

inter national ist



A NEW VIEW OF
AGENCY-CLIENT
RELATIONSHIPS

4
inside issue

Maurice Levy
Encourages
More Respect
For Growing
Diversity

Hyundai's
Ad Exec Rhim
Positions
Brand As A
Global Leader

www.inter-national-ist.com

15/Profile
BYUNG-KWON RHIM steers Hyundai to global leadership

18/Cover Story
A NEW VIEW OF AGENCY-CLIENT RELATIONSHIPS
SIDEBAR: Procter & Gamble and Beacon Communications talk about their evolving relationship

26/Commentary
Publicis' MAURICE LEVY urges respect in a world of growing diversity

38




cover photo: johner bildbyra/photonica

issue **4**

To continue receiving
inter national ist,
sign up for a
subscription
on our website.

- A Word from the Publisher and Editor/4
- Readers Respond/4
- Letters/4
- Frontlines/7
Reports from Advertising Age, BrandRepublic, Merca2.0
- Strategy/13
HP's big voice
- Media Matters/28
Latin American families go mad over cartoons
- Issues/30
Clients sound off in London
- Career Track/31
- Around the World/32
Paul Woolmington comments on Media Lions winners
- People and Places/34
- Doing Business in...Mexico/38
A relaxed pace is the norm
- There's Something about Bangkok/40

15



"The New Power of China" touts this headline by Beijing Advertising Co. in a market that is expected to account for 20% of Hyundai's business in just seven years.

STAFF

deborah malone PUBLISHER 1-917-816-6416 deborah.malone@dm-ny-global.com
nancy s. giges EDITOR 1-914-683-5108 nancy.giges@inter-national-ist.com
april garston CREATIVE DIRECTOR agarston@optonline.net
joan ranieri-certain DESIGN CONSULTANT cnotes@nwlinc.com
christine yun gardiner MARKETING, CIRCULATION, RESEARCH christine.gardiner@inter-national-ist.com
mark grimaldi WEBMASTER www.mjg-designs.com



AFFILIATES

adforum.com



EDITORIAL
ADVISORY BOARD

TO JOIN THE IAA,
PHONE OR E-MAIL
YOUR LOCAL CHAPTER



ARGENTINA Rogelio Pianeza 54.11.4951.0575 capituloargentinoiaa@aap.org.ar **AUSTRALIA** Heather Leembruggen 61.2.9922.2515 hleembruggen@ozemail.com.au **AUSTRIA** Eva Spani 43.1.531.170 office@iaa-austria.at **BAHRAIN** Tariq Al Saffar 973.225.148 tariq@promoseven.com **BOSNIA/HERZEGOVINA** Amra Hacic 387.33.261.230 amra@boram.ba **BULGARIA** Lyudmila Kableshkova 359.2.943.3341 deya@spnet.net **CHILE** Henry Northcote 56.2.232.6610 henryg.northcote@gilvy.com **CHINA** Zeman Zhang 86.10.6331.7507 zzps8072@sina.com **CROATIA** Marko Stojakovic 385.1.48.34.470 marko.stojakovic@zg.hinet.hr **DENMARK** Donald Nekman 45.7020.1126 iaa@iaa.dk **DOMINICAN REPUBLIC** Donald Rowland 809.562.3882 d.rowlan@codetel.net.do **EGYPT** Loula Zaklana 20.2.291.2077 rrrpr@intouch.com **FINLAND** Nina Franco 358.9.122.3361 nina.franco@karkimedia.fi **FRANCE** Dominique Martin 33.1.4742.1342 fassere@aacc.fr **GERMANY** Lutz Weidner 49.228.949.130 l.weidner@kommunikationsverband.de **HONG KONG** Jessica Kam 852.2313.8023 kamj@mtv-asia.com **HUNGARY** Agnes Sagi 36.1.467.6676 iaahun@mail.datanet.hu **INDIA** Pheroza Bilimoria 91.22.282.4883 pheroza.bilimoria@businessindiagroup.com **ISRAEL** David Admon 972.3.5656356 david@admon-advertising.com **ITALY** Alessandra De Bevoise 39.2.885.8921 seg.iaa@milano.isc.it **JAPAN** Minoru Ichihana 81.3.5551.1300 ichihana.minoru@dentsu.co.jp **JORDAN** Asmaa H. Abu Ghazaleh 962.77.446441 info@iaajordan.org **KOREA** Ian Kang 82.2.3668.8175 ian.kang@darcyww.com **KUWAIT** Daoud Moujaes 965.968.3916 david@qualitynet.net **LEBANON** Alfred Barakat 961.3.242.299 iaa@sodetel.net.lb **MALAYSIA** J. Matthews 60.3.7460.8535 matthews@macomm.com.my **MALTA** Joe Zammit 356.3291.4616 joe.zammit@bov.com **MEXICO** Lucia Abdo 52.5.5728.4800 labdo@grc.com.mx **NIGERIA** May Nzeribe 234.1.496.6197 mayzee@nova.net.ng **PAKISTAN** Syed Mahmood Hashmi 92.2.756.0530 masood_hashmi@orientmccann.com **PARAGUAY** Angel Aguilera 595.21.610.151 angel@venus.com.py **RUSSIA** Julia Anfilova 7.095.234.2805 iaa-anfilova@mtu-net.ru **SINGAPORE** Patsy Ee patsyee@singnet.com.sg **SLOVENIA** Marko Majer 386.61.2000.800 marko.majer@mayer-co.si **SPAIN** Ana de la Puente 34.91.315.9936 **SRI LANKA** Mangala Yasashri Wickramarachchi 94.1.597.551 kompass@sltnet.lk **SWEDEEN** Anders Pihlstrom 46.8.661.1030 anders@pcg-pihlstrom.se **SWITZERLAND** Edith Moosbrugger 41.1.383.2662 contact_sc@iaa.ch **SYRIA** Jocelyne Vitale 963.11.612.9404 u-g@scs-net.org **TAIPEI** Raymond Hung So 886.2.771.80888 raymond.so@bbdoasia.com **TURKEY** Aysenur Atli 90.212.325.3790 iaaturkeychap@superonline.com **UAE** Carla Hosni 971.4.394.0286 iaauae@emirates.net.ae **UNITED KINGDOM** Annika McCaskie 44.207.381.8777 annika@iaauk.com **US-FLORIDA** Muriel Sommers 1.305.529.5006 msommassoc@aol.com **US-MID AMERICA** Jerome Juska 1.708.269.4889 jjuska@internetfeatures.com **US-NEW YORK** Bernadette Brennan 1.646.495.5160 iaaus@att.net **US-WEST** Kevin Cox kevin.cox@hhsf.com 1.415.617.5112 **URUGUAY** Silvana Saavedra 598.2.410.9070 iaauruguay@davanet.com.uy **UZBEKISTAN** Timur Ablaev 998.1.173.2871 ablaev@rambler.ru **VENEZUELA** Raul Sanz-Machado 58.2.237.8322 iaavenezuela@cantv.net

debra coughlin

SENIOR VICE PRESIDENT
GLOBAL ADVERTISING
MASTERCARD INTERNATIONAL

robert crozier

PUBLISHER
FORBES GLOBAL

neil gluckin

EXECUTIVE DIRECTOR
BRAND STRATEGY
UBS AG

toby hayward

EXECUTIVE VICE PRESIDENT
ADVERTISING SALES
STAR GROUP LIMITED

john holmes

CHAIRMAN
LATIN AMERICA & CARIBBEAN
J. WALTER THOMPSON

graeme hutton

SENIOR VICE PRESIDENT
GLOBAL CLIENT SERVICES DIRECTOR
ZENITHOPTIMEDIA GROUP

robin kent

CHAIRMAN & CEO
UNIVERSAL McCANN

kevin razvi

EXECUTIVE VICE PRESIDENT
CNN ADSALES

alan rutherford

WORLDWIDE HEAD OF MEDIA
UNILEVER

andrew sibley

ADVERTISING MANAGER EMEA
CISCO SYSTEMS

anne c. toulouse

VICE PRESIDENT
BRAND MANAGEMENT & ADVERTISING
THE BOEING CO.

COMING

october/november

Cover Story: New Rules for Powerful Strategic Partnerships
Commentary by Dentsu's Fumio Oshima

year-end issue

Cover Story:
The Next Wave of International Advertisers
Commentary by Grey Group's Carolyn Carter

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

IMPORTANT DATES

october/november issue

year-end issue

AD RESERVATIONS: September 22

AD RESERVATIONS: November 14

MATERIALS: September 30

MATERIALS: December 1

Contact: advertising@inter-national-ist.com

New York may not be the sole hub of multinational advertising; however, much of the economics and spirit of the city do seem to affect the emotional underpinnings of our worldwide community. Recently, several reports have said that the key New York-based businesses, as well as the city itself, are doing better. Living in the birthplace of media, advertising, and finance, New Yorkers are quick to respond with increased optimism.

The mood change is palpable—even in a city that never allows itself to show defeat. A person who also embodied that very spirit was Dowie Jones, who recently passed away at the terribly young age of 40. Born in Wales and perfecting his skills in London, Dowie succumbed to the power and allure of the Big Apple. In 1997, he moved to New York to make it on his own in our world of international media and advertising. Just this year, he created his own international ad sales representation company; an accomplishment he thought his finest because our industry represented a community he loved. Even as his health quickly failed, Dowie neither gave up nor stopped thinking about his work and the people connected to it. The spirit of optimism that Dowie Jones so easily embraced is what we all require to succeed in our industry today. It's also what we hope to convey in these pages, where he was proud to be one of its early contributors.



deborah malone
PUBLISHER



nancy s. giges
EDITOR

R E A D E R S R E S P O N D

In the May/June issue of *inter national ist*, we asked, “Do you view advertising as an investment or expense?” Here’s what readers had to say:

There’s no doubt that most advertisers still see media as a cost rather than investment, but it’s up to media owners and their agencies to show that it is a genuine investment with clear returns, whatever those parameters may be.

JASON DAWES
Global Media Manager
Adidas, Amsterdam

It should be an investment because it’s adding value to a company’s most essential and tangible asset: its name. But I don’t think that a lot of managements feel that way.

NEIL GLUCKIN
Executive Director, Brand Strategy
UBS AG, Zurich

To any marketer who understands that the brand is a company’s most valuable asset, advertising is most definitely an investment. Unfortunately, (or fortunately, depending upon how you look at it) the business world is not comprised of marketers, and these people tend to view advertising as an expense (and in many cases those that control the purse strings fall into this category).

ANDREW SIBLEY
Head of Advertising EMEA
Cisco Systems, London

I think one should never ask [the question] that way. It is always an investment to build up brands.

ERICH BUXBAUM
IAA Vice President Regional Director Europe and
Austrian Chapter President, Vienna

I think the inter national ist looks really good. Congratulations on getting such a great by-the-industry-for-the-industry magazine off the ground.

TIM MICKELBOROUGH
Global Advertising Team
UBS AG, London

Congratulations! I will be happy to be your first reader in North Africa. Good luck.

TAOUFIK HABAIEB
CEO/Director
THCOM, Tunis

The latest issue looks great. Really one of the best looking pubs I read. Thanks.

KENDALL CROLIUS
Forbes, New York

Thanks for sending me the latest copy of the inter national ist. It’s great to see you plugging a very obvious gap in media coverage and I’m delighted at all the positive reviews and support that you seem to be getting.

MATTHEW FARRAR
Managing Director
Mercury Publicity Asia, Hong Kong

I am receiving the magazine each time it is published, and I love it. Great design, good content, and an all-together different cutting-edge outlook.

I enjoy every issue.

ANDREAS VOGIATZAKIS
Managing Director—Country Head
MindShare Communications Taiwan Branch, Taipei

inter national list is looking better and better each month, and I enjoy reading it. May it go from strength to strength.

GAVIN MURRAY
Reader’s Digest, London

Send letters, your opinions, and views to editorial@inter-national-ist.com. Please limit letters to 50 words. inter national ist reserves the right to edit letters.

ballooning in your media plan? new rules in china

If ballooning is in your media plan, take note.

A new rule requires that all unmanned balloons for celebration or advertising in China must get permission, according to Xinhua News Agency.

According to the report, the East China Aviation Administration Bureau has said that some balloons are very big and made of hard materials, which is causing problems with airplanes especially in busy aviation areas like Shanghai.

The rules require that all balloon flight applications include where the balloons will be hoisted and how they can be retrieved. ●

selling 'simplicity' isn't simple



In the TV spot, each person reacts differently to the images on the screen passed around the world on the T610.

Sony Ericsson is both establishing a corporate image and highlighting a major new product, the T610 phone with camera, in a totally integrated campaign, created by Bartle Bogle Hegarty and Dare Digital and handled globally by Mediaedge:cia.

The advertising will be seen in an unprecedented 48 countries. From the very start, Sony Ericsson duo Mathew C.P Hayward, head of global creative development, and Takuya Kawagoi, art director, got input from the marketing heads of the company's five main regions to make sure the concept would work everywhere.

Before it was finished, they had spent the better part of a year on the effort that included

a comprehensive, 100+-page campaign guidelines book for the regions, which determine their own pan-regional, national and local media. The book covers TV, print, point-of-sale, training materials, display materials, online, digital and PR. All creative comes from a global budget, while all media budgets are held at regional levels.

In the TV spot, themed "Pass It On," the viewer follows the journey of the high-end phone as it is passed around the world. The message is that with this phone's new technology, one can take a picture and share multimedia information locally or globally in just a few clicks. It could start with someone at a party

in São Paulo who takes a picture and then sends it on to Sydney and beyond. Each person reacts differently to the images on the screen. Print ads highlight the simplicity of design of the phone.

"This was one of the most challenging campaigns to create, direct and manage," Hayward says. "It also was vital as it sets the new design language and tone of voice for our company; that of simplicity." Sony Ericsson Mobile Communications was established in 2001 by the two companies whose name it bears to create mobile multimedia consumer products.

The result of the collaboration with the regions was two different main versions cut from the same footage. For example, Latin Americans wanted a bit more sexy and risqué feeling and lots of smiles, while Europe wanted more sophistication and smirks on faces, Hayward says. One is more upbeat, fun and light-hearted and the other is more stylish and elegant. ●

What industry is leading or will lead the advertising and marketing world out of the downturn? What country or region?

FOR RESPONSES TO LAST ISSUE'S QUESTION, SEE P.4

WHAT IS YOUR VIEW?

E-MAIL US AT

EDITORIAL@INTER-NATIONAL-IST.COM

ALL PRICES ARE IN
LOCAL CURRENCY
UNLESS OTHERWISE STATED

SEPTEMBER 14
FORTUNE POLO INVITATIONAL

PLACE: Guards Polo Club,
Smith's Lawn, Windsor Great Park
RESERVATIONS: 44-(0)20-8233-1624
PRICE: £15 in advance:
£20 on day of the event

SEPTEMBER 17-19
U.K. MARKETING FORUM

PLACE: Aboard the Aurora
boarding at Southampton, U.K.
RESERVATIONS: Delegate inquiries:
Sophie Dixon, 44-208-487-2270
PRICE: NA

SEPTEMBER 18
AMERICAN BUSINESS MEDIA
PUBLISHERS' ROUNDTABLE

PLACE: The Westin Chicago River North
RESERVATIONS: Renee Santana,
r.santana@abmmail.com
PRICE: Member \$350.00,
non-member \$495.00

SEPTEMBER 18
M&M EUROPE AWARDS

PLACE: Grosvenor House Hotel, London
RESERVATIONS: 44 (0) 20 7505 8115
E-mail: anna.wright@emap.com
PRICE: 10 seats: €2,500/£1,525 (inc
VAT). Individual seat: €292 (£177)

SEPTEMBER 24-25
SINGAPORE INTERNATIONAL
ADVERTISING CONGRESS

PLACE: Suntec Centre
RESERVATIONS: 65-6220-8382;
www.ias.org.sg
PRICE: Member: US \$436,
non-member US \$665

COMING EVENTS



Nokia
is banking on
young adults' interest in
gaming in this premium-priced
hand-held device, called
N-Gage, incorporating a phone
and FM radio with gaming.

Once upon a time, telephones were just for talking. Oh, and they used to be stuck to the wall.

Remember? Then you're probably over 35 and not the target demographic for global advertisers, because mobiles are increasingly the medium of choice to reach young people.

In Europe, it's been easy for cynics to dismiss mobile marketing as just another part of the dot.com boom. Text-messaging, or SMS, caught on fast, and has proved a workable if uninspiring way to reach young people.

But the big telecom companies seemed to have paid way too much for licenses that allow them to deliver rich-media content, including TV-style advertising. Consumers just couldn't see the benefits of video-phones that would make them worth the £200 price tag.

Hutchison's service reportedly achieved sales of

telecom growth? depends on whom you ask ... and where?

just 25,000 phones in its first three months of retail operation. Hutchison insists sales have begun to pick up, boosted by TV advertising from TBWA, but for advertisers, the case for investing heavily in rich-media mobile marketing still looks less than compelling.

To find the real story of telecom growth, just look outside Europe. China now has more than 250 million mobile subscribers, with 5 million added every month. To get an idea of the network's size, consider this: Brand Republic's *Media Asia* reports that during the SARS epidemic the SMS message, "Fatal flu happening in Guangdong," was sent around 40 million times in a day and then about 86 million times over the next two days.

Global advertising groups have not been slow to spot the potential of a communications medium with that kind of reach. In June came the news that Ogilvy Interactive and wireless technology firm Mobile Internet Group have formed a joint venture to

develop opportunities in mobile communications in China.

In Mumbai, Mobile2Win has launched India's first short message service-enabled billboards which use SMS text-messaging codes instead of eight-digit phone numbers on ads. By sending an SMS to a number—8558—and keying in the relevant code, prospective customers will receive brand or promotion-related information instantly.

Such developments point to a future marketing medium which will, for a change, take off fastest in those countries without a well-developed fixed-line, cable infrastructure. Just as the U.K.'s BT has signed up its millionth domestic fixed-line broadband customer, it looks as though the next marcomms wave will skip a technological generation and go straight to wireless.

To see the future of media, just look South and East. ●

—Mike Hewitt
(mike.hewitt@haynet.com)
is new media director,
Haymarket Business
Publications.
www.brandrepublic.com

REPORT FROM Brand Republic

new for the bookshelf

The Future of Advertising: New Media, New Clients, New Consumers in the Post-Television Age
by Joe Cappo, former senior VP for Crain Communications and publisher of *Advertising Age*.
(McGraw-Hill Trade)

The Influentials: One American in Ten Tells the Other Nine How to Vote, Where to Eat, and What to Buy
by RoperASW execs Edward Keller, CEO, and Jonathan Berry, VP.
(Free Press)

Buzz: Harness the Power of Influence and Create Demand
by Euro RSCG execs Marian Salzman, chief strategy officer; Ira Matathia, managing director, Euro RSCG, MVBMS Partners; and Ann O'Reilly, editorial director of Strategic Trendspotting and Research.
(John Wiley & Sons) ●

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

REPORT FROM Advertising Age

where to draw the line on 'branded entertainment'

The buttoned-up world of brand marketing and the freewheeling entertainment industry are not the most natural bedfellows. While hitching a brand wagon to a celebrity has always had appeal, most marketers have been cautious to the temptations of Hollywood. But shifts in

placements and TV sponsorships —are certainly not new to marketers. But their relevance and, in some instances, the controversy surrounding these “branded entertainment” tie-ins are demanding more attention.

As for the TV industry, the popularity of reality programming has brought a raft of deals that

vehicles around a particular brand. Undoubtedly the most celebrated example of this has been the BMW Films series on the Internet, “The Hire,” starring a BMW sedan and its driver played by actor Clive Owen.

So how are these parties coming together to hammer out arrangements?

Much like in the early days of the Internet, opportunists are coming out of the woodwork. Those savvy enough, with the right Rolodex, can bank a lot of money brokering relationships between advertisers and entertainment companies. Everyone from talent agencies and management companies to lawyers and private consultants are entering the space.

But as also with the Internet, there will be a shakeout, and many players will lose the war of attrition. It will be interesting to see who's left. ●

—Hank Kim is a senior editor at Advertising Age and the editor of Advertising Age's Madison+Vine weekly e-mail newsletter.

technology and the media landscape have spawned a closer courtship.

There is no ignoring media fragmentation or the fact that emerging digital technologies are wresting power from the content providers and placing it with the consumer, forever changing the traditional paid-media advertising model.

Entertainment plays—running the gamut from partnerships with the music industry to movie product

go beyond traditional commercial buys and increasingly include more product placement and sponsorships. CBS' monster hit “Survivor” was a marquee opportunity for brands like Target and Reebok, and most recently, Coca-Cola, Ford Motor Co., and AT&T Wireless all reaped benefits from Fox's “American Idol.”

Perhaps the most intriguing tack that has emerged is attempts by advertisers to subvert the form by actually creating stand-alone entertainment



A collaboration among Fallon Worldwide and production houses Anonymous Content and RSA Inc. resulted in this non-traditional BMW series of Internet-distributed mini movies.

COMING EVENTS

SEPTEMBER 25
FINANCIAL COMMUNICATIONS SOCIETY LUNCHEON PANEL ON CRISIS MANAGEMENT
Bret Sanford-Chung, Smith Barney; Julian Walker, Gainsborough; Amy Nauiakas of Cantor Fitzgerald
PLACE: The Princeton Club, New York
RESERVATIONS: www.fcsinteractive.com
PRICE: Member \$60, non-member \$75

OCTOBER 2
EACA EURO EFFIES GALA
PLACE: Albert Hall Complex, Brussels
RESERVATIONS: Shirley May at 32-2-740-07-10; www.euro-effie.com
PRICE: €75 plus 21%: €90.75

OCTOBER 8-11
ADVERTISING ASSOCIATION MEDIA BUSINESS COURSE
PLACE: Grand Hotel, Brighton
RESERVATIONS: catherine.hitchcock@adassoc.org.uk or 44-(0)20-7828-2771
PRICE: NA

OCTOBER 10-13
MIPCOM—INTERNATIONAL TV MARKET
PLACE: Palais des Festival, Cannes, France
RESERVATIONS: www.mipcom.com or Corrine Bocquet, conference manager, 331-41-90-44-22
PRICE: €1,928 plus €19.60 VAT for first individual participant

OCTOBER 15
IAA U.K. FINANCIAL FORUM LUNCH
PLACE: Savoy Hotel
RESERVATIONS: annika@iaauk.com; 44-(0)20-7381-8777
PRICE: Member: £55.00, non-member: £75.00



Latest Elvis sighting: At the IAA Summer Ball in London with Aerian Rogers, marketing and events executive, Fortune Group EMEA. For more photos, see p. 34.

continued on page 36...

latin america: focus on mexico

Mexican media owners, media agencies, and ad agencies all hope that the first economic crisis of the 21st century has already hit bottom and that this year is ushering in growth.

While some external factors induced the slowdown, internal factors also must be addressed.

Roberto Soto, Pepsi-Cola's marketing director for Mexico, says that "for some advertisers, the challenge is to decide where each peso will be invested. All companies were faced with cost reduction programs, streamlining of distribution systems, and finding new ways to communicate with consumers and distribution channels." The message is clear: to survive fighting rates is a must.

Partners? It seems as if media sales executives are becoming partners with advertisers. "If all we do is offer our advertisers a circus ring to perform their show, eventually they will tire of

not finding value-added or a specific reason to stay with us," says Adrian Vargas, corporate VP of MVS, the third largest multimedia conglomerate after Televisa and TV Azteca. Vargas is also president of Consejo de la Comunicación, an association representing most trade groups including ad agencies, research agencies, PR agencies, and leading advertisers.

Not only must media fight each other for ad budgets, they must also compete with the growing number of below-the-line options.

It should not come as a surprise that network TV gets the most money. After a rather poor year, both Televisa and TV Azteca made advance deals with the political parties for midterm elections this year. With this strategy, they improved sales and profits at a rate higher than GNP growth. But it was not enough to offset the bloodletting among other

media, resulting in paltry 0.3% growth in 2002 (well, it could have been worse).

This year, the news is good so far. And it could continue, which after two pretty rough years, is wonderful. Key newspapers report solid growth; radio stations are the main beneficiaries of the political advertising; and outdoor advertising cannot complain; magazines too have experienced six consecutive months of ad page growth. Internet and pay TV still have a way to go before they report juicy advertising figures.

A happy ending? Well, almost, until the figures cited in pesos are converted to U.S. dollars. Because of exchange rates, it seems as if the Mexican advertising industry is in a nose dive, but it isn't. Call it a shallow dive (and then a climb, we all hope). ●

—*Andrzej Rattinger is director general of Merca2.0, a marketing, advertising and media magazine.*



hong kong as global test market?

Hong Kong's historical role as a gateway to China brought together businessmen and travelers from around the world in a picturesque melting pot that mingled Western ideas with Eastern values.

The result, according to new research from Hakuhodo, Tokyo, is that Hong Kong has become a microcosm of the world. The agency studied consumer lifestyles in 25 cities and found they could be classified into seven groupings: Go-Getters (11.9%) and Pleasure Seekers (8.8%), the early adopters and highly computer-literate;

Self-Adjusters (13.2%), Leisurely Pacers (14.0%), and Tireless Workers (14.0%), which form the key groups for market expansion; Slow Starters (20.5%), who have low desire for advancement and material things; and Passives (20.8%) who have little interest in changing their lives and in new things.

In Hong Kong, these seven groups exist in proportions roughly the same as the global average. Perhaps, the region can find a role as a test market for global brands focused on lifestyle, says Hakuhodo. ●

topline pan euro media stats

EUROPEAN MEDIA & MARKETING SURVEY (EMS) FROM INTERVIEW

The universe: 40 million Europeans in 16 countries

Although daily viewing of pan European TV in 2003 has decreased slightly, monthly viewing overall has risen because of more local and national channels. When connected to satellite, viewers can choose from an average of 43 channels. Some 63% of the EMS households are connected to cable or have a satellite dish.

Average issue readership of business print is overall 8.3% compared with 8.5% in 2001. Some 23% of the EMS individuals are heavy print users (reading six or more publications). Internet access (either at home or at work) is available to 8 out of 10 EMS individuals.

Publications with the highest total readership for 12 months were (daily) *Financial Times*, 18.5%; (weekly) *Time*, 18.2%; (fortnightly) *Fortune*, 3.2%; (monthly) *National Geographic*, 25.4%. The only publication in these groups to increase from 2001 to 2002 was *Harvard Business Review*, from 2.7% to 3.0%. Greatest viewership for TV: Eurosport at 58.4%, followed by CNN International at 49.9%.

For additional information: n.sodeike@interview-nss.com

EUROPE 2003 FROM IPSOS RSL

The universe: 10 million Europeans in 16 countries

International publications are read by 25% of the Europe 2003 universe, adults over 25 in professional or executive occupations, fulfilling at least one of these criteria: (1) personal annual income of at least €45,000; (2) made six or more international business trips in last 12 months; (3) is a director of an active company employing at least 25 individuals.

AVERAGE ISSUE READERSHIP OF INTERNATIONAL PUBLICATIONS

PAN EUROPEAN TV REACH

	%		% MONTHLY
NET ALL INTERNATIONALS	24.6		
<i>Financial Times</i>	6.6	CNN International	45.1
International Herald Tribune	1.6	Eurosport	39.3
USA Today	1.4	MTV	29.9
The Wall Street Journal Europe	1.3	EuroNews	28.7
Time	5.5	BBC World	26.3
The Economist	4.6	Discovery Channel	24.0
Newsweek	3.2	National Geographic	19.9
Business Week	2.1	CNBC	17.8
Fortune	2.0	TV5	17.0
Forbes	1.3	Bloomberg	11.4
National Geographic	7.7		
Harvard Business Review	2.7		
Scientific American	2.4		
Euromoney	1.0		
Institutional Investor	0.4		

For additional information: europe2000@ipsos.com

Just over a year after the largest-ever technology merger took place, Hewlett-Packard continues to define itself in a massive integrated \$400 million global marketing and communications campaign that includes components targeting various audiences.

Judging from the comments of HP executives at both the corporate and operating unit level, the communications program is surpassing expectations and continues to evolve.

Last November, five months after the merger with Compaq became official, HP began positioning itself with a campaign themed, "Everything is possible," created by Goodby, Silverstein & Partners and placed by ZenithOptimedia. Subsequently, other components have broken, including one aimed at the business market that debuted with a 10-page color ad in the *Wall Street Journal*.

Bill Sidwell, director of brand strategy & management in global brand & marketing communications, says all components of the campaign

are intentionally very customer-centric, taking their cues from attributes of the brand. "We believe what we do is enable others to do great things."

Testimonials come from companies such as Amazon.com, the BMW/Williams Formula 1 Team, Dreamworks, FedEx, NASA, and the New York Stock Exchange.

The merger actually gave HP an opportunity to close the gap between consumers' perception of what the HP brand stood for and reality. Some people saw HP standing for printers; others for calculators, but not many for offering a broad range of technology to businesses and consumers.

With the merger, HP's customers include everyone from consumers to CEOs and its products range from those used for entertainment to high end enterprise systems.

"We recognized we had to build a framework about the brand and create a story that would help us with different constituencies, starting with employees," says Sidwell. Dubbed "Operation

One Voice," the program establishes a single company image globally that is flexible enough to work in all countries and all operating units.

Before the campaign came some important branding decisions, the biggest being what to do with the Compaq brand name. All products except PCs were brought under the HP umbrella. In PCs, the Compaq and HP names were kept because of Compaq's strong equity, according to **Jan McDaniel**, worldwide director of brand advertising for the personal systems group.

This allows us to appeal to different types of consumers and maintain maximum shelf space in retail, she says.

While branding decisions at HP are made centrally, they involve all five of the operating divisions. "You can't go [to a division] and say 'we're going to do everything for you.' You have to be open-minded and flexible to enable it to happen on a local basis. You're never as close to

the customer as the people in the regions," Sidwell says.

The approach empowers everyone to execute against a set of tools and guidelines to make sure that all communication activities support HP's brand promise and speaks within the context of HP's brand goals and values, McDaniel says.

Speaking about the spending levels, McDaniel says the company isn't spending more than the previous year but budgets are more concentrated. "We are making sure that all advertising adds up to a bigger message."

She says the company has always had both global and regional advertising activities that fall into two categories: (1) Positioning, which generally runs in pan-regional and national media, and (2) action advertising that typically is more country-specific.

And advertising in both areas will continue to evolve to hammer home the HP story. After all, Sidwell adds, "Building a brand is a never-ending story. It doesn't stop." ●

byung-kwon rhim

An *internationalist* interview
 Ambitious Hyundai to explode on the global scene

The opening chapter of Hyundai Motor's international story began in 1974 with the unveiling of the Hyundai Pony at the Turin Motor Show. The bold plans of an unknown seven-year-old South Korean company to export worldwide were seen as unrealistic. But Hyundai has proved the naysayers wrong and has even more ambitious plans.

"We do not wish to be seen as a Korean company, nor even as an Asian brand, we wish to be seen as a truly global player," says Byung-Kwon Rhim, general manager of overseas advertising for Hyundai, based in Seoul.

Hyundai is aiming to become one of world's top five automakers within eight years, partly through growth in the U.S., China and India. Last year, the group ranked No. 8 worldwide, level with Japan's Honda.

But it wasn't necessarily easy. "Through sheer hard work and perseverance, we have managed to overcome the odds," says Oles Gadacz, director of global public relations for Hyundai Motor.

In its home market, the Hyundai Kia Motor Group makes over 73% of all the cars sold in South Korea. In 2002, brand Hyundai's domestic market share was 47%, with the balance from Kia, still managed as an independent brand.

To further growth, the company has invested in design, engineering and production facilities in the U.S. so that, ultimately, vehicles sold in North America will be designed and built there. In the same way, local roots are being put down in Europe, India and China.

In the early days overseas, Hyundai emulated the original strategy of Japanese makers and looked for opportunities to introduce low-priced cars. "However, price is no longer the sole motivating factor driving consumers to purchase a Hyundai. There is a growing recognition that Hyundai cars are as stylish, reliable and safe as any made by the Japanese and Europeans," says Rhim. International growth has accelerated the need to develop a brand identity that is consistent,

competitive and helps drive sales. The group's Chairman Chung Mong-Koo has said Hyundai will enhance its brand image to compete with other global makers.

The challenge for Rhim and his colleagues is how to build the brand at a pace that matches its growth and aspirations. "We are a fast-growing company; our image is evolving as more people discover us and gain experience with our cars. There are many differences between countries. It is not as cohesive as we want it to be. It is not one world for us. We are not locked into any particular image yet," says Rhim.

It is hard to summarize just what the Hyundai brand stands for today across the world.

"It is much easier to say what we would like the Hyundai brand to stand for in the future," explains Rhim. "We want to be seen as the value innovator. At any price point, we wish to be seen as the innovator in bringing added value to the consumer. This idea underlies our product strategy right now and is the ultimate goal for our communication activities. We can see the harbor lights, and we are heading that way, but it is still a little hard to know just when and how we will arrive."

In fact, product strategy is at the core of brand building which "is a slow process. The best way to get there is to focus on the basics, to satisfy the customer, to make sure the quality is there, to be consistent. As long as we can take care of this, other aspects will gradually fall into place," explains Rhim.

Of course, advertising has an important role to play in brand building, but first it must help sales.

Byung-Kwon Rhim faces the challenge of building the Hyundai brand at a pace that matches the company's rapid growth.



David Kilburn

Different executions

in Hyundai's

corporate campaign

that run in key

international and

regional publications

worldwide reflect

an evolving image of

the brand. They

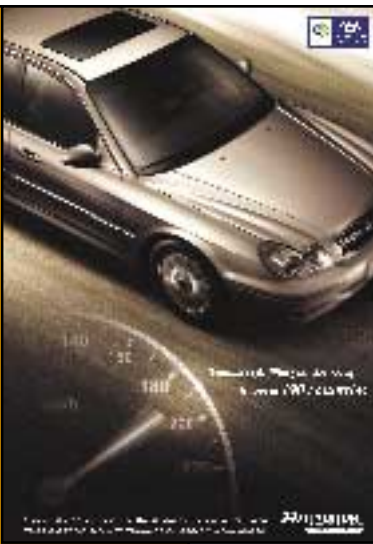
were created by

Diamond Atlas,

Seoul, and placed by

various media shops

around the world.



“Our distributors have very strong views about how advertising dollars should be spent and often disagree with us,” says Rhim.

Hyundai's share of voice is roughly proportional to market share. While declining to discuss budgets, Rhim explains, “We don't outspend our competitors—in fact, in terms of spending per car, we are broadly in line with our major competitors, model by model.”

For many multinational marketers, a globally aligned agency or holding company is a crucial part of the infrastructure to build and manage a global brand and plan the best use of media monies. Not so with Hyundai. According to Rhim, the company tried to work in this way with Bates but it proved difficult to get the delivery the company and its distributors felt was needed in each country.

Though the Bates network still works for Hyundai Motor in a number of markets, agency appointments are primarily up to the distributors and managers in each country. Global alignment policies may play a role in the future, but are not currently on the agenda.

While North America and Western Europe account for over 80% of Hyundai's international sales, cars are sold

in most countries in Eastern Europe, Africa, Central and South America and Asia/Pacific for a total of 190 countries.

Two key markets for the future are China and India. By 2010, Hyundai expects about one-fifth of its global manufacturing capacity to be in China for autos that will be sold within the country, not for export. In India, Hyundai Motor

is already the second largest car manufacturer, thanks in part to successful advertising. Hyundai broke new ground in India when it used Shah Rukh Khan, a popular Indian film star, as spokesman, the first time such a strategy had been used for cars. The campaign helped the unknown brand grab attention. One advertisement featured a Korean executive trying to convince the star to try out the Santro. Later ads dwelt on product features: easy maneuverability and easy parking on India's crowded roads

“India is tremendous market opportunity,” says Rhim. “When the market opened, we got there as quickly as possible. We've invested to localize all the parts and suppliers.” Indian buyers see Hyundai is the maker giving them the latest technology, according to Rhim.

Hyundai's media strategy also broke new ground for a foreign carmaker in India. The company used all the vernacular media and not just the main Hindi titles. An Indian saying tells how language changes every few miles in the sub-continent; there are at least 12 major languages spoken in addition to Hindi. The value of the vernacular media is that they cater to regional interests and local tastes of their audiences. Therefore, advertising can have a relevance and cultural proximity to local buyers in each region.

While much of Hyundai's marketing and advertising responsibility is handled by people responsible for each market, one aspect is strongly managed from the center. Last year, Hyundai was one of the main sponsors for the 2002 FIFA World Cup, held in both Korea and Japan. The unexpectedly strong performance of the South Korean team plus scenes of thousands of ecstatic fans thronging the streets gave the brand a global boost before a worldwide television audience of 1.5 billion viewers.

Next time, Hyundai also hopes soccer will again help the company score more goals. In a surprising coup, Hyundai was selected as the official automotive sponsor of the 2006 FIFA World Cup in Germany, home of Mercedes-Benz, BMW and the giant VW Group. “The World Cup as a premier global event is integral to our own strategy of being a global player,” says Rhim. ●

a new view of agency-client relationships

Johner Bildbyrå/Photonic



by

nancy s.

giges

and

david

kilburn

Procter & Gamble Japan and Beacon Communications' executives talk about their "new view" in a Q&A on page 22.

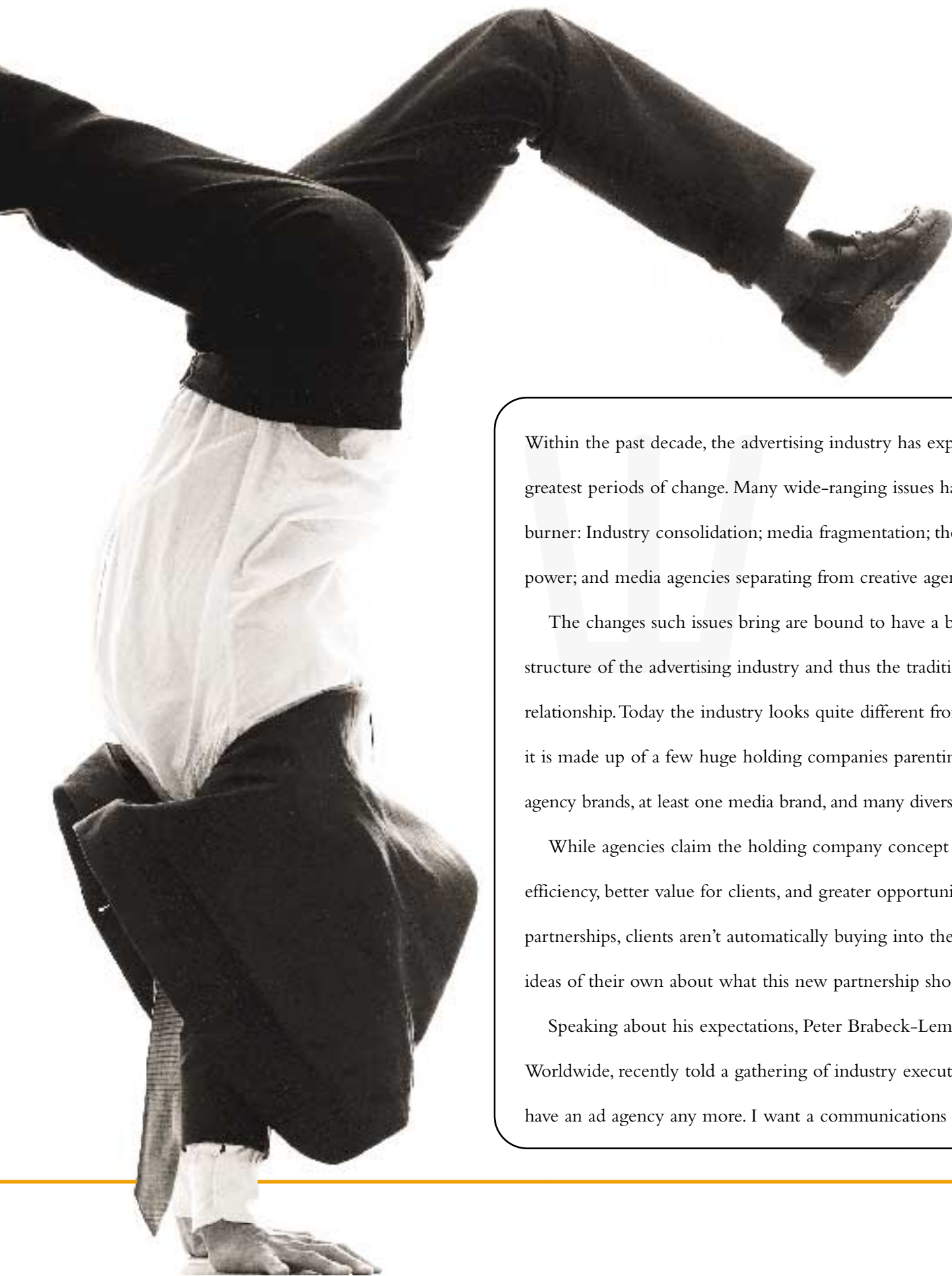
Within the past decade, the advertising industry has experienced one of its greatest periods of change. Many wide-ranging issues have been on the front burner: Industry consolidation; media fragmentation; the digital age; consumer power; and media agencies separating from creative agencies.

The changes such issues bring are bound to have a big impact on the whole structure of the advertising industry and thus the traditional agency-client relationship. Today the industry looks quite different from just a decade ago as it is made up of a few huge holding companies parenting several major creative agency brands, at least one media brand, and many diversified marketing services.

While agencies claim the holding company concept makes for more efficiency, better value for clients, and greater opportunities for full partnerships, clients aren't automatically buying into the premise without some ideas of their own about what this new partnership should offer them.

Speaking about his expectations, Peter Brabeck-Lemathe, CEO, Nestlé Worldwide, recently told a gathering of industry executives, "I do not want to have an ad agency any more. I want a communications partner."

continued on page 22...





One company whose relationship with its agencies is changing is Procter & Gamble. **Werner Geissler**, president, Procter & Gamble, Northeast Asia, and **Michelle Kristula-Green**, president, Beacon Communications, Tokyo, P&G's main agency in Japan, talked with internationalist correspondent David Kilburn about the "new view." Beacon was formed in 2000 from a three-way merger of Leo Burnett, D'Arcy, and Dentsu's P&G division. It handles everything from in-store, CRM, and the mobile Internet to traditional mass media for major brands.

redefining roles: stretching agency-client relationships

Q. How are you stretching your relationship?

A. Geissler: Over the past 18 months we have raised our expectations about what the agency should deliver, both quantitatively and qualitatively. I believe in the future the relationship will grow even further and expand well beyond the traditional role of developing mass media communication.

Q. In what areas?

A. Geissler: One area is holistic communication—a general reflection of the fact that products today are integrated into the total life of consumers instead of just offering functional benefits. Take, for example, our feminine care brand Whisper. Historically we have focused on the dryness, convenience, and "feel good" aspects of the product. However, we have learned over the last 18 months is that women look at this product category much more holistically than before. As a result we came up with the idea of "Happy Cycle," which covers not only the cycle a woman goes through each month but also the cycles she goes through over the course of her life—from growing up, to becoming a mother, raising her children, and developing her own skills.

This view requires communication tools that go well beyond TV advertising. It extends to in-store, external relations, and interaction with stakeholders such as educational institutions and gynecologists.

Retail is the other area. We see individual stores as a key medium. Depending on the category between 30% and 80% of purchase decisions are made in-store. It is absolutely critical that we win what we call "the first moment of truth" and that we find ways to influence the consumer at the point of purchase.

We expect our agencies to develop skills in both these areas.

Q. And this calls for a deeper understanding of the consumer and new ways of conducting research?

A. Geissler: Right. We must look at consumers more holistically, not compartmentalize them. We look at how they receive, consume, and perceive advertising, for example. We look at how they react to the experience of using our



product. We certainly have to learn more but we have made progress in understanding how they actually shop. What is the shopping experience? What impact does the notion of precision shopping have [quick trips to buy specific items from a particular store, rather than browsing the aisles to explore a wider range of what's on offer]? What does that mean for in-store positioning, in-store communication?

A. Kristula-Green: We are using Market Content Audit [a service of Integration (www.integration-ime.com) that helps marketers measure and analyze each and every contact between a brand and consumers]. This helps us look beyond TV and print and the traditional above-the-line activities. It looks at the different contact points that influence purchase behavior. That begins to relate to change, to how we want to communicate our brand.

Q. Any other ways?

A. Geissler: Given that 30%–80% of purchase decisions are made in-store, we need to develop tools that expand our understanding to cover consumer behavior in-store and understand the drivers that shape it.

The rich and varied content of www.happywhisper.com is a key part of Beacon's work to create emotional bonds with Whisper users in Japan.

A. Kristula-Green: That is one area where Market Content Audit has really helped us. Because we can actually find out, for example, that for a certain product in-store display is really important. For another, that [newspaper flyers] are important. Alternatively, you might discover that word-of-mouth is crucial. It really is different from category to category.

Q. How do you work together to get these wider ranging insights?

A. Geissler: We work out how we can cooperate across the entire range of communication tools. We want to make sure that whatever we do is meeting consumer needs and consistent with the brand equity we are trying to build.

We expect the agency to come up with new tools and explore new ways to deepen our consumer insight. One example is CRM (customer relationship management). This has been used in other categories like airlines, but not by us before. We have brought it into the world of cosmetics initially. We welcome initiatives like this.

Q. What do you actually do?

A. Geissler: We have identified a core of very loyal users of our facial cleanser SKII [sold in Asia]. We are building a very personal relationship with them based on CRM. With their permission, we build a database about their needs, what they have bought in the past, and so on. Every time there is an important date such as a birthday or a new product introduction, we contact them. We build a relationship.

This is certainly do-able on all our brands within a very specific target group. It really boils down to identifying the top prospects. Usually, if you look at our total brand portfolio, the most loyal users generate 80% of our profit. If you identify those people, it should be possible to do this on all brands.

Q. What are the challenges of the future in the relationship?

A. Geissler: I think we will still be facing the same challenges that we are facing today. The communication landscape splinters further and further. TV will most likely play a less important role. Twenty years ago it took three spots to reach 80% of your target group and today, in Japan, it takes over 20 to create the same awareness among the same group of people. Meanwhile, magazines are proliferating, we have i-mode [the mobile Internet service of NTT DoCoMo; about 61 million people subscribe to mobile phone Internet services in Japan, widely used by marketers], word of mouth, and in-store. I'm absolutely



Building one-to-one relationships with Vidal Sassoon users calls for everything from magazine advertising integrated with the wired and wireless Internet, all handled by Beacon.

convinced that the store as a medium will become ever more important.



Q. Do you have the media planning tools you need?

A. Geissler: Dentsu and Starcom are helping create these. We also have our own internal tools that help us identify the key drivers for building awareness and influencing consumers. We need to constantly test more new ideas and tools. When allocating money across traditional media, we have a pretty good understanding of what to do, though I don't think it will ever be a precise science.

A. Kristula-Green: We spoke about research before—a lot of that goes into media tools. On a number of brands we are now making different choices. We can much better identify at what point we are maximizing out TV, at what point we are maximizing out the print. A lot of the work on optimization has been on TV, but we are trying to go way beyond that. As we use these resources, we become able to identify more clearly what really are the key factors that influence people.

We find we are re-allocating resources to a major degree. It has become much more like contact point planning

We identify ALL the different ways a person contacts a brand—from packaging, to word-of-mouth, to tissue packs passed out on the street, etc. We need to determine how important each of those is in actually influencing the purchase and then determine the right resource allocation.

A. Geissler: Two additional aspects.

First, we have a lot of data, so the challenge is to use data mining to really understand what is behind the data, what key insights we can derive. The agency's ability to go beyond providing data to drawing conclusions and formulating strategies is important. There will be a need for more agency capabilities in this area.

The second aspect is that our new compensation system is really helping in that it does not bias the agency towards spending money through mass media. It is completely media-neutral. It starts with questions like, "What does the consumer really need in terms of information and communication and what are the best media to satisfy those needs." From an agency income point of view, these are neutral questions. The agency can choose whatever best meets the needs of the consumer. The question of what media choices might generate the most revenues for them simple does not arise. ●



Indeed, marketers are looking for more holistic approaches from their communications partners and how to better integrate the various pieces so it's not just advertising alone any more, says James D. Speros, chief marketing officer, Ernst & Young.



peter brabeck-lemathe

CEO
NESTLÉ WORLDWIDE

“Every second, 3,862 cups of Nescafé are consumed. I do not have to advertise Nescafé, in a superficial way.”

Louis Schweitzer, chairman-CEO of Renault, echoed Brabeck-Lemathe's sentiments before the same audience and said when asked a broader question about branding that his company has two strategies—enhancing Renault's brand image and developing international brands. Agencies have to be a partner in that.

Unquestionably, the “advertising” industry, now a term often loosely used to encompass a whole range of marketing services, is one of

connecting messages to the right people, and that involves much more than traditional advertising. Conversations between agency and client at working

sessions have expanded to include terms like “contact points” and “surrounding the consumer” rather than simply “television” and “magazines” and “messages.”

When the notion of globalization is brought into the discussion, the potential for changes on the horizon seems vast. Speros commented that speaking from an American perspective, “The global marketplace geometrically increases the number of issues marketers have to deal with.”

From his perspective, Miles Young, Asia/Pacific chairman of Ogilvy & Mather, has been seeing signs of change as far back as a decade ago as agencies sought to meet the desire of multinational advertisers for a single view of their account around the world. Thus the rise of the global account manager/planner.

“And it's still going on,” he says. “This has very much to do with clients' own challenges as global organizations.”

In a globalized environment, communications is one thing which does not work well in the vertical part of the matrix structures driving global organizations today. It's also the “one thing which a global CEO or marketing head can relatively easily exert global control over—but only with an external army to help,” he adds.

So agencies have re-defined the role of client service—in the crudest

miles young
ASIA/PACIFIC CHAIRMAN
OGILVY & MATHER
“Communications is one thing which a global CEO or marketing head can relatively easily exert global control over—but only with an external army to help.”

sense a kind of global police force...offering something genuinely useful: a deep understanding of how to take a global communications strategy and make it work.”

There is complete agreement from Max Gosling that “we are going through a massive change.” Gosling recently added responsibilities as Asia-Pacific regional director for McCann-Erickson in addition to being president, CEO, and representative director of McCann-Erickson Japan. “The challenge is to try to get a handle on that change, work with our clients to understand the change, and then decide what to do.”

Nestlé, for example, doesn't need traditional advertising to get awareness for its long-established brands because people already know brands like Nescafé, Brabeck-Lemathe asserts.

“Every second, 3,862 cups of Nescafé are consumed,” he says. “I do not have to advertise Nescafé, in a superficial way. We want targeted communications only in order to establish a long-lasting and deep relationship between the consumer and our brands. Our communications partner must focus on building long-term loyal relationships with consumers that are deep and emotional. We need to make the connection that if there was no Nescafé, they'd be missing something.”

And Nescafé isn't alone. Many big brands already have high penetration, high awareness, high distribution, high everything, says Gosling. Yet, people are buying less and sales

are flat because the brands are losing their relevance to consumers. “We need to work much more closely with the consumer. What kinds of products are they looking for? We need to develop new research tools that help us grasp where the consumer is going,” he says.

Rick Bendel, chief operating officer of Publicis Worldwide, is quick to agree that the task at hand is no longer building awareness: it's building relationships.

That's a much broader scope for an agency than the traditional expectation of putting its expertise solely into creating an ad campaign to run in traditional media and then perhaps bringing in a promotion agency to tie in some couponing or a contest periodically.

“It is not just a matter of spending more on advertising. Clients are stretched and stressed,” Gosling says.

He believes understanding consumers better should be at the top of companies' lists. “All too often clients have masses of market research but most of the research is



louis schweitzer

CHAIRMAN-CEO
RENAULT

“[The goals of the branding strategy are] enhancing Renault's brand image and developing international brands.”



james d. speros

CHIEF MARKETING OFFICER
ERNST & YOUNG

"What I care about are outcomes, not outputs."



useless because either it is backward-looking and used for the wrong reasons—primarily to justify what has been done rather than to ask

where the company should be going."

He adds, "It comes down to understanding that because of the multiplicity of communication channels today, what is being called the brand experience is something quite different from

branding. Understanding what is a brand experience and how do you measure that [are newly important questions for both the agency and the client]. No one has got this nailed yet."

One relationship that continues to evolve and expand is that of Procter & Gamble Japan and Beacon Communications. Not only does the agency team create all materials from a shelf talker to TV commercials, but P&G also is looking to the agency to come up

with new tools to deepen its insight into the consumer, including CRM (customer relationship management). (See Q&A about their relationship on p. 20.)

For some marketers, especially those in the business-to-business space, integration of advertising with other functions and the ability to measure its value is critical. "In my industry," says Speros, "our people are the ones who sell the product. It's not necessarily the advertising. The advertising creates a pre-disposition and some positive imagery. Ultimately all the pieces have to be integrated so that you can close the sale."

The changing role of agencies also leads to a discussion of "how does the client value the agency's resources and the thinking it brings to the relationship?" says Gosling. "What kind of people are in the agency? A lot of this is based on ideas, so there is no doubt that the agency role will stay, but the way we go about our business will change."

He is pondering what kind of structure will allow the agency to balance its resources between servicing clients today and thinking about tomorrow, while at the same time will make a decent return for shareholders.

The agency is exploring the idea of forming a group of four to six people who can think about the future direction for business and clients and how their businesses can develop. Although not a large group, these people still represent an additional overhead that has to be borne by the agency, he says, requiring more day-to-day efficiency, doing more with fewer people and using support systems even more.

The challenge, he emphasizes, is not just to discern

the trends and ideas important in the future but also to relate these to what clients can do. "The step from perception to an actionable recommendation is crucial."

Inevitably, issues of accountability and ROI (return on investment) come up in a discussion about agency-client relationships.

"Accountability is critically important and needs to be front and center in all planning processes. If you can't measure the effect of what you do and you're asking for very large budgets, eventually management is going to seriously question your judgment or seriously curtail your funding," says Speros.

He says he tells his group, "What I care about are outcomes, not outputs. If you can't demonstrate that you are improving sales volume or improving customer loyalty and retention, then you're not doing your job properly." ●



max gosling

ASIA-PACIFIC REGIONAL DIRECTOR
McCANN-ERICKSON

"It is not just a matter of spending more on advertising. Clients are stretched and stressed."

ernst & young
expects fully
integrated
approach

Integration of advertising into a holistic approach to communications is expected by Ernst & Young. Advertising is designed to create a pre-disposition and positive imagery for the sale rather than close the sale, done by E&Y people on a personal level. In airport posters, E&Y sets a tone that reflects the firm's professional integrity. The simple visual includes the line: "This is the only way we see our ethics" across a horizontal poster with the left side black and the right side white. ●



resurging differences demand respect

The world in which we live is a continuous one, a “porous” one in which there is less and less interference with the flow of people, ideas, capital, enterprise, and exchanges of all types.

The globe is a mosaic because seemingly all the pieces are combining in multiple and unprecedented ways.

Many situations illustrate the open nature of the world in which we live and the often unforeseeable consequences. In many cases, local or bilateral factors trigger effects in a chain reaction that go well beyond what one might imagine from the start.

We are really living in a world that features interactivity more than simple activity and where our actions and decisions have to be measured in that context. It seems that communications will have to play a major role in this environment.

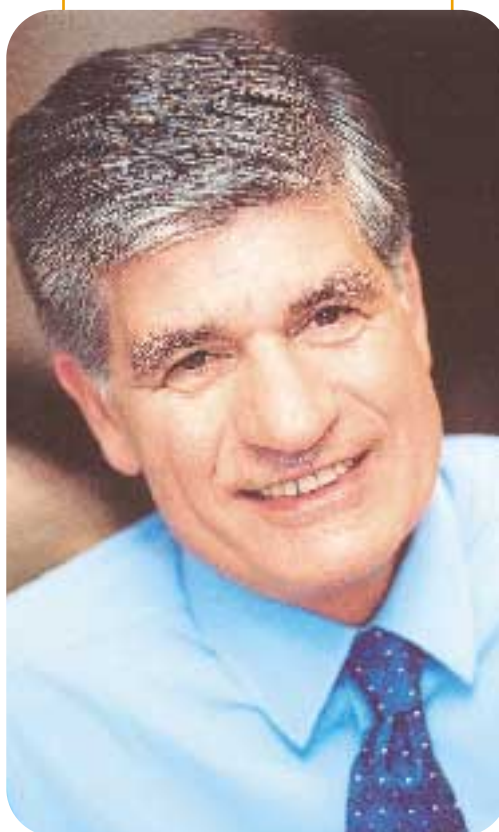
The term globalization leads people to assume that there is a growing uniformity in behavior and ideas worldwide. In fact, while ideas are moving easily in the MTV international era, the impact of those ideas is often the opposite of what we might assume at first.

The fact is that we are seeing a resurgence of differences and even a search for specific identity outside of the great mass of mainstream thinking. And if globalization is an unstoppable phenomenon, so is the need to carefully sense and manage the differences inevitably generated in reaction to it.

So, what does it mean?

First, in an increasingly global world, if you want to lead, you must demonstrate respect for those on the other side of the transaction. That is not as easy as it sounds. It means more than talk. It means listening and, especially, applying the old rule that “your freedom begins where your neighbor’s ends.”

Or, put in other terms, if you want to encourage commerce, you need to respect the commercial partner. Real power is in the hands of the one who knows how to limit its use. Brandishing power, over the long term, can lead to squandering its potential and losing a source of effectiveness and, ultimately, wealth.



Second, the very rapid evolution of our globe is generating ever greater disparities between the powerful and the less powerful. A famous French storyteller, Jean de La Fontaine, used to say, “You always need someone smaller than you.” Or, in economic terms, it comes down to understanding that markets simply won’t work if the differences simply keep getting greater.

Take the example of Europe. It includes 15 countries and will soon be 25. That represents a formidable challenge because of the real differences among the member states. Indeed, even from the beginning, when Europe was six countries, smaller countries like Belgium or Luxembourg (smaller than some states in the U.S.) had difficulties in the face of the power of Germany, the U.K., or France.

If the new Europe is to succeed, it is essential that each country be valued and recognized, so that real exchange is created—and that can only be based on respect for one another, be that relationship economic or social. We should show more respect, more consideration to small countries (as to small partners) if we want them to feel good.

Given this, communication is playing an absolutely critical role.

B Y M A U R I C E L É V Y

You may ask, “Why?”

Because communication helps understanding and because communication creates dialogue and can generate respect. Not that communication is everything, but it is essential to finding the right approach that can make such a difference in creating the contacts that are at the base of long-lasting relationships and not just one-off transactions. The difficulty is that we are all actors in a communications world—we are drowned in information and communication—where it is difficult to distinguish between what is essential and what is superfluous.

Let me show the reality of this in the context of our agency group, Publicis, with a few elements that illustrate our difference from the mainstream of advertising and communications agencies.

Publicis is a family group—yet a big one indeed, the fourth globally in the advertising and communications industry. If we have surprised the top three by getting there, perhaps it is because we: (1) carefully took the measure of our marketplace and the actors on all sides in our industry—clients as well as competitors and (2) looked at their sizes and their positioning and took steps to build the business that may have seemed isolated from the outside, but, in fact, was part of a connected path we envisioned to become a real force in the global industry.

Today, we keep the spirit of acting as a “small enterprise” by creating unique and scaled structures for maximum autonomy and motivation of 36,000 employees in 109 countries.

We are also profoundly attached to our roots which, today, are numerous and enriching

worldwide. There are, of course, our original French roots—strong and deep, the heritage of the group founded in 1926 by Marcel Bleustein-Blanchet, known as the father of modern French advertising, a visionary and innovator. But there are also the roots of all of the varied new members of the Publicis family. Among them are true icons of American advertising, such as Leo Burnett, as well as other great national advertising traditions.

We can succeed only if we receive the new members of the family with same respect, care, and love that we have for the original ones. Our aim is that everyone feels he is part of the family and that there is no “step child.”

We are not only committed to diversity; we are committed to respecting it. That is not only a matter of values and beliefs; the men and women who make up Publicis reflect the quality that is at the base of the respect we aim to win each day from our clients. By respecting those differences, we create the conditions for giving the most noble sense of human capital and encourage its fullest development.

That commitment to respect diversity within our group globally is also a necessary condition for international business to flourish in general. That is particularly important during periods of international tension and stress on traditional relationships. Finally, basically but deeply, it is a question of communication and respect. ●

*Maurice Lévy is chairman
and CEO of
Publicis Groupe S.A.*

“
We are not only
committed
to diversity;
we are
committed to
respecting
it.”
”

media
matters

cartoon crazy

BY
KATHLEEN
BARNES

Across Latin America, dusk has arrived and lights in the houses are winking on. Families have finished dinner and are settling in front of their television screens for an evening of...cartoons?

It seems hard to believe, but the numbers don't lie: Cartoons are far and away the most popular programming among cable households across-the-board at all times of the day in Latin America.

Mexico. Third and fourth place are held by traditional adult programming from TNT and Canal Fox, but the kids' programming holds 71% of the entire top end of the market.

Why? "After a two-hour nightmare in traffic on the way home from work in São Paulo, people just want to chill out and have a laugh," says Gretchen Colon, senior VP-advertising sales, promotional licensing &

marketing for Turner Networks Latin America, parent of the 10-year old Cartoon Network and the fledgling nostalgia cartoon network, Boomerang.

Cartoon Network holds the top of the mark in virtually every segment in Latin America—in all cable households, among kids 4–11, among teens 12–17 and in households with four or more people. They're neck-and-neck with Nickelodeon among Mexican kids, but they've walloped Fox Kids among Argentine kids by 192% and trounced Nickelodeon by 361%.

Colon says the success of Cartoon Network's "Powerpuff Girls," "Samurai Jack," "Johnny Bravo," "Cow and Chicken," and "Dexter's Laboratory" comes from integrated cross-media packages that include event sponsorships, stunts on-air and online, promotional licensing, and "a lot of custom-made creative on air for the bigger clients."

"More than 35% of our advertising revenues will be tied to packages that are across platform," says Colon.

Fox Kids has tapped another vein of gold by interspersing cartoons with live programming featuring an international soccer (football) competition for preteen boys and girls. Twenty countries competed in the recent world finals, which was won by Brazil. The tournament "generated enormous enthusiasm since these countries are so oriented toward the sport," says Rita Ferro, ESPN's International VP for international ad sales for Latin America. Celebrity announcers paired with kid announcers for a novel approach to sports announcing. ESPN handles advertising and promotion for Fox Kids, since they fall under the same parent company, Disney.

Cartoon Network has jumped on the soccer bandwagon with the recent launch of "Copa Toon" that featured world-renowned soccer players demonstrating how the game is played, cartoon-style.

Discovery Kids re-formatted just over a year ago, targeting kids 2-to-5 round the clock, "and I can say, with the new positioning of the channel and sales efforts we've already surpassed all of last year's revenue in the first half of 2003," says Ivan Bagueiras, Discovery Latin America & Iberia VP-advertising sales. In fact, the



Credit cards and jewelry are unusual ad fare for kids' TV, but Fox Kids has mined gold by tapping the adult audience with spots like this aired on the late night "Insomnia" cartoon oldies segments.

Turner's Cartoon Network hits the jackpot in the No. 1 spot, followed by Nickelodeon at No. 2, with Fox Kids at No. 5 and Discovery Kids at No. 6, according to IBOPE's multi-country data for 2002 that averages ratings in Argentina, Brazil, Chile, and

commitments from companies selling traditional kids' products (like Mattel and Hasbro) and companies selling household products (like Procter and Gamble and Bimbo's, a regional baked goods giant), and helped create a wide range of interstitials and vignettes inserted into programming.

Discovery also offered new cross-channel ad packages with its adult-programming channels throughout the region.

Fox and Turner also offer advertising packages including adult and kids' channels.

offer kids-targeted promotional items such as toys. "We've got banks, car manufacturers, and oil companies, which you just wouldn't normally expect to see on a kids' channel," says Turner's Colon.

Turner has turned the "pester power" of kids into a powerful tool to sell to adults, says Colon.

Capitalizing on Latin Americans' love affair with soccer, Discovery Kids and Cartoon Network have sponsored competitions supported by cross-media opportunities on the air and online.



All the major players in the Latin American kids' programming markets have discovered that non-traditional advertising works and works



For example, Turner was able to meld promotional licensing of "The Jetsons" to use the cartoon characters to sell Volkswagens in Brazil. Disco, a regional supermarket chain, has also taken promotional licenses that use cartoon characters to sell a variety of food products, and Shell Oil is running a cartoon character toy promotion with multiple gasoline purchases.

Most execs in the region would probably agree with Ferro's take on cross-media planning: "This business is not about spots and dots; we have to do everything for our advertisers to help them build their brands," and Colon's conclusion, "We have to integrate everything: on-air, on-line and on-the-ground." ●

well with this non-traditional audience.

Players on traditional adult TV jumped into time slots on the kids' channels and even

"Barney," "Sesame Street," "Elmo," "Clifford the Red Dog," and "Connie the Cow."

Bargueiras picks up the story: "We saw it as a safe haven for children and found we had picked up a corresponding audience of women ages 25-to-49, since the moms were watching with the kids. We wanted to be the first to plant our flag and corner the market among 2-to-5-year olds and their moms."

The results were immediate, says Friedman. "Our ratings went up across the board in every country. We were getting 100% increases in viewership,



200% in audience in the kids 4-to-11 category. It was a huge thing to bring to our ad sales people."

Discovery parlayed this into new and increased



Popular cartoon characters like Discovery Kids' Barney and Connie the Cow capture the imaginations of kids and parents offering cross platforms for everything from banks to food products.



network jumped all the way to No. 6 from No. 16 at the end of 2002.

Stephen Friedman, Discovery's VP-marketing & communications, says the re-formatting took advantage of the "mom-and-toddler" niche looking at pre-school kids as a prime market. "What we were seeing was that the daytime block, programming focused at young children like "Teletubbies," and "Thomas the Tank Engine," was doing really, really well in the ratings, while the ones in the

Turner Network's the Jetsons, promoting the car of the future for the entire family, are a powerful selling point for cars, a non-traditional advertiser on kids' channels.

evening, aimed at an older audience, were dropping off."

Discovery Kids put all its eggs in the youngest kids' basket and began featuring

a view from the summit

Major clients controlling media budgets totalling \$5 billion debated key issues facing the marketing industry at the U.K. chapter of the International Advertising Association's European Advertising Summit during the summer. Many issues were discussed as indicated by the comments heard during the daylong event. The program was organized by C Squared, and several sessions were chaired by C Squared Managing Director Charlie Crowe, who also gathered these quotes.



C

CHARLIE STOPFORD

VP-GLOBAL MEDIA, UNILEVER BESTFOODS

"The first barrier [to ROI thinking] is often internal. Very few people are targeted on brand building; they are targeted on short-term factors. ROI drives you to a short-term decrease, rather than a longer-term sustainable increase. Let's be brave and take risks. Let's forget about ROI for a while."

PETER STRINGHAM

GROUP GENERAL MANAGER
MARKETING, HSBC GROUP

"Brands have become more and more consistent, and now consumers seem to resent them being all the same. It appears arrogant in today's world. Hence, we are seeing more local brands. But all companies must address the global market—the question is how do you address the local market."

JASON DAWES

GLOBAL MEDIA MANAGER
ADIDAS

"In times of declining revenue and the scramble for share, the initiative in tailored cross-platform proposals from the media will win, particularly when the back-end helps to sell product."

ANDREW SIBLEY

ADVERTISING MANAGER-EMEA
CISCO SYSTEMS

"ROI—in difficult times one must produce the numbers with the 'air cover' of big ad campaigns. That's not easy. B2B is far more effective with lead generation and below-the-line expenditure."

PHILIPPE NETTRE

WORLDWIDE MEDIA DIRECTOR
RICHEMONT

"Media agencies are good at data, but they must get in the boardroom to talk to finance people, not just marketing people."

RICK BENDEL

CHIEF OPERATING OFFICER
PUBLICIS WORLDWIDE

"Creative or brand agencies have a responsibility to create connections between brands and consumers. We're not building awareness anymore; we're building relationships. Media agencies are not in that debate. There is often a gratuitous attempt by media agencies to be creative. A brand agency is the custodian and the starting point for defining what is the relationship between brand and consumer."

JOHN PERRISS

CHIEF EXECUTIVE
ZENITHOPTIMEDIA WORLDWIDE

"Advertising in the U.S. is declining as a percentage of GDP. But it is less gloomy in Europe, where adspend as a proportion of GDP is much lower, so there is room for growth. I'm gloomy about Germany. Germany is the next Japan."

ROGER PARRY

CEO
CLEAR CHANNEL INTERNATIONAL

"Global deals are illusory. More often than not, they are terms of a trade deal with very little added value. They look good in a press release but aren't really doing very much on a practical daily level."

Sudeep
G O H I L L LONDON *Bartle Bogle Hegarty, European Strategic Planner*

1995 SYDNEY *George Patterson Bates* 1999 SINGAPORE *Bartle Bogle Hegarty* 2001 LONDON *Bartle Bogle Hegarty*

1997 SYDNEY *Vertigo Communications Group* 1999 TOKYO *Bartle Bogle Hegarty*

Hernando
R U I Z - J I M É N E Z PURCHASE, NY *PepsiCo Beverages International, International Marketing Director-Flavors*

1987 NEW YORK *Spain-USA Chamber of Commerce* 1991 MADRID *Boston Consulting* 1993 MADRID *Lupa, Información de Mercado* 1995 RIO DE JANEIRO *PepsiCo Beverages Int'l* 1999 SAN JUAN *PepsiCo Beverages Int'l*

1987 MADRID *Leo Burnett Advertising* 1992 BOCA RATON, FLA *PepsiCo Beverages Int'l* 1993 SAN JUAN *PepsiCo Beverages Int'l* 1995 CARACAS *PepsiCo Beverages Int'l* 2001 PURCHASE, NY *PepsiCo Beverages Int'l*

Tom
K E A V E N Y MIAMI *Discovery Networks Latin America/Iberia, Senior VP, General Sales Manager*

1991 LONDON *Coopers & Lybrand Deloitte* 1993 LONDON *Channel 4 Television* 2000 LONDON *Discovery Communications* 2003 MIAMI *Discovery Communications*

1992 LONDON *Television & Media Marketing* 1995 LONDON *Eurosport* 2001 SINGAPORE *Discovery Communications*

Neil
D R E W I T T HONG KONG *Marsteller Integrated Communications, Managing Director-Asia/Pacific*

1980 LONDON *Wunderman* 1992 LONDON *CIA International* 2002 HONG KONG *Burson-Marsteller*

1984 LONDON *DDB Needham* 1994 SEOUL *Ogilvy & Mather Korea*

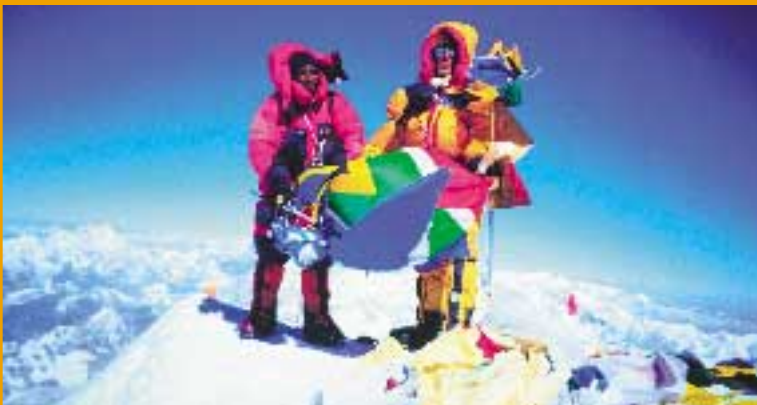
Kim B.
W A L K E R TOKYO *Carat, Chief Operating Officer, Carat Asia Pacific*

1977 MELBOURNE *George Patterson Pty.* 1985 HONG KONG *Backer Spielvogel Bates Worldwide* 1993 TOKYO *Bates Japan*

1982 SINGAPORE *Ted Bates* 1991 NEW YORK *Backer Spielvogel Bates Worldwide* 1995 TOKYO *Carat*

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

c a r e e r t r e k



ROBERT ANDERSON (right) has spent as much of his life climbing the highest peaks as he has creating advertising, both all over the world. In May, the senior VP-group creative director, Foote, Cone & Belding, New York, led an expedition up Mt. Everest that included SIBUSISU VILANE, the first black African to reach the summit. ●

David Hamilton

The view of Paul Woolmington

It's been said that the most heinous crime ever committed by our industry was the appropriation of the word "creative" to a single department. While some of the other agency functions have tried to redeem themselves, media professionals historically have only helped perpetuate the problem by focusing more on the science end of the business and less on the art.

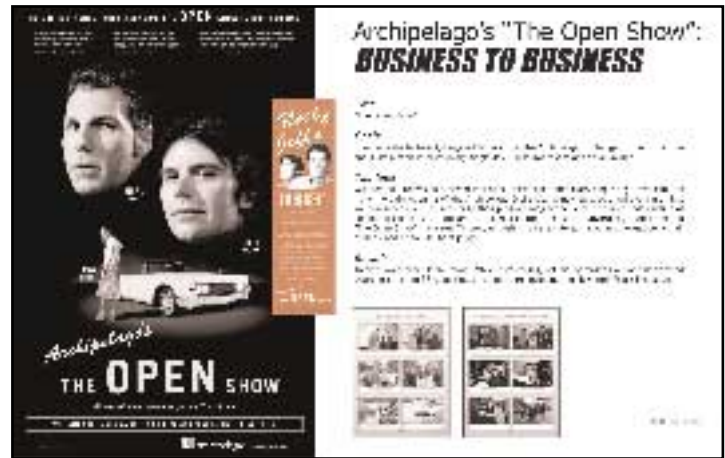
Luckily times are changing. Five years ago, we media people hijacked the world's most prestigious advertising creative awards show and turned it into a democratic and global celebration of creativity and innovation...in media.

The Media Lions at the Cannes International Advertising Festival are the most important and public recognition of the recent changes to our industry.

Beyond serving as a harbinger of the advertising creative revolution, the festival also illustrates that a good idea can come from any department, from any country, regardless of the size of one's budget. True to form, this year's winners prove the point.

The show's Grand Prix was awarded to Fallon Minneapolis for the budgeted work for client, Archipelago. Despite being outspent ten-to-one by its stock-exchange competitors such as the New York Stock Exchange and NASDAQ, Archipelago was able to increase its awareness by 30% as well as watch its order volume increase 64% from September 2002 to January 2003, thanks to Fallon's highly creative approach to media.

Rather than mimic the boring, yet highly watched,



Category
Best use of television
 Client
NZ Fire Service (fire prevention)
 Media Agency
Saatchi & Saatchi New Zealand

Category
Business-to-business
(Grand Prix Winner)
 Client
Archipelago
(electronic stock exchange)
 Media Agency
Fallon Minneapolis



Category
High net worth individuals
 Client
Lexus Europe
 Media Agency
ZenithOptimedia International U.K.

Lexus surrounded its target audience with the luxury car when the group was traveling on business or pleasure, providing people ample opportunity to feel the Lexus experience and have contact with chauffeur-driven cars.



Category
 Best use of sponsorship
 Client
 SkyperfectTV
 (satellite broadcasting station)
 Media Agency
 Dentsu Japan

Many Tokyo residents came to know SkyperfectTV when in addition to purchasing the Japanese broadcasting rights to the 2002 FIFA World Cup Korea/Japan games, the satellite station installed a giant monitor in Tokyo's largest stadium to telecast live all of the Japanese team's matches, which were held in other Japanese cities.



Category
 Best use of newspapers
 Client
 Real Café
 Media agency
 Prisma Propaganda Brazil

This campaign captured attention by making the reader think someone had read his morning paper before him because of coffee stains and drips in the news columns, which were actually part of the media plan.

formal television openings of other stock exchanges, Fallon turned traditional TV advertising on its head by convincing CNBC to give its client a 60-second spot at the precise moment the exchange opened in the morning, right in the middle of normal programming instead of a typical commercial pod. The agency furthered the idea by featuring new "episodes" in the 60-second series every day to keep the audience intrigued day after day. A commercial series. Brilliant.

Meanwhile across the globe, Saatchi New Zealand helped the New Zealand Fire Service illustrate the average time it takes a fire to turn from a simple flame into an inferno (three minutes), by scheduling six perfectly-timed executions within a typical commercial break (also three

minutes). Between other spots, New Zealanders tuned in to watch a real house fire, from ignition to destruction. This is a breathtaking example of how innovation in the media department enhanced, if not became, the creative message itself. Never has there been a time when creative and media were more separated than today, and never before has their joining been more imperative. Hats off to the Media Lions winners from every corner of the globe for breaking traditional molds and celebrating creativity in media. ●

—Paul Woolmington, chairman-CEO of Media Kitchen, New York, a longtime advocate for innovation and creativity in media, helped create the Media Lions jury and served as its first president.



Category
 Best use of outdoor
 Client
 Deutsch Telecom
 Media Agency
 Springer & Jacoby Media Germany

For two years when Brandenburg Gate was covered in canvas for restoration, Deutsche Telecom bought the space and turned it into Germany's most famous billboard. The company's T-Mobile logo made its way into millions of tourists photo albums, numerous TV news shows, and countless front pages of newspapers.

The IAA in action



VIENNA
 (from left) Rudolf Bretschneider, FESSEL;
 Walter Zingg, ORF; Herta Zink, OMD;
 Yves Guigoz, Nestlé Product Technology
 Center; Erich-Helmut Buxbaum, IAA
 Europe; Ingrid Thurnher, ORF; Gerhard
 Draxler, ORF; Rudolf Kobza, FCB Kobza;
 Jean Paul Tréguer, Senioragency.



KUALA LUMPUR
 New executive committee members:
 (from left) Borhanuddin Osman,
 AMP Radio Networks; Kenneth Wong,
 Dentsu Malaysia; Shahar Noor,
 National Panasonic; Rishya Joseph,
 Dentsu Young & Rubicam;
 T. Renganathan, Interface Advertising;
 Lee Kok Leong, Institute Advertising
 Communication Training.

GRAMADO, BRAZIL
 The IAA France participating at the World Advertising Festival of Gramado.



SAN FRANCISCO
 Nick Bell (left),
 PeopleSoft;
 Laurie Hironaka,
 The Economist.



Jan McDaniel (left)
 Hewlett-Packard;
 Tom Standich,
 The Economist.



Mark Jones (from left),
 Publicis & Hal Riney;
 Steve Weeks,
 Hewlett-Packard;
 Adam Wardlow,
 Publicis & Hal Riney.



PARIS
 Participants at the IAA France event on
 "How to Work with Americans."

Speaking at the first of a series of "Better Business Breakfasts"
 sponsored by IAA France: Allyson Stewart-Allen,
 International Marketing Partners, and Robert Passariello, Disneyland.





LONDON

Attending the IAA European Ad Summit, London, (all names from left to right):

- 1 Jasmin Kaur, Mediaedge:cia, and Jonathan Howlett, BBC.
- 2 Simon Mukerjee, International Herald Tribune, and Tim Mickelborough, UBS.
- 3 Steve Pollack, Mindshare.
- 4 Andrew Sibley, Cisco Systems.
- 5 Peter Stringham, HSBC, and Roger Parry, Clear Channel.
- 6 Charlie Stopford, Unilever's Bestfoods, and Dominic Mills, Campaign.
- 7 Charlie Crowe, C Squared, and Graham Roberts, Unisys.
- 8 John Perriss, ZenithOptimedia Worldwide
- 9 Matt Sunderland and Jonathan Davies, both CNN.
- 10 Jason Dawes, Adidas.
- 11 Liz Rakowicz, CNN, and Liz Jones, Eurosport.
- 12 Rick Bendel, Publicis Worldwide.

Having fun at Kabaret

COMING EVENTS

OCTOBER 16-19
ASSOCIATION OF NATIONAL
ADVERTISERS
ANNUAL CONFERENCE

The Masters of Marketing

PLACE: *The Ritz-Carlton,
Laguna Niguel, Dana Point, Calif.*

RESERVATIONS:

www.ana.net/annualconference;

Joanne Forbes: 1-212-455-8086;

jforbes@ana.net

PRICE: *Member \$995,*

non-member \$1,295

OCTOBER 29-30

IAA FLORIDA

8TH ANNUAL CONFERENCE

*"Looking Forward: What's Change;
What's Not"*

PLACE: *The Biltmore Hotel, Coral Gables*

RESERVATIONS:

msommassoc@aol.com

or 1-305-856-8484

PRICE: *Member \$295;*

non-member: \$395

OCTOBER 27-29

WORLD FEDERATION OF

ADVERTISERS

50TH ANNIVERSARY

CONGRESS

PLACE: *The Brussels Conrad Hotel*

RESERVATIONS: *www.wfa.be*

PRICE: *(before Sept. 15).*

Member: €1,200,

non-member: €1,400

OCTOBER 29

AMERICAN BUSINESS MEDIA

8TH ANNUAL CEBA AWARDS

PLACE: *Tribeca Grill-Loft, New York*

RESERVATIONS: *Renee Santana,*

r.santana@abmmail.com

PRICE: *\$125 per person*

NOVEMBER 10-14

AD ASIA

PLACE: *Birla Convention Center,*

Jaipur, India

RESERVATIONS: *adasia2003@vsnl.net;*

www.adasia2003.org

PRICE: *US\$1,100*



Bernadette Brennan,
IAA-NY



Entertainers

Photos: Katarzyna Kerink



mexico

Relish a relaxed pace
Life is about friends and enjoyment here

*It's the driver of the other
offending car who caresses
the damaged VW Jetta he
has just plowed into and
bemoans the beloved Jetta's
fate as it's towed away.*



Gibert DDB

The pace is slower in Mexico and life is more relaxed...sort of.

"Business in Mexico is unique, because we don't really hurry, but we do work long hours," says Raul Cardos, executive creative director of Gibert DDB in Mexico City.

"We care about people and about friends; that's at the heart of doing business here—for good and for bad," says Cardos.

It's not unusual for Cardos and colleagues to come into the office between 9 and 10, stop and chat with friends, go for a coffee, and begin work at "11:30 or so," with a break for a "two-or-three-hour lunch" at 2 p.m.—and then work through the evening, perhaps until 9, 10 or even 11 p.m.

"That's when we really get going, when the work gets done, but that's also when everyone in New York has gone home," says Cardos.

Mexico City is one of the last bastions of the business lunch, leisurely and friendly tête-a-têtes, where deals are made and broken.

"It's definitely a slower pace than most Americans or Westerners would be accustomed to," says Lou Haugh, an American marketing consultant who has worked and lived in Mexico for seven years.

Yet, Mexico is a country of paradoxes, none so apparent in Mexico City, a bustling metropolis of 22 million.

Since the metropolitan area is the trendsetter for the country, the exigencies of extreme urban life make for a razor's edge business life.

"There's very little planning," says Cardos. "A client will realize at the 11th hour that the holidays are coming

and they have not yet begun to plan promotions, campaigns, or anything. That's why we are in the office until 11 p.m."

Haugh chimes in, "Things always get done at the last minute, but they get done."

Urban life also dictates the medium. "Radio works very well since people spend so much time in their cars in traffic jams," says Cardos.

"Billboards are another effective way of reaching people," he says, recalling a highly successful billboard campaign for a department store, El Palacio de Heirros, that tapped into women's love of shopping and their desire to be sophisticated. For example, one says, "Two things a woman cannot avoid: crying and buying shoes."

Television is, of course, the No. 1 choice for ads, even though it's hard to imagine when anyone has time to watch TV. "People are not inclined to read here, so print is not really in play. We get our information and entertainment through television, and Mexicans consider advertising to be entertainment," says Cardos.

The highly effective Volkswagen Jetta advertising campaign (created by Gibert DDB) even caught the admiration of the competition. Clever ads that depict the country's love affair with this car that many equate in class and style with the Mercedes or BMW played on a fantasy life in which every car turns into a Jetta.

"They even did some things that are usually no-nos in the advertising business, and they worked extremely well," says Ignacio Montenegro, president of Montenegro Communications in Mexico City.

"Perhaps, we are a little behind the U.S. and Western Europe in our speed and productivity, but I think we make up for it in creativity," concludes Cardos.

Kathleen Barnes is a journalist and author, who has called four different continents home.



- Mexicans work at a slow, relaxed pace, which stretches hours far into the evening.
- Friends and socialization are at the heart of the culture, so those are hot buttons for reaching people and understanding the more leisurely pace.
- Long business lunches and coffee with friends are the norm.
- Agency executives say even though it's usually a cliffhanger, things do get done when left to the last minute.

Sawasdee Kah! Baby, there's no such thing as too much fun in Bangkok! For those thinking of nights you spent in the '90s lost in Pat Pong, we remind you that Prime Minister Thaksin Shinawatra is on a big social vices cleanup and now is not the time to be trolling for trouble... On the bright side, the new Thailand is all about the zen blend. Classy and sophisticated. Sassy without being scandalous, but only if you go with a sense of humor. Think Times Square, but stickier.

the big picture

Top priority: dial www.luxeguides.com, and pop an e-mail to owner Grant Thatcher for his latest guide to Bangkok. He and his posse spend WAY too much time in Bangkok and know all the shopping, sales, hot spots and private parties, so think of them as your local connection.

"you shouldn't carry that, oh fine then" [towel, newspaper, slippers]

Regardless of what Grant says, park at the Sukhothai, probably Hub Culture's favorite hotel in the world. There is the Regent, resplendent with the mural lobby, or the Peninsula on the Chao Praya river. Actually, the Peninsula is amazing, especially the pool, the gardens and those mango margaritas! Yum.

But it has to be the Sukhothai, complete with lemongrass scented towels down by the super chic pool. Just stuff yourself into a bathrobe and slurp a cool bowl of vanilla sago. In how many other places can you text the Seoul office 3Q numbers while you get a sun tan next to Kate Moss? If you can't afford it, stay at the Peninsula, but definitely go for Sunday brunch at the Sukhothai.

If you are doing a private event, such as signing some big deal with the CEO of Unilever, take over the top floor suite of the Peninsula. There is a private roof terrace with Jacuzzi big enough for cocktails, plus a nice

view of the city, especially in the evening. The Peninsula car service is not dependent on a hotel booking, if you are willing to pay, and it's well worth it. The Oriental is also cool and has the best spa, but lacks pool scene.

yo, some yam som-o?

The best thing about Bangkok is the food, rich in flavors, textures, spices and variety. The hotels offer delicious food—but Baan Khanitha restaurant stands out. Housed in the former Egyptian embassy, Baan Khanitha offers great, relaxed service in a nice garden or indoor setting. It's an in place without being an IN place. Try the deep fried chicken in pandanus leaf and the pomelo salad (Yam Som-o).

Baan Khanitha
49 Soi Ruamrudee 2
Ploenchit Road
Tel: 66 2 253 4638-9;
Fax 66 1 153 4634

After dinner, say to your local hosts, "Let's go to Bed!" Lucky for you, Bed is close to Baan Khanitha, and features a designer lounge complete with wall-mounted beds, low divans and other stuff that is so cool. Bed just oozes a surreal ambience that is in short supply across the rest of the city. Don't miss it.
Bed Supper Club
26 Sukhumvit Soi 11
Tel: 66 2 651 3537
www.bedsupperclub.com

the next afternoon

Bangkok begs to be shopped in, and the new Skytrain will whisk you between hourly appointments with little difficulty. Even though it's public, the Skytrain is the only way to travel around the central city during busy rush hours.

small soi near the Mahboonkrong Shopping Center, the house is open Monday through Saturday.

Thai home design is still booming and still a winner. One of the best is Cocoon, founded by architect Eakrit Pradistsuwana, which does sexy home accessories, bowls and stuff. Cocoon is insider hot and available only in several department stores, including the new Gaysorn Plaza.

If you want to pay half as much and don't mind cages of snakes and chickens underfoot, check out the design sections in Chatuchak market. The best stuff is to the left when you



Over 28 acres of anything you can imagine are on sale at Chatuchak, from Hmong carpets to Thai earthenware to \$1 children's t-shirts made in Pakistan.

got godkids?

Then Hub Culture recommends stuffed silk elephants and bears from Jim Thompson. The famous New York City architect lived in Thailand for many years, kick-starting one of Thailand's best known silk export brands of the same name. There are various Jim Thompson shops around the city, but for the full experience, check out Jim Thompson house—a museum that offers an understanding of his work building the Thai silk industry and his treatment and relationship with the workers. Located on a

enter from the Skytrain near the middle left or to the immediate right past the fried bug stands. It's amazing. It's wonderful! Wear tennis shoes. Take water. Grant has the world's only map to all the good stuff—and you'll need it if you're in a hurry, but a wander is simply one of life's great experiences.

Don't worry, you can always shower at the Sukhothai afterward. Kap khun kah! See you next time. ●

www.hubculture.com is in the know on the places where members of the global society stay, eat, shop, and play.