-offs vary widely across markets. What degree of support is there across the organization for diverging from the U.S. model?

5. position location

Where is the position located? What is the rationale? At headquarters? In London where many international divisions are based for common work hours with other regions? New York, where much of the international media community is based? How difficult will integration and visibility be if international is based away from corporate?

6. core capabilities

What are the key characteristics that will insure with the position's

success? Does the CEO want the international division to run autonomously or will he or she be actively involved? Will the new player be expected to assist with key domestic issues? Is the CEO seeking a thought partner?

7. employee outlook

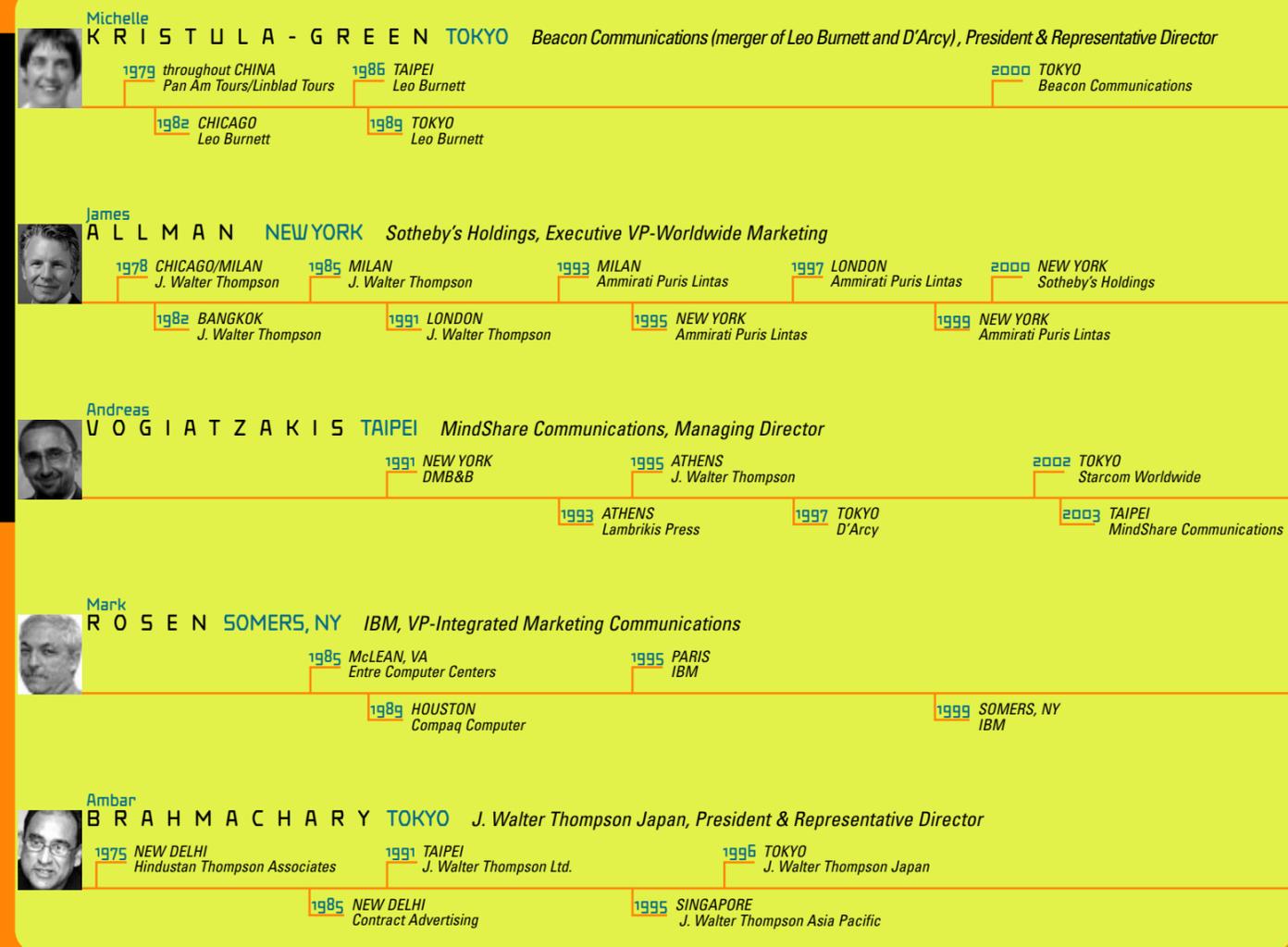
How strong is the regional management bench? If the position has been open long, have regional heads/country managers been without much direct supervision? Autonomy and independence can be heady. How can the CEO help dissuade these high flyers from continuing to appeal directly to him/her if this is how they have been operating? More generally, what is the morale of the rank and file?

8. personal development

How does top management see the international position evolving over time? How do you prevent the international position from becoming the cul de sac that is common among international positions within U.S.-centric businesses?

After you have successfully addressed these issues, you will be poised for success in your international leadership role. ●
—James M. Citrin is a senior director at executive search firm Spencer Stuart. He is co-author of “The Five Patterns of Extraordinary Careers” (*Crown Business*, August 2003). From 1997 to 2002, Willy Burkhardt was responsible for ESPN's business activities outside the U.S., brand extensions and new business development within the U.S.

CAREER TRACK



Send your suggestions for people whose careers have taken them around the world to editorial@inter-national-ist.com.

they're surfing when not working



People in ten out of 12 countries measured by Nielsen//NetRatings increased their Internet surfing time at home in the six months ending last October.

Only in Spain and Italy did people cut back—to 8 hours and 6 hours a month, respectively. In contrast, two of the fastest growing markets were Germany and Sweden, where surfing in each country grew more than 20%. Germans spent more than 10 hours a month online and

the Swedish 8 hours. Even in the market of the world's most devoted surfers, Hong Kong, residents increased their time online more than an hour to almost 16 hours a month, Nielsen//NetRatings found.

Other countries experiencing greater usage included Australia, up 16% to 9.8 hours; France, up 12% to 9 hours; Netherlands, up 11% to 8.7 hours; Japan, up 8% to 12 hours; U.S., up 8% to 12 hours; U.K., up 5% to 7.5 hours; Brazil, up 3% to 10 hours. ●



the baltics

Three countries with similar cultural roots and a no-nonsense way of doing business

This LoweLintas Lipton print campaign, also using outdoor, celebrated the 800th anniversary of the Latvian capital, Riga. Experts says it appealed to the Baltic sense of local pride and self-esteem.



Approaching any kind of business in the Baltics can be tricky—with some bizarre and astonishing similarities to the complexities of doing business in Japan, says a man who has worked closely with advertising and marketing in the three tiny Baltic states.

Piero Leone, Grey Global Group's regional manager for central and eastern Europe, based in Budapest, suggests a conservative no-nonsense approach, not only with business and advertising in Estonia, Latvia and Lithuania but in reaching the people of the region.

"People here consider themselves very educated and highly savvy, and they take great offense at anyone who appears to look down on them or tell them how to do things or what to think," warns Leone.

Baltic people are very reserved and they're generally not interested in small talk or chit-chat, much like the Japanese. "They want to get right down to business," he says.

There are affinity/cultural associations among the three tiny countries (total population: 8 million), and a large Russian language group in each country. But the greater affinities are for other neighbors: Finland with Estonia, Sweden with Latvia, and Poland with Lithuania. While there are definite Western influences, especially among the hip young urban crowd with a relatively high disposable income, the Baltics tend to be reserved and conservative.

For example, Leone says, an ad that fell flat on its face showing a washing machine repairman telling a housewife which detergent is best. "That was offensive because people don't like to be told what to do. It has to be more educational and lead them to making a decision to purchase

in a more subtle way," says Leone.

"The people have high intellectual capacity. Low per capita income is an outcome of the inefficient management of the Soviet era, not determined by tradition," says Ainars Scipincskis, CEO of McCann-Erickson in Riga, Latvia. For this reason, Scipincskis says advertising developed for advanced Western European countries works well in the Baltics.

Yet the people are rugged individualists. Scipincskis applauds a Lipton tea campaign by LoweLintas celebrating the 800th anniversary celebrations for Riga because it targeted a local event and helped encourage self-confidence and cultural identity.

The people with relatively large disposable incomes are clustered in the metropolitan areas and are easily reached through television advertising campaigns in their individual languages. The market for high ticket items like computers and cell phones exists almost exclusively in the urban areas. Advertising is 80% language-adapted material from Western European campaigns and 20% locally generated, with a heavy emphasis on television with the numerous government-owned and independent television networks. The more narrow Russian audience is reached largely through print.

Laila Ozolina of the Latvian Advertising Association in Riga notes an aggressive campaign between two local pre-paid mobile telephone card companies that results in "prices falling dangerously close to the dumping level," but resulted in the creation of a third company, which led to "increased competition, but more peaceful times in the narrow market."

"This is a market that is maturing very rapidly," concludes Leone. "In terms of the classic model, they are late in the rational information-gathering stage and approaching the emotional-sell stage." ●



- A small region with a population intellectually sophisticated but economically disadvantaged.
- Products that appeal to nationalism are popular because of great national pride.
- Business is usually conducted in a succinct, no-nonsense manner.
- Businesses, advertisers, and consumers resent being told what to do or think.

money matters

Financial marketers are more willing to take risks but want more ad accountability.

The financial services sector accounts for about one-tenth of the \$260 billion spent on display advertising worldwide each year. Yet the sector is probably twice as influential when it comes to the international media stage.

In the pages of international magazines and newspapers, on pan-regional television and on the backlit signs in airports across the world, financial service companies can be seen vying for position. The downturn in the sector and belt-tightening in international advertising reveal their symbiotic relationship. The last two years have seen banks and investment companies reduce their advertising investments by an average of 20%.

However, the financial services business still invests about \$1 billion in the “international” media market. So it is important to understand the mindset of fund management companies, clearing houses, accountancy firms, and investment banks. A survey, conducted by an independent research company, Strategic Communications, polled senior marketers at these companies on eight different topics.

A total of 73 major financial businesses were contacted in Germany, Mexico, Spain, U.K., and Venezuela. The results, sponsored by London-based

Thoburn Associates, a specialist agency serving the financial services industry, draw upon the views of senior and marketing staff.

Unsurprisingly, the recession is top of mind. Over 30% of marketing directors in the sector claimed that because of the downturn, they expected

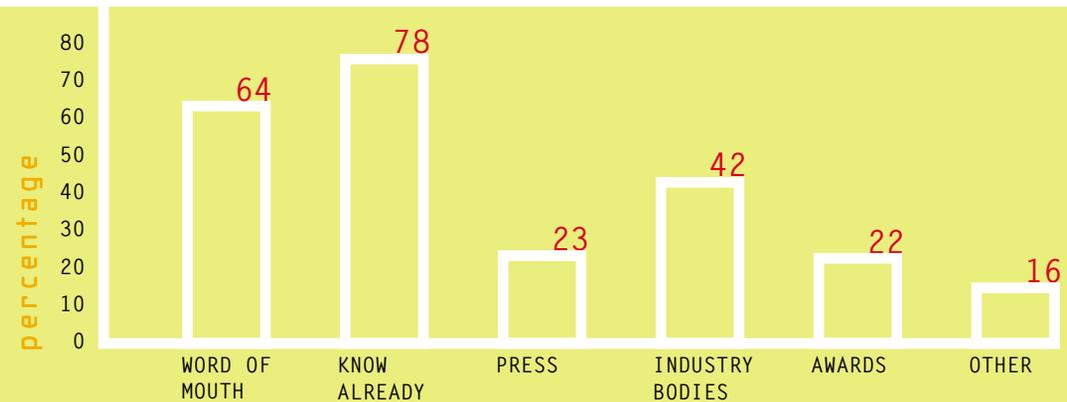
A trend toward generalists corresponds with the flight of other ad budgets to global holding companies. Over the decade, creative account moves include Citibank to Young & Rubicam, Fidelity to Publicis, JP Morgan Fleming to Foote, Cone & Belding and the media budgets for Deutsche Bank and Merrill

Seventy-eight percent rely on existing knowledge of agencies when drawing up a shortlist of potential agency partners. This tops word-of-mouth that is still high at 64%.

Advertisers are clearly concerned about how to judge the impact of their investments. Over half strongly believed that their agencies should take a far more pro-active stance in providing measurement and accountability systems.

Almost half the marketing directors felt that the marketing industry as a whole did not have

HOW FINANCIAL SERVICE MARKETERS HEAR ABOUT AGENCIES



Source: Strategic Communications/Thoburn Associates

their agencies to be more productive for the same price.

A significant proportion of the sector agreed with the view that “we want our agency to give us something different... something our bank wouldn’t normally do.” Many wanted more experimentation and creative within the constraints of an increasingly scrutinized budget. In order to help them with this, the sector is split almost equally between the use of financial specialist agencies (48%) and generalist global networks (52%).

Lynch to Universal McCann and MindShare, respectively.

About ten years ago, financial specialists enjoyed a much higher share. But there is still room for smaller players. Indeed, some of the research reveals that clients think that specialists can be quicker and far more efficient. One marketing director stated, “Specialists have a greater understanding of the latest industry developments and regulatory constraints within our market.”

But when choosing agencies, the selection mechanisms are surprisingly basic.

effective measurement systems and policies. Perhaps this is one reason for the gradual increase in direct marketing across the sector. The flight to direct marketing is more significant in financial services than in any other sector, and international media owners must make sure they are catering to their increasingly sophisticated and demanding needs if they are to continue to attract major financial advertisers.

For further information about the research and to receive a copy, contact Annie Rodgers: a.rodgers@thoburns.com •

IAA U.K. members and guests at luncheon meeting

1. *Adrian Vickers, IAA U.K. chapter president; AMV.BBDO; Julia Mee (center), guest speaker, Hewlett Packard; Karen Mullis, Dow Jones*
2. *Tracey Lehane and John Illing, both Dow Jones*
3. *Diane Morris, Thought Leaders International; Anne Renton, Business Week*
4. *Ateka Reddy, National Geographic Channel*
5. *Sam Davies, Forbes; Neil Holland, Accenture*
6. *Laurence Brelin, Optimedia; David Hardy and Meike Brunkhorst, both Gruner + Jahr*
7. *Neil Sartori, Times Newspapers; Joanna Krantz and Jennie May, both Mercury Publicity; Nathalie Nawrocki, BBC World*



IAA chapters celebrate the debut of inter national ist



MIAMI
*Mark Anderson, Chumar Group;
 Jose Chao, Ideas Publishing Group;
 John Price, InfoAmericas*



NEW YORK
*Deborah Barry, Newsweek International;
 Christine Yun Gardiner, inter national ist*



LONDON
*Emma Bougourd, IAA U.K.;
 Deborah Malone, inter national ist;
 Annika McCaskie, IAA U.K.*



David Kilburn

SEOUL

Sir Martin Sorrell (front row, 2nd right), group chief executive, WPP, breakfasts with top ad execs including (front row, from left) Laurence Mellman, WPP; Pyung-Joon Min, Korea Advertisers Associations; Sorrell; Eung-Dock Chun, Korea Federation of Advertising Associations. Back row, from left: In-Ho Lee, LG Ad; Byung-Lyang Cho, Korea Advertising Society; Dong-Yeon Kang, Korea Broadcasting Advertising Corporation; Jee-Chull Oh, Ministry of Culture & Tourism; Miles Young, Ogilvy & Mather Asia Pacific; Diwan Arun Nanda, DY&R/Wunderman Asia Pacific.



MIAMI

Muriel Sommers, IAA Florida; Paula Musto (speaker), Ryder System; Sabrina Crow, Latin Trade; and Matias Perel, Latin3, at an IAA Florida lunch.

The IAA getting together in New York



Courtesy of IAA Australia

SYDNEY

David Huttner, (2nd left, standing) head of commercial, Virgin Blue, enjoyed lunch with IAA members when he talked about how the airline is "cheeky, even controversial, in its campaigns." Standing from left: Don Brockman, IAA chapter president; Huttner; David Sayer, Leo Burnett; John Dollisson, Eye Corp. Seated, from left: Deborah Sass, OzTAM; Heather Leembruggen, Communications Plus; Lea Jeffrey, Leo Burnett; Lisa Santos, OzTAM.



Mimi Citarella, (from left) CFO.com; Kirsten Rathke, Wall Street Journal Americas; and Mati Bonetti-Buccini, MTV International, play the waiting game for their upcoming arrivals.



Nick Edgley, Daily Telegraph



LONDON

Executives from Poster Publicity are all smiles after winning an outdoor media planning and buying assignment from Samsung, the South Korean electronics marketer. From left: Mike Cooper, Tracy Piesse, Jon Puleston, Colin McKinnon.



Diego Scotti, (luncheon speaker) American Express, and Penny Scott, Time International

internationalist editors' selections of advertising worthy of note...

Selected Gold Medalists from The New York Festivals
2002 International TV & Cinema Advertising Awards



Client
Visa
Agency
BBDO New York
Category
Banking/financial services/insurance

A football stadium falls silent as "Loving You" plays through the loudspeakers, rather than "Who Let The Dogs Out" because the stadium sound crewman couldn't use a check to purchase the CD.



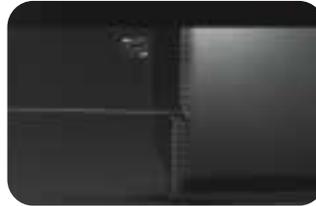
Client
SMS/Optimus
Agency
BBDO Portugal, Lisbon
Category
Telecommunications services/equipment

A couple is sitting on a couch watching television, exchanging text messages even though they are near each other. When they leave, the reason for their choice of communication is clear — kids sitting on the floor between them who were hidden from view.



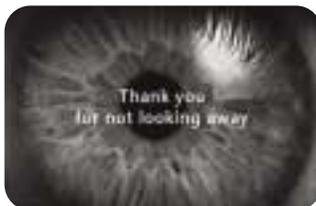
Client
China Telecom
Agency
Saatchi & Saatchi Advertising Ltd., Beijing (production company: Digit Digit Ltd., Hong Kong)
Category
Best special effects

To the background of a driving beat and through the use of various visual distortions, the drum motions of one man's arms are copied, via China Telecom, by robot arms atop several buildings around the city.



Client
Matsushita Electric Industrial Co.
Agency
Daiko Advertising, Tokyo (production company: Hat Co.)
Category
Corporate image

Demonstrating how Matsushita recycles used machines into new equipment, a ball of yarn is wound with thread from old machines being pulled apart stitch by stitch; the yarn is then used to "stitch" new equipment.



Client
International Year of Gaudi/ City Council of Barcelona
Agency
Tandem DDB, Madrid
Category
Corporate image

A collection of shots depicting the natural inspiration for various pieces of architecture in Barcelona, all designed by Gaudi.

Client
Doctors without Borders
Agency
Advico Young & Rubicam, Zurich-Gockhausen
Category
Public Service: Peace & Human Rights

An eye is stitched shut, and as each stitch is cut, more images of worldwide hunger and disease are shown.



Client
Grupo Nacional Provincial
 Agency
TERAN/TBWA, Mexico City
 Category
Banking/financial services/insurance



A man parks his car and proceeds to cover it with an exact replica of the environment around it, insuring its safety while he's inside.



Client
Peugeot
 Agency
Euro RSCG MCM, Milan
 Category
Automotive



A man sees an old car and works to sculpt it into the new Peugeot 206.

Different approaches in different countries for recognizable brands.



Client
UPS
 Agency
McCann-Erickson Japan, Tokyo
UPS says it delivers more than just cargo: It delivers business too, connecting over 200 countries and regions with approximately 600 company-owned and chartered planes. "We are a global business courier that makes sure your business is smoothly delivered by delivering your packages."



Client
Microsoft
 Agency
McCann-Erickson Japan, Tokyo
This print ad, focusing on the benefits of using Microsoft Windows XP for uploading, seeing, and sending digital photos, is one of a series introducing the software in Japan.



Client
Coca-Cola China
 Agency
Ogilvy & Mather Shanghai
Across Southeast Asia, Fanta is "the catalyst that helps create extraordinary fun even in ordinary settings." In China, a stern-looking teacher approaches students drinking Fanta. When he intercepts a can and opens it, he's blown sky-high, and the kids stare in stunned silence. Cut to the teacher on the playground: He's wearing a pink t-shirt, looking hip and happy.



