

# inter national ist

inside issue **12**

Burnett's  
J. Woodward  
On Brands In  
The Age Of  
Disloyalty

# INTERNATIONALISTS OF THE YEAR

THE PEOPLE BEHIND THE MOST OUTSTANDING MULTINATIONAL MARKETING ACHIEVEMENTS

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FOR ADVERTISING, MARKETING + MEDIA PROFESSIONALS

late fall 2004

INTERNATIONALISTS OF THE YEAR

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The people behind  
the most outstanding  
marketing achievements

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Leo Burnett's JOHN WOODWARD  
advises how to survive in the "age of disloyalty"

issue 12

cover photo: tommy flynn/Photonica

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An in-depth look at luxury goods advertising

Japan's elite women's series continues

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Media Money: Where Is It Going?

Navigating the Multi-Local/Global Maze

Trends: Defining Today's International Marketplace

The Next Global Brand Contenders

Re-engineering the Advertising Business Model

Editorial submissions are encouraged.

Submissions may be edited for length and style.

Send your story suggestions and ideas including photos and calendar items to  
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CELEBRATING INDIVIDUALS  
WHO CAN NAVIGATE COMPLEX  
MULTINATIONAL WATERS

Our first “internationalists of the year” feature is very significant for this magazine. That’s because our name, *inter national ist*, not only underscores the cross-border nature of our business, it also celebrates the individual at the heart of any multinational endeavor. We are all bound together because we are mainly internationalists by nature. Peter Stringham, honored this year, is a Canadian living in London running marketing for HSBC—originally Hong Kong-Shanghai Bank Corp. Just as the director of marketing and corporate communications for the Dubai Department of Civil Aviation is an Iranian, who has adopted the Emirates as her home. Such fluid global lifestyles are the rule in our business.

Two years ago when this magazine was launched we anticipated that for *inter national ist* to be embraced by this industry, it would need to give voice to the accomplishments of the people who move it forward. In the international arena, the people who champion the brands are equally as important as the strategy behind the brands.

So often it is the power of the personality and the power of conviction that create the impetus for brands to cross borders effectively. Certainly, to insure multinational success today much is required—research, cultural dexterity, anticipation of consumer needs, legal understanding, and of course, relevant products.

However, it also takes an international advocate—that rare individual who can navigate the global-local complexities, inspire teams around the world, and never lose sight of the marketing ideal no matter what the geography.

*inter national ist* is dedicated to the international business champion in all of us, so celebrating the best certainly keeps us all aspiring to aim higher. Congratulations and thank you to all internationalists of 2004.



**deborah malone**  
PUBLISHER

INTERNATIONALISTS DEPENDENT  
ON THE EXPERTISE OF  
COLLEAGUES IN RELATED FIELDS

The highlight of this issue is clearly the honored internationalists who are at the core of this magazine’s reason for being. While this group is comprised of individuals who come from the client side, we recognize they represent only one of several components that form the community of international communications experts. Without others—the creative agency and media specialists, the media themselves, research, and the like, there would be no industry. In the future, *inter national ist* will recognize outstanding contributions of individuals specializing in these other supportive and important aspects of the business and showcase the roles they play in the success of brands.

From the start, we have welcomed their input in our editorial content. They bring a wealth of information and value to the body of knowledge in the field. In this issue, for example, John Woodward, regional planning director at Leo Burnett Asia Pacific, brings new thinking to how brands can survive in the “age of disloyalty,” and Nigel Jacklin, managing director of Objective Research, reports on a just completed new type of survey that investigates the relationship consumers of international print and TV have with the national and international media they consume. In another story about the state of pan-Asian television today, we hear from experts from various media companies about how multichannel television has grown into a well-organized and desirable medium.

Without these experts, client internationalists would be hard-pressed to deliver outstanding results. And the biggest winners know that those who create the strongest partnerships with such experts end up with the strongest results. We hope the information we offer in each issue in some way helps bring together some of the best thinking to move the industry forward.



**nancy s. giges**  
EDITOR

## changing habits

Positioning the Visa card as an everyday alternative to cash

In Central and Eastern Europe, the Middle East, and Africa, Visa's biggest competitor is cold hard cash.

As in many markets, existing habits concerning the use of money are ingrained and personal. So how to change them?

Research by Visa's agency Grey Global Group found similarities in consumers throughout the region.

"When spending money on

others, most consumers will look to get some form of benefit for themselves," says Richard Bagnall-Smith, exec VP of Grey Global Group EMEA.

Advertising, created by Grey London, with executions by Grey agencies in London, Dubai, Moscow, Bucharest, and Johannesburg took advantage of this to create a single campaign that could

resonate throughout the regions. TV, print, poster, and radio executions were planned and bought by MediaEdge.

The creative centers on the idea that having a Visa card allows the user to think and act laterally in everyday situations, so that they get what they want out of life, while serving the needs of someone else.

In one spot, a father is

trying to watch football while his son jumps noisily around the room shooting the furniture with his fingers.

The father glances out of the window and sees his wife laboriously watering the garden.

In the final scene, viewers see the happy couple sitting together in peace and quiet; meanwhile, outside the son is merrily watering the plants with a huge water cannon. •



*The message in all three spots is that Visa enables one to act on everyday inspirations and opportunities.*

Japanese men overwhelmingly are looking forward to retirement after many years of work but less than half of their wives share that view.

In fact, some 40% of baby boomer wives are depressed by the thought of it, according to a survey by Hakuhold's Elder Business Development Division.

The survey also found big differences in the ideal lifestyles they perceive. Husbands would like to break away from the business world, put their interests first, and take it easy, while wives wanted their husbands to stay connected with the business world, put outside social relationships first, and be active. Husbands wanted to enjoy things as a couple while wives wanted more help with the housework.

Asked what they would enjoy after retirement, computers/the Internet (68%), sports (43%), and photography (36%) were the top three named by men for doing alone while women chose lessons (59%), shopping (53%), and domestic travel (47%).

Domestic travel and international travel came out on top for both genders as their choices to do as a couple.

According to the Japanese Ministry of Public Management, some 20% of the country's citizens, or 25 million people, are 65 years of age and older. This percentage is higher than most other major industrialized countries: 12% in the U.S., 16% in Britain and France, and 19% in Italy. In another 10 years, the percentage is expected to exceed 25%. •

**disparate views of retirement among japanese husbands and wives; agreement, however, in things they like to do as a couple**



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LOCAL CURRENCY  
UNLESS OTHERWISE STATED

DECEMBER 16–19  
2 C ASSOCIÉS' MÉRIBEL  
ADVERTISING FILM FESTIVAL 2004  
PLACE: Méribel ski resort, France  
RESERVATIONS: Emmanuelle Le Godec  
33-1-47-72-37-02,  
www.festivaldufilm.pub.com  
PRICE: NA

JANUARY 17–18  
THE FIRST MIDDLE EAST  
PUBLISHING CONFERENCE  
PLACE: Knowledge Village,  
Dubai Media City  
RESERVATIONS: www.mepcuae.com  
PRICE: \$1,000

JANUARY 20–21  
CREATIVITY WITH CONSUMERS/  
CUSTOMERS/EXPERTS  
SYNECTICS CREATIVITY WORKSHOP  
PLACE: 10 Wyndham Place, London  
RESERVATIONS:  
rneill@synecticsworld.com;  
44-207-616-9797  
PRICE: £1,450 plus VAT

JANUARY 26–27  
ASSOCIATION OF NATIONAL  
ADVERTISERS' FIRST ANNUAL  
LEGAL AND BUSINESS  
AFFAIRS CONFERENCE  
PLACE: Marriott East Side Hotel, New York  
RESERVATIONS: Joanne Forbes  
1-212-455-8086; jforbes@ana.net  
PRICE: Member \$895;  
non-member \$1,095

MARCH 17–18  
FIPP AD SALES WORKSHOP  
INTERNATIONAL FEDERATION  
OF THE PERIODICAL PRESS  
AND POLISH CHAMBER OF  
PRESS PUBLISHERS  
PLACE: Kyriad Prestige Hotel, Warsaw  
RESERVATIONS: Rachel Adams  
rachel@fipp.com; 44-(0)20-7404-4169  
PRICE: FIPP member €450;  
non-member €490 non member.

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## regulations...

- Starting Jan. 1, a code for advertising to children on television will go into effect in IRELAND. Rules specify the way commercials can portray products and services. For example, it states they should avoid presenting products, either through special effects or imaginative scenes, in a way that could lead young children to believe that the product has capabilities or characteristics that it does not actually have. The code also states that food and drink advertising for children shall not portray or refer to sports stars or celebrities unless the advertising is part of an educational or public health campaign. Some food categories—fast food and confectionery products, for example—must contain warnings. And the use of children in advertising is also restricted.
- The European Association of Communications Agencies reports that a recent study by the research company Globescan indicates that most EUROPEANS do not favor government bans on food advertising. Rather, those polled thought that government should take positive measures, such as health information campaigns to combat obesity and promote health.
- According to “Adlaw by Request,” alcohol advertising standards in Europe appear to be a moving target. Recently, the FRENCH government moved a step closer to relaxing the country’s severe restrictions on the advertising and promotion of all alcoholic drinks in France, the online newsletter reports. Meanwhile, the GERMAN advertising association ZAW has issued self-regulatory standards effective Jan.1 banning alcohol advertising showing young people, professional sportsmen, health professionals, and drivers drinking alcohol. All of this suggests that it remains to be seen whether the European Union will adopt uniform standards. ●

## first global measurement standards

Industry agreement on standards for counting online ad impressions is the first widespread adoption of global measurement guidelines for any ad medium.

The agreement among industry organizations around the world on definitions and standards for global online ad impression measurement comes after extensive research and testing of variables for ad impression measurement.

Other media vehicles use different measurement

techniques in different countries and regions. The guidelines are supported by almost all major online publishers and most major online advertising server technologies worldwide.

The guidelines, intended to speed up ad spending on the Internet by simplifying the buying and selling process, offer a detailed definition for counting an ad impression. The detail is considered critical in establishing consistent and accurate online

advertising measurements.

“In a climate where advertisers are calling for greater accountability across all media, this initiative is a welcome step forward,” said Stephan Loerke, managing director, World Federation of Advertisers, which has endorsed the guidelines. “It makes online advertising a more attractive prospect for advertisers worldwide.”

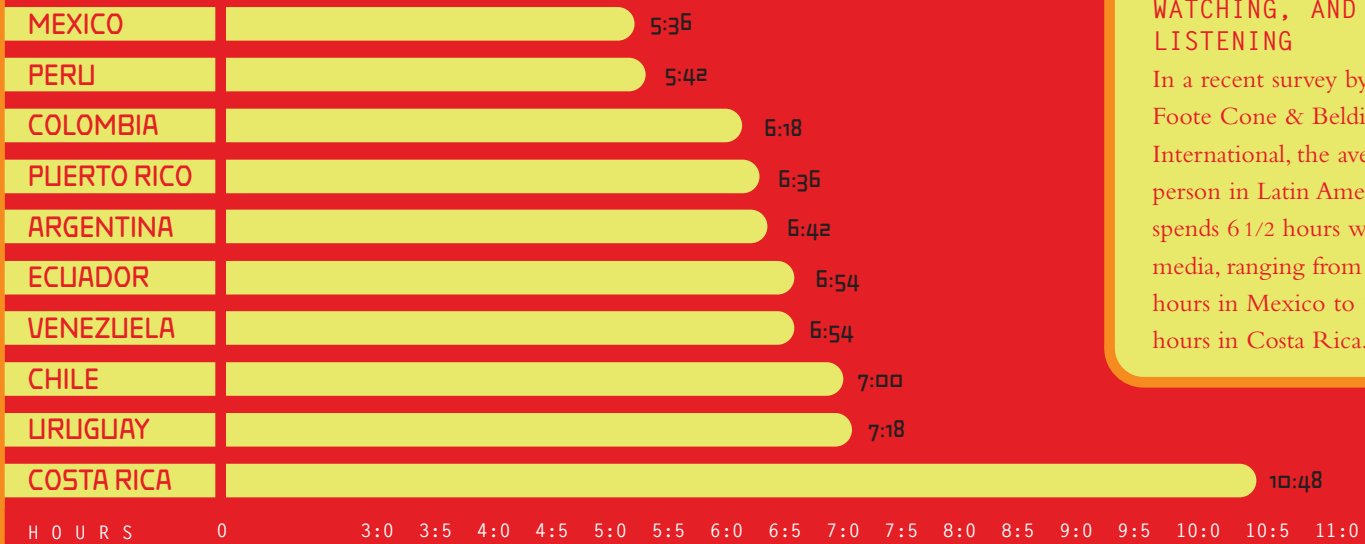
A copy of the guidelines is available at [www.iab.net/standards/measurement.asp](http://www.iab.net/standards/measurement.asp). ●

## wrapping across europe

Hewlett-Packard bought cover wraps in Metro International newspapers for seven countries reaching five million 18-to-35-year-olds to advertise its printing technology. The ads ran on the same day in Denmark, Finland, Greece, Hungary, the Netherlands, Poland, and Sweden. Planning and buying was done by ZenithOptimedia and creative was implemented locally by Publicis. ●



## latin american media habits



### HOW MUCH TIME IS SPENT READING, WATCHING, AND LISTENING

In a recent survey by Foote Cone & Belding International, the average person in Latin America spends 6 1/2 hours with media, ranging from 5 1/2 hours in Mexico to 11 hours in Costa Rica. ●

Source: Foote, Cone & Belding International

## record-setting outdoor image

Emirates Airline celebrated the launch of its direct service from Dubai to New York by erecting a 394-foot image of the Statue of Liberty as a window graphic on a 55-floor building in downtown Dubai. The graphic used 354 quarts of ink to print, took 3,000 man-hours to install, and could be seen from a mile away. ●



## snapshots

FROM ZENITHOPTIMEDIA'S GLOBAL AD FORECAST

- Worldwide advertiser confidence holds despite oil and consumer uncertainties
- Europe ad expenditure remains on course to grow faster than the U.S. in 2005
- Particular strength in emerging markets of Asia, Middle East, Russia, and Turkey ●

## magazines growing again

Growth has returned to mature magazine markets, according to data and commentary in this year's "FIPP/ZenithOptimedia World Magazine Trends 2004/2005." The publication says that in some countries, including Russia, Thailand, and Argentina, magazines are experiencing dramatic growth in adspend following precipitous declines in prior years. North American magazines are now well into their second year of relatively strong recovery. In Asia-Pacific some key regions saw solid advertising growth, including China and India. However, developed markets like Japan, Taiwan, and Hong Kong are experiencing little or no growth. More information is available from [www.fipp.com/publications](http://www.fipp.com/publications). ●

## key media account moves in 2004 in asia-pacific

REGION	CLIENT	WINNER	BUDGET MILLIONS OF US\$
AUSTRALIA	News Corp.	Starcom Optimedia	40
	Fairfax	Initiative	15
	Beiersdorf	OMD	10
CHINA	Danone	Starcom	50
	Ping An Insurance	ZenithOptimedia	10
	Diageo (Johnnie Walker)	MindShare	3.5
HONG KONG	SmarTone Telecom	ZenithOptimedia	10
INDIA	Airtel (Bharti Telecoms)	Madison Media, Carat	20
	Hero Honda	Maxus	20
	LG Electronics	GroupM/Team LG	20
	TATA Indicom	Lodestar Media	15
	TATA Motor	Maxus Lodestar	12
INDONESIA	Hyundai India Telecom	MPG	5
	Unilever	Initiative	60
KOREA	McDonald's	Initiative	5
	Vodafone (planning only)	MindShare	N.A.
JAPAN	Unilever	Initiative	17
TAIWAN	KAO	OMD	25
	Taiwan Telecom Group (TTG)	ZenithOptimedia	20
THAILAND	DTAC	OMD	20

Source: REOMA (www.reoma.com)



inter  
national  
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# INTERNATIONAL

A CELEBRATION OF INDIVIDUALS BEHIND THE MOST OUTSTANDING MULTINATIONAL MARKETING ACHIEVEMENTS

# 2000

# FOR

ExxonMobil	STEWART E. McHIE	14
Motorola	RACHELLE BERGES	14
Adidas-Salomon	ERICH STAMMINGER	14
Apple	STEVE JOBS	16
Samsung Electronics (formerly)	ERIC B. KIM	16
Hewlett-Packard Co.	ALLISON JOHNSON	16
Department of Civil Aviation, Government of Dubai	ANITA MEHRA HOMAYOUN	17
Procter & Gamble	JAMES B. STENGEL	17
Sony Ericsson Mobile Communications	DEE DUTTA	17
Haier Group	ZHANG RUIMIN	17
HSBC	PETER STRINGHAM	18
Malaysia Airlines	YAZID BIN MOHAMED	18
McDonald's	LARRY LIGHT	18

*WITH THE RISE of the global vs. local issue that has been looming large for more than a decade comes the need for a new kind of marketing and advertising person, someone who can sort through all the pros and cons of international efficiencies vs. national effectiveness.*

*The buzz words and phrases are simple. The practice, in fact, is complex.*

*Creating marketing programs that are effective and efficient in many countries appealing to many cultures is not a classroom exercise. The one-size, one-sound solution made possible by global broadcast and print is not necessarily the best one. What's the right balance for getting a message across? How much central control should there be to maintain a brand's image? What kind of structure serves the company best? How should issues like ROI, measurability, and accountability be dealt with?*

*There are no rules, and the solutions vary by industry and even by company. These are new challenges facing the marketing community today, creating the need for internationalists, individuals who are learning as they pioneer new territory. Some are very visible; some are unsung heroes.*

*In this first annual recognition, inter national ist salutes and celebrates these individuals breaking the mold with communications for their brands, making them stand out from the crowd.*

selected by the staff of inter national ist

stewart e. mchie



The task of bringing together the highly decentralized marketing and advertising efforts of two huge oil companies when they merged must have seemed overwhelming. But Stewart McHie, global brand manager of ExxonMobil Fuels Marketing Co., has put together a structure that can be considered a model for global marketing companies. Responsible for strategic development for brand positioning, consumer research, communications, communications planning, and marketing program execution, he oversees a vast territory covering 114 countries where the Esso, Mobil, and Exxon retail brands operate. When early research indicated that the desires of consumers "on the move" were similar everywhere, the company wanted the same basic positioning for its products and facilities, everything from fuels to products within the store to the touchless payment system to clean restrooms. Partnering with DDB Worldwide, McHie developed a centralized worldwide communications platform and detailed tool kit that allowed for many local adaptations. The result is a program that comes at significant savings over the total spending previously...and without compromising effectiveness. In fact, many countries now have access to a level of professional communications their small budgets would never have allowed. ●

EXXONMOBIL

U.S.

rachelle berges

Rachelle Berges, global media director for the division of Motorola that sells mobile phones, believes in being close to the action, and some say her base in such a high growth region has helped her stay involved while not losing sight of the big business picture.

Berges is responsible for about 80% of the company's total marketing spending. In just two years, she has overseen the realignment of Motorola's media agency relationships, the negotiation and management of the company's high profile sponsorship and media deal with MTV, the implementation of Six Sigma style compliance and performance measures, and the implementation of high energy media training programs globally.

While recognizing the effectiveness of a strong operating structure, her real passion is the ongoing quest for new standards of excellence and creativity in Motorola's media. Agencies don't even mind her hands-on style when she helps the team wrestle with media challenges.

Berges entered the media business in Sydney working on international accounts such as IBM and American Express. Her career has included stints in Japan at Ogilvy & Mather and MindShare as well as MindShare in Hong Kong. ●

MOTOROLA

HONG KONG



erich stamminger

In the same spirit as world-class athletes pushing themselves to the limit, Erich Stamminger went the distance taking on running one of the world's most competitive markets at the same time as overseeing global marketing.

Adidas-Salomon was losing ground in the sporting goods battle with Nike and others. But in a matter of months, he has turned the tide.

Under his guidance, Adidas began 2004 with creative, themed "impossible is nothing," a statement that reflects the desire of world-class athletes to surpass limits and break new ground.

Created by 180/TBWA, the campaign features more than 20 great athletes associated with Adidas in the past and present—among them boxing legend Muhammad Ali and his daughter Laila Ali, long-distance runner Haile Gebrselassie, soccer icon David Beckham, and NBA star Tracy McGrady.

In introducing the campaign, Stamminger, who also serves as a member of Adidas' executive board, said the tagline captures the essence of Adidas as a brand and clearly and emotionally communicates the company's passion for sport. What's clear is how well this advertising connects with people regardless of where they call home. ●



ADIDAS - SALOMON

GERMANY

## s t e v e j o b s



B

Brands generally need champions to thrive, and there are times when the best international brand champion is at the very top of the organization. Steve Jobs, Apple's CEO, personifies that role as chief global brand advocate, most recently through the sweeping power of the iPod. From painstaking involvement on all product details, Jobs has shepherded the iPod from global brand to global phenomenon—in large measure due to a distinctive marketing message that immediately extols the virtues of the product, while celebrating the individuality of musical choice in a new mp-3 world.

iPod ads run in more than 30 countries, and they offer the same message and exact same brand personality to a generation united around the world by similarity through music rather than separated by geographic differences. Jobs has also accomplished something of great significance on the world marketing stage at a time when there is some disdain for certain things American. According to Paul Bainsfair, president of Apple's agency TBWA/Europe, "When someone in Frankfurt or Paris buys an Apple Mac or an iPod, they are buying into that West Coast, American, entrepreneurial, hip thing that is Apple."

Not only has Jobs again revolutionized Apple; he is also making one aspect of the American lifestyle appealing again to at least one demographic group everywhere. ●

Moshé Brakha - Courtesy of Apple

APPLE

U.S.

## e r i c b . k i m

In five years at Samsung Electronics Co. as executive VP-head of global marketing, Eric Kim unified product development, marketing, and advertising into a cohesive branding strategy that linked the firm's impressive technologies with consumer needs and aspirations around the world. The company's marketing budget tripled to around US\$3 billion.

Kim's strategies helped Samsung become one of the world's fastest-growing brands and a leader in many categories. However, before the final piece of Samsung's re-vamp was complete—the appointment of a single worldwide agency group to oversee its global \$600 million annual advertising budget outside Korea, Kim resigned to join Intel as a corporate VP. (Samsung subsequently moved the account to WPP Group agencies.) At Intel, Kim is responsible for marketing operations worldwide.

Though born in Korea, Kim lived in the U.S. since childhood. Even so, he returned with enough language and cultural proficiency to introduce a new culture of marketing into one of South Korea's largest companies. Kim's prowess owes much to his grasp of both marketing and cutting edge technology. Prior to joining Samsung in 1999, he worked as chief technology officer of Dun & Bradstreet Corp. and as general manager for database products at Lotus Development Corp. ●

SAMSUNG ELECTRONICS (formerly)

SOUTH KOREA

INTERNATIONALISTS OF THE YEAR



A

After making her mark as part of the team that helped bring together Hewlett-Packard and Compaq in the largest IT merger in the world—a feat that some naysayers thought impossible—Allison Johnson, senior VP of corporate marketing, Hewlett-Packard, isn't standing still. She has followed that up with a major multinational brand campaign that clearly shows HP is more than just a pc and printer company. The campaign has not only enabled HP to reposition itself, it also reflects Johnson's vision and personal drive.

Her aim is to demystify technology to demonstrate how corporations and consumers can reinvent their businesses and lives with a company that makes technology simple, affordable, and enjoyable. She has taken a bold approach to making HP very global yet very local and highly visible, integrating consumer, business, and enterprise campaigns. In the U.S., print advertising has racked up some of the highest ever advertiser recognition scores for any advertiser or any category.

And in Japan, the campaign is standing out because it uses 60-second spots in a country where most commercials are 15-seconds and 60s are rare. A big advocate of co-branding, Johnson has led HP into joint consumer marketing initiatives with movie studios and companies associated with music. ●

## a l l i s o n j o h n s o n



HEWLETT-PACKARD CO.

U.S.

# a n i t a m e h r a h o m a y o u n

DEPARTMENT OF CIVIL AVIATION,

GOVERNMENT OF DUBAI

U.A.E.

Anita Mehra Homayoun is under no illusions about the challenges she faces as director of marketing & corporate communications for the Dubai Department of Civil Aviation.

But despite being in the midst of a troubled region, passenger numbers and cargo movements are rising. The airport has more than 100 airlines connecting to destinations all around the globe. Although her responsibilities are for marketing the airport itself, the marketing exec collaborates with counterparts at the country's tourism and commerce organizations to make her US\$2-6 million budget go further.

Although considered significant marketing spending for Dubai, the figure is small considering her target market is the world. She is finding efficient ways to make her money go farther by attracting attention in international media, both television and print. Among efforts have been noteworthy campaigns on CNBC and CNN and in publications, including Business Week, Newsweek, and Time.

She is proud to be contributing to Dubai 2010 Vision that is aiming to increase total visitor nights up from 4.7 million in 2002 to 15 million by 2010. She started her career in her native Iran, then worked in the U.S. before moving to Dubai. ●



# j a m e s b . s t e n g e l

It's no surprise when the global marketing officer of one of the world's biggest-spending advertisers breaks new ground. But there were quite a few raised eyebrows when James B. Stengel led a group of Procter & Gamble executives to the world's most prestigious international advertising creative festival in Cannes in 2003.

That was just the beginning. Since then Stengel has taken an industry leadership role in encouraging more collaboration between agencies and advertisers, in urging the industry to embrace rather than fight new technologies, and in calling for new forms of measurement in the new media environment.

In this spirit, he had an even larger entourage at Cannes this year including P&G's chief executive A.G. Lafley.

Stengel is not one to mince words. In a speech earlier this year, he graded the industry a C- on the progress made in preparing for changes in the past decade and capitalizing them. "Bottom-line, we have to work to do," he said.

His outlook: "We are an industry that has historically been at the forefront of defining new media environments in ways that benefit consumers and move our entire business model forward. We must ensure that while we are moving quickly, we are also moving smartly. .... The bottom line is that we are still too dependent on marketing tactics that are not "in touch" with today's consumer." ●

PROCTER & GAMBLE

U.S.

Mark Bowen

# d e e d u t t a

As corporate VP-head of global marketing for Sony Ericsson Mobile Communications, Dee Dutta has been integral in positioning the organization that sprang full-blown just three ago into one of the top five players in the huge and growing mobile phone business. Sony Ericsson came into being as a joint venture between two leaders in their fields—Ericsson in telecommunications and Sony Corp. in consumer electronics.

Dutta can most often be found on an airplane traveling the world on a mission to convert those on the ground to the concept of global.

In some ways, it's an easy sell because Sony Ericsson has been created as a global brand from the start while major competitors, Nokia and Motorola, for example, are clearly Scandinavian and American, respectively.

And the rapid trend toward convergence of telecommunications and consumer electronics—in this instance, mobile phones and cameras—certainly plays to their combined strengths, but there is no denying that Dutta has faced challenges. The company's desire to increase market share has been balanced by its profitability goals, demanding that marketing money work hard. But Dutta's energy and passion make up for any lack of marketing funding. According to the latest Gartner figures, Sony Ericsson ended the second quarter at 6.6%, over a full share point ahead of the same period a year earlier and threatening to take over the No. 4 slot from Siemens. ●

SONY ERICSSON

MOBILE COMMUNICATIONS

U.K.



# 2004

# z h a n g r u i m i n



Chinese manufacturers have been long satisfied with manufacturing and supplying goods to Western marketers to sell under their own brands, but not Zhang Ruimin, chairman-CEO of Haier Group. Since joining the Qingdao Refrigerator General Factory in 1984, Zhang has transformed the small, local refrigerator manufacturer into a global marketer of branded home appliances.

The driving force behind the globalization, including a marketing strategy that has combined western-style advertising and agencies with Chinese philosophy, Zhang has stated his intentions to put Haier on par with other leading global brands. Although trained as an engineer, Zhang thinks like a marketer.

When he speaks of Haier's success, he mentions the importance of listening to the consumer and developing products that meet unfulfilled needs, which Haier often does country by country, such as small appliances for Japan, a detergent-less washer for India, and wine coolers for the U.S.

Zhang's Marketing 101 approach has made Haier one of the top five marketers of white goods, sold in 160 countries and bringing in close to \$10 billion in revenues.

His ambitious goal includes \$1 billion in sales from the U.S. in the coming year. His work has not gone unnoticed by the international business community, and his achievements in global market development have been recognized by some of the world's leading business publications. ●

HAIER GROUP

CHINA

peter stringham



HSBC

U.K.

**A** As a former agency man, Peter Stringham, group general manager and head of marketing for HSBC, knows the challenges agency holding groups face in coordinating all the operating companies in their networks. But Stringham believes despite such challenges a global network makes sense for a multinational marketer, and when HSBC decided to make a change in its agency partners, he asked for some pitches from holding companies, not individual agencies. In awarding the whole \$600 million account for all above and below-the-line businesses to WPP Group, Stringham is breaking new ground and leading the way for other global marketers. WPP is servicing the account with the combined resources of eight agencies including J.Walter Thompson as the lead agency, Group M for media buying; rmg:connect and 141 Worldwide for direct marketing; and Landor for branding and corporate identity. In announcing the consolidation that eliminated 200 agencies in 40 markets, Stringham, said: "HSBC is keen to integrate its marketing more effectively, apply brand and communications strategies consistently, and to maximize synergies and cost-effectiveness." Stringham has also said that HSBC wants to keep its slogan, "The world's local bank" to emphasize the bank's breadth plus depth of local markets that has come from its being built by many acquisitions in many markets. ●



yazid bin mohamed

MALAYSIA AIRLINES

MALAYSIA



**M** Malaysia Airlines might not be the first Asian carrier people associate with quality service and brand recognition. But Yazid bin Mohamed, assistant general manager of advertising, promotions & branding, is changing that.

Since he championed the "Going Beyond Expectations" re-branding effort, Malaysia Airlines has experienced an extraordinary turnaround, including a 41% increase in passenger revenue for its quarter ending June 30. The carrier that got its start 50+ years ago with one twin-engine five-seater plane today flies to 100+ destinations on six continents and has a new fleet of more than 100 planes.

The advertising and branding exec is guiding a communications program conveying what's behind the airline's "beyond expectations" promise. At the heart of the airline's ad campaigns is its commitment to provide a transport service that ranks among the best for safety, comfort, and punctuality, while distinguished and loved for its personal touch and warmth.

Working with Starcom in Kuala Lumpur, Malaysia Airlines is also making innovative use of media and tailoring campaigns to key events. ●

larry light



McDONALD'S

U.S.

**I**t's been two years since McDonald's brought in veteran marketing strategist Larry Light to energize the ailing McDonald's brand. And indeed he has. Sales are growing; market shares are growing, and in Light's own words, McDonald's is rewriting the rules of global marketing. The journey is an unconventional approach to what used to be considered the quintessential mass marketed brand. Light believes that McDonald's is not a mass brand at all, but stands for different things for its varied constituencies. Out of that belief grew his "freedom within a framework" philosophy that is now standard operating procedure within McDonald's. He defines the framework as the "I'm lovin' it" line and five distinctive musical notes. More than 100 countries have united behind that single message. Yet, markets can focus on different products. So while some are focusing on salads, others may zero in on McNuggets, and others on Happy Meals. The goal is to appeal to not just Moms and kids but the youth in everyone regardless of their age. McDonald's is Light's first major position on the staff of a client although he has served as consultant to many as CEO of Arcature, a brand-building consulting firm, and has worked at major agencies. ●

# optimistic outlook

Asia-Pacific region touted as principal source of growth for the entire global entertainment and media industry

More than a decade after cable and satellite television began to organize itself in Asia, the industry is coming into its own.

In fact, Marcel Fenez, chairman of the Cable & Satellite Broadcasting Association of Asia, believes Asia-Pacific is likely to emerge as the principal source of growth for the entire global entertainment and media industry. Fenez is also partner and Asia-Pacific leader for the entertainment and media practice of PricewaterhouseCoopers.

Earlier this year, CASBAA published the first aggregated data endorsed on an industry-wide basis covering the size and value of the Asia Pacific pay-TV market. The data show that the Asian cable and satellite industry in 2003 accounted for almost 190 million multi-channel homes, up from 150 million cable subscribers in 2002 and is expected to exceed 250 million homes by the end of the decade.

Advertisers from b-to-b-focused companies like telecoms, financial institutions, courier, and travel providers to tourism

organizations, auto, and electronics marketers are recognizing the industry's value and are increasing their spending on cable and satellite channels.

Excluding Japan, cable and satellite television accounted for an estimated 18% of the total US\$15 billion spent on television advertising in 2002. Of this, "regional" multi-channel TV spending is approximately US\$205 million, while local multi-channel TV expenditure is estimated at US\$2.4 billion.

Predictions are for steady growth for at least the next decade. An industry overview, "Global Entertainment and Media Outlook: 2004-2008" from PricewaterhouseCoopers released last summer supports those views and suggests continuing great upside potential for cable and satellite television growth in the region.

From a distance, it may seem like things have just started happening, says Frank Brown, president, MTV Networks Asia Pacific, but "they have been bubbling under the surface for the last few years."

He says the tough economic environment has held things back but now several years of pent-up growth are starting to explode. "A lot of the plans the advertisers have had for

using cable and satellite are now being green-lighted."

That includes new players adding regional television to their schedules and existing ones stepping up activity. "We are definitely seeing increased spend from those that have been using it for some years—Motorola, Toyota, Procter & Gamble, Phillips," Brown says.

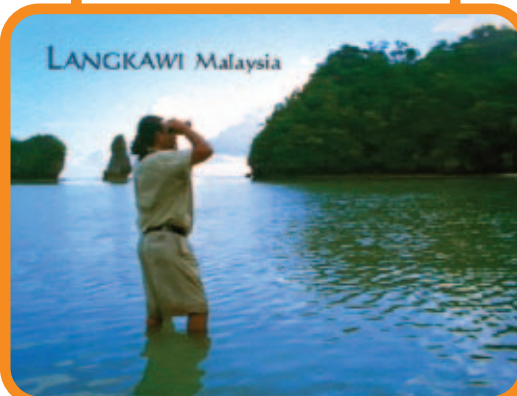
William Hsu, VP-advertising sales, Asia Pacific for CNN, says evolution also has a lot to do with the state of the industry today.

"There were many countries with pan-Asian TV channels available a decade ago," he says, "but all were at varying stages of development. Taiwan, for example, even a decade ago, had greater household penetration than the U.S., while Singapore was still in a developmental stage. Most countries have now reached a point where there is a healthy number of subscribers to support the industry."

Annette Nazaroff, director of consumer insights for MindShare Asia Pacific, says it's about more than simply market conditions. "The growth is as much about innovation and improved creative. ... The players who have been with pan-regional TV for a while really learn how to get the best out of it. Our client Asia Pacific Brewers uses it very well for Tiger Beer.

Very clever use of product placement and so on."

The channels are also seeing increased interest in client-sponsored programming. Adrian New, senior VP-



*Malaysia Airlines is among the first advertisers to sign up for pan-regional deals for Discovery's new lifestyle programming.*



*Samsung Electronics sponsored a four-part series, created by CNBC Asia Pacific, on four emerging countries (China, India, Russia and Brazil) that will shape the future of the global economy. The series aired first in Asia before making its way to other regions.*

feature programming about India on CNN. Vikram Oberoi, deputy managing director, explains that the partnership was a logical extension of the company's global marketing and brand strategy. "We are bringing a focus on India and also increasing visibility for the Oberoi brand in key markets across the world," he says.

Other companies active in sponsorship on CNBC include Telekom Malaysia; Malaysia Airlines; UBS sponsoring a two-part series examining how China has emerged as an important trading nation that provided a platform for the bank to demonstrate its commitment to the China market; and HSBC, sponsoring a series of six half-hour

advertising sales & marketing, CNBC Asia Pacific, says it's the preferred media buy among advertisers reaching out to upscale audiences and business decision makers.

For example, this fall, as

part of Samsung Electronics' effort to position itself as a global brand that has achieved success in important emerging markets, the company sponsored a four-part weekly television feature series on CNBC

which focused on four emerging countries—Russia, India, China, and Brazil.

In September, Oberoi Hotels & Resorts was the presenting sponsor of "Eye on India," a week of live and

## multichannel television advertising (us\$ millions)

ASIA PACIFIC	2003	2004	2005	2006	2007	2008
A U S T R A L I A	67	80	91	104	120	137
C H I N A	269	358	448	561	695	796
H O N G K O N G	22	28	33	41	53	69
I N D I A	285	319	389	450	501	566
I N D O N E S I A	1	1	2	2	4	6
J A P A N	1,031	1,233	1,319	1,505	1,847	2,222
M A L A Y S I A	2	2	2	3	4	5
N E W Z E A L A N D	6	6	7	8	12	17
P A K I S T A N	0	0	0	0	0	0
P H I L I P P I N E S	8	9	12	14	19	26
S I N G A P O R E	22	26	30	35	39	43
S O U T H K O R E A	65	70	101	133	192	264
T A I W A N	311	360	377	419	473	523
T H A I L A N D	0	0	0	0	0	0
<b>T O T A L</b>	<b>2,089</b>	<b>2,502</b>	<b>2,791</b>	<b>3,275</b>	<b>3,959</b>	<b>4,674</b>

Source: PricewaterhouseCoopers



monthly programs featuring the positive aspects of the older generation, creating an environment for the bank to demonstrate its commitment towards addressing the financial needs of an ageing population.

Plus, New says, advertisers are looking for integrated solutions to communicate their brand values and messages in a more creative way. To meet this desire, CNBC puts together packages with print media partners

*Oberoi Hotels & Resorts, a luxury chain operating in India, Egypt, Mauritius, Indonesia, and Australia, partnered with CNN International to create "Eye on India" week, focusing on the country and its diverse assets.*

that also include online and on-ground events.

Hsu says CNN also can tailor-make innovative packages such as the "Eye on India" program to give marketers opportunities to extend their brand strategies.

Nazaroff notes, "It is quite simple really. There are many ways to invest advertising dollars and many options for us. Pan-regional TV operators offer an attractive environment."

Asia Pacific is an important part in Discovery Communications' rollout of a new portfolio of channels dedicated to lifestyle programming. In fact, among the first markets to launch are Asia and India (a separate operation from Asia), with Discovery Travel & Living, a revamped version of Discovery Travel & Adventure.

Mark Whitehead, senior VP of revenue & sales for Discovery Networks in Asia, says that recent pan-regional deals for the channel "lead us to be optimistic, especially about the future potential of our lifestyle portfolio."

Among advertisers signing up are Malaysia Airlines, sponsoring a themed night called "World Destinations" that will run through March; Land Rover; Inter-Continental Group; and Tourism New Zealand.

Nazaroff credits the pan-regional TV industry with taking control by forming a strong industry



*Advertisers signing with MTV have the opportunity for visibility not only on the channel itself but at concerts, on posters and flyers. Among the network's biggest spenders in the region are Motorola, Phillips, Procter & Gamble, and Toyota.*



organization and putting forth a united effort to stimulate interest among marketers. The operators are leveraging a strength and "have made it clear that they provide a unique environment for advertisers to supplement their local campaigns," she says.

Some consumer groups lend themselves to this environment, particularly high net worth individuals and travelers, she notes. "The earthquake is behind us," says MTV's Brown. "Now we are on solid ground for future growth." ●

**India- one nation, many shades.**

India - a nation of diverse that of time & culture. Celebrate the rich traditions & fast emerging as an industrial giant. Witness the 21st century's technological progress, coming alive on the panoramic stage of its most recent investment portfolio. India can no longer be ignored on the global stage.

CNN presents Eye on India - a week-long localcast will explore what makes the great nation tick, from 11/19 September, start into the India Theme Week on CNN. Local World News site and Talk show.

CNN India: 8:30 am on weekdays  
WorldNews Asia: 5:30 am and 7:30 pm on weekdays  
on Asia: 10:30 pm on Sat & Sun 11

In association with **Inter-Continental Hotels Group** *Luxury Redefined.* **CNN**

# media brand values

Senior individuals regard international media equal or superior to their national counterparts

BY  
NIGEL  
JACKLIN

When seeking to reach senior individuals in Europe, the decision to use international media is far from straightforward for many advertisers. While many U.S. and European-owned international media brands have a strong presence among a top-end audience in Europe, national marketing budget holders often remain unconvinced of the need to use them. Our new survey, Media Brand Values, a joint venture between U.K. firms Objective Research and

BSBMedia, set out to question this assumption by probing the relationship senior individuals have with the media they consume.

Through studies such as EBRs, EMS, Europe 2004, and a range of niche surveys, media decision makers are well aware that international media selectively reach more senior, affluent, or influential individuals even though they may not reach all of them.

With Media Brand Values we set out to go beyond the

traditional role of measuring audience levels, seeking to investigate the relationship that consumers of international print and TV had with the national and international media they consumed. We tested whether consumers saw these media as mere add-ons to their (more important) national media, or whether they saw them as equal or superior media. This, in turn, was designed to question their role in many media schedules as an additional top up to their national media schedules, rather than being the first priority for advertising budgets.

The reaction to the survey has been very positive, driven by the importance advertisers place on their media budgets.

## brands ranked as having the strongest image (in categories considered most likely to advertise in international media)

	1	2	3	4	5
BANKING/INSURANCE/FINANCE	HSBC Allianz		Deutsche	UBS	BNP
FASHION/WATCHES/LUXURY GOODS	Rolex	Gucci	Cartier	Boss	Armani
AUTOMOTIVE	BMW	Mercedes	Audi	Porsche	Renault
TECHNOLOGY/TELECOM	Microsoft IBM		Nokia	Sony	Siemens
ENERGY/PHARMACEUTICAL	Shell	BP	Total	Esso	GlaxoSmithKline

Graham Roberts, global director of advertising at Unisys, says: “With tight budgets, I have to be 110% sure of my media selection, and for years I have been asking media owners to provide the soft metrics on why they are considered a must read or must view. The traditional survey numbers do not provide the whole picture. Media Brand Values provides a massive step forward in achieving this, thereby helping me better justify my media plans. I hope that it will dramatically change the way media owners position and present their products and how media agencies view them.”

**methodology**

We surveyed 1,300 senior individuals in business and influential occupations in nine European markets. They represent a universe of 1.4 million, 89% male with an average age of 49 and 57% holding a position of CEO, managing director, director, or owner-partner.

We asked them how often they read or watch selected national and international media and then which attributes applied to each of these media, using statements such as “trustworthy,” “influential,” and “carries too much annoying or irrelevant advertising.”

These attributes were developed through a two-stage

pilot and in a series of meetings with advertisers, agencies, and media owners. We filtered analysis of each media on frequent consumers (those watching at least twice a week or reading at least two out of six issues) and compared the gross results for those who consumed international media.

**surprising results**

The survey data show that consumers of international media regard them as equal or superior to their national counterparts and that they provide a well-defined editorial and advertising environment. The differences exceeded our expectations, in that those consuming international media rated them ahead of the

national media they consumed on all of the attributes measured. Furthermore, while the results for individual international media did vary, they generally scored well on a one-by-one basis (when compared to nationals as a group).

The areas where international media performed particularly well were being “up to the minute” (47% for the international TV channels they watched compared to 27% for national channels) and “keeping them ahead of the game” (36% vs. 20%), also for TV. International print were thought to be “impartial and unbiased” (33% for international vs. 17% for national) and “trustworthy” (37% vs. 21%).

**how 1,300 senior individuals in business and influential occupations in europe view national and international print**

	INTERNATIONAL DAILIES	NATIONAL DAILIES	INTERNATIONAL WEEKLIES	NATIONAL WEEKLIES	INTERNATIONAL FORTNIGHTLIES/MONTHLIES	NATIONAL FORTNIGHTLIES/MONTHLIES	ALL INTERNATIONAL PRINT	ALL NATIONAL PRINT
Is a publication I subscribe to	41%	35%	47%	32%	36%	30%	43%	34%
Is impartial and unbiased	37%	21%	33%	13%	21%	9%	33%	17%
Is a source that I quote or refer to	52%	42%	42%	33%	22%	37%	44%	38%
Keeps me ahead of the game	38%	27%	33%	21%	17%	5%	33%	24%
Carries too much irrelevant or annoying advertising	0%	2%	4%	4%	5%	2%	3%	3%
Is stimulating	33%	23%	39%	27%	24%	25%	34%	25%
Is influential	43%	29%	36%	24%	19%	21%	37%	27%
Is a must read	32%	22%	26%	19%	9%	10%	27%	20%
Helps me in my work	53%	33%	34%	23%	22%	17%	41%	29%
Helps me with my private investment	27%	9%	8%	7%	12%	6%	17%	8%
Is trustworthy	44%	26%	34%	14%	22%	13%	37%	21%
I read/watch it when I am traveling	34%	16%	24%	11%	11%	13%	27%	14%

Source: Media Brand Values

Advertisers and agencies can use the survey to see which groups of media are most likely to be seen as a must read or watch, stimulating, influential, helpful in work or with private investment, read or watched while traveling, quoted or referred to, as well as which were seen to have too much low quality reporting or had irrelevant or annoying advertising (national TV won on the latter count).

**qualitative findings**

While the quantitative data suggested international media were valued “more,” from in-depth telephone interviews conducted among 100 individuals, we found that international media were also valued differently. International media provide a broad coverage, allowing senior individuals to be informed about a wide range of issues. For some this is couched in global or international terms, while for others it is knowing the latest business, financial, or technology trends. The results suggest that international media allow them to take a more open view on the world, in order to better face the challenges it presents them with. In contrast national media are seen as having a more narrow or limited domestic focus, not able to draw on the resources available to international media.

International media are praised for the quality of their insight, analysis, and perspective. They are universally regarded as “serious media,” an attribute valued by a serious and senior

group. While national media were read because they agreed with their own perspective, this was not the case for international media (which helped challenge their views). Similarly the national media measured were more likely to

the two groups of media, suggesting that international print and TV provide a unique environment for advertisers wishing to position themselves as large, prestigious, global brands, or products (all words used by consumers of international

people consumed. Brands thought likely to advertise in them included Microsoft, UBS, IBM, Hilton, Heineken, and Rolex. Many of these brands were also nominated in a separate exercise as having a strong, positive brand image.

In contrast advertisers in national media were seen as having a more national or every-day focus, with a potentially lower relevance or salience to this senior group.

**future research**

The reaction to the survey has been positive, as illustrated by Adrian Smith, international media manager, MediaCom London: “Media Brand Values is a great initiative. It provides the depth of information that planners need to have about the relationships business people have with media. It’s a brilliant start. Now we need more...greater depth to give greater insight.”

Planning for the next survey is underway. Our intention is to move the survey forward as a “dialogue” developing our investigation of the advertising environment, rather than merely updating the same findings on a continual basis.

Further details of the survey can be found at [www.objectiveresearch.com/mbv](http://www.objectiveresearch.com/mbv), which lists the media and agencies from whom the data can be obtained. Agencies can purchase access to the data from Objective for £2,500 ([nj@objectiveresearch.com](mailto:nj@objectiveresearch.com)). ●

*Nigel Jacklin  
is managing director,  
Objective Research.*

be consumed in a relaxation mode, having a greater entertainment role.

**different advertisers**

Finally, there were marked contrasts in terms of the advertising associated with

media to describe the brands they thought advertised in them). Business, finance, and travel were the categories most frequently named as likely to advertise in the individual international media

# surviving in the 'age of disloyalty'

Brand loyalty is every marketer's ultimate quest, his or her holy grail. In fact, loyalty is such an entrenched concept that most experienced advertisers and marketers barely stop to give it a second thought. It's a concept that's at the very base of how we value brands and how we advertise.

Given that, what do we make of the fact that Nokia in Asia launches 25 types of phones per year, with an average lifespan of just nine months? Or that mobile phones that cost US\$700 at launch habitually cost less than 25% of that six months later? Or that Coca-Cola estimates that over 60% of the soft drink market volume in Singapore is made up of new products? Are then new products becoming more important than brands?

The reality is that brand loyalty is a concept that is dangerously past its sell-by date and ripe for re-examination. In recent times we've witnessed a seismic shift in how consumers relate to brands—one that means that while you can win loyalty, you can no longer "bank" it for years to come.

This reality challenges the very core of conventional brand and advertising wisdom since consumers have needed certain markers to help them trust in the quality of a product.

Today, if anything, we live in the "Age of Disloyalty." Consumers do not default to the "tried and true" any more. They default to the new and the newsworthy, a fact that means we clearly need to think afresh about how we keep people glued to our brands.

## what's driving the "age of disloyalty"?

The ultimate reason consumers are disloyal, to paraphrase Bill Clinton, is because they can be. It's as simple as that: Most categories, in most countries, offer a broad range of acceptable brands. It's hard to believe that until fairly recently, Volkswagen's positioning was all about reliability. Today, that is table stakes, and any one of 15 auto brands offer reliability to a highly acceptable degree. Now, brands have to compete using rapid-fire product innovation, on top of the basic

“ Consumers expect their brands to provide constant news value and stimulation.”

functional promise, in a super-competition that is played out in every category from coffee to computers, everyday.

This much is well documented. But less obviously, there's a more subtle and profound change in our behavior as consumers.

Today, we're used to being constantly stimulated. It's almost as if cramming new experiences into a short life has become the religion or the personal purpose of our age. Shows, trends, gadgets, all come and go. We let them go easily because we know that something new will be along tomorrow. And that's the key—we're eternally searching for the next experience. Remember

when everybody was watching "Survivor"? What price would the re-runs rights sell for today? Consumers expect their brands (whether technological or not) to provide constant news value and stimulation. For them, "The Paradox of Choice," described by Barry Schwartz in his book is not a paradox at all. Can you imagine going into a Starbucks and not finding that it has 30 different types of latte?

The net of it all is that as far as consumers today are concerned, it seems a brand is only as good as the last experience it offered you—there is very little sentiment for what it did for you years ago, and being loyal is the exception rather than the rule. A thought



borne out by a recent Leo Burnett study of ten categories, in four countries, which found a maximum of 30% of a category's heavy users were loyal to one brand (and in developed markets, a lot less).

**how to survive in the "age of disloyalty"**

To survive as a brand today, you have to recognize that we live in a new era.

Accepting that you can't assume your customers will still be around tomorrow necessitates a mind-set change. It forces you to be hungry; it forces leadership brands to act like challenger brands; it forces you to innovate; it forces you to make sure that your plans have short term paybacks; it forces you to ask yourself if your organization is even configured for innovation. And it forces you to ask if the silence of your consumers means they are happy—or in fact just asleep.

At a practical level, innovation has in recent times been the only silver bullet for bored consumers looking to defect to a competitor brand. But the "Age of Disloyalty" means innovation, as we know it, is no longer enough. Today innovations have to be ever more eye-catching and ever more disruptive than brand managers or advertisers have dared to imagine historically. "Consistency," as Tom Peters has said of modern marketing, "is the hobgoblin of small minds."

Take a look at some classic examples of marketing disruption: BMW for many years made minor adjustments to its brand image, a tweak here and a tweak there. Then, the new chief designer Chris Bangle added major design news to a brand that wasn't even seen as tired. Despite much grumbling from the traditionalists, the brand's value grew by 5% in 2003, more than any other car brand in the Top 100.

Then there's Samsung. No coincidence that the company has grown more rapidly in brand value than any other in the Interbrand Top 100 over the last two years: In 1997, the company re-structured to shorten innovation lead times to market and now enjoys two to three months in

**loyalty to a single brand lowest in developed markets**

	CHINA	U.S.	U.K.	MEXICO
% long loyal	27	11	17	33
% deal selective	32	17	21	32
% rotator	25	29	26	25
% name brand price driven	10	27	20	10
% experimental /researcher	6	15	19	6

the market with new products as yet unmatched by competitors.

Perhaps most striking of all is McDonald's, which for many years was quite traditional in its product lineup, its store atmosphere, and in its image as a family brand. The company has now re-launched with a new campaign aimed at a young adult demographic,

with new food, and a new spirit of youth. After many years of difficult business conditions, McDonald's is now growing sales dramatically, and growing loyalty, one transaction at a time.

What the above examples underline is that the brands that will emerge best-placed to thrive in the "Age of Disloyalty" are those that have structured themselves around the ability to bring news.

And if as the above suggests, clients need to change and innovate to have a chance of staying in the game, what price their advertising agencies? Perhaps the biggest change of all, in fact, might have to be faced by the advertising industry itself. In the "Age of Disloyalty," there is less and less of a future for communication that aims to build up brand values—since these are less and less of a hedge in many categories. A new mentality needs to be shaped and accepted. Advertising agencies need to realize the power of news in communications, the very real sense in which the advertising of the future will be all "retail." Most advertising will be launch advertising and the agencies that thrive will be those that swing back towards the center of the client's business, those that show a deeper understanding of the consumer and also of the business realities surrounding innovation, and those that are able to continually update consumers about what sort of new experiences they can offer you. Because in the "Age of Disloyalty," if you don't have anything new to say, then don't say anything at all. ●

*John Woodward is regional planning director, Leo Burnett Asia Pacific.*

**the golden age of brands**

- POOR CONSUMERS
- MANY SUB-STANDARD PRODUCTS
- LOOKING FOR ASSURANCE
- DEFAULT IS LOYALTY

**the age of disloyalty**

- RICH CONSUMERS
- MANY ACCEPTABLE PRODUCTS
- LOOKING FOR EXCITEMENT
- DEFAULT IS NOVELTY

# global or local?

How to balance your brand's "ying" and "yang"—the single biggest challenge in advertising today

BY  
ELLIOT  
POLAK

“Our German marketing manager says Germans won't see the humor in the ad. The Italians love it but want to replace the visual with a naked woman. God knows what the Japanese are thinking.”

—GLOBAL MARKETING CHIEF,  
FORTUNE 500 COMPANY

Believe it or not, the global-local argument has been raging for 400 years.

In the 1600s, when the British decided to become the masters of the world, they initially used the “everything is local” mantra. They did not try to convert the locals to Christianity or cricket. It was cool to take up local customs. They smoked Chinese opium, took Indian wives, and peppered their steak with hot spices from Jamaica.

Today's claim for HSBC, a bank whose origins date from that era, sums it up: “The world's local bank.”

Then 200 years later, this attitude was abruptly reversed. It was time to share and impose the values of Anglo-

Saxon culture on the world.

African men would dress like English gentlemen. Indian women would not be allowed to immolate themselves on a pyre after their husbands died. One remote place in Africa, 600 miles from Cape Town, still looks exactly like a quaint Scottish village.

The world was profoundly transformed as people adopted the first global attitudes, by choice or by force.

Today, these two opposing views are reflected in international marketing and branding practice.

These insights emerged in conversations with 40 international marketing directors earlier this year.

## view 1:

### Acceptance marketing.

The best way to do business with people from other lands is to respect and even adopt their cultures. This is marketing by assimilation—you get accepted by customers so they will buy your brand.

Acceptance marketing is practiced by companies that have firmly established local operations and strong, independent-minded country managers such as Toyota and Procter & Gamble.

As a central provider of marketing services, the challenge is to increase both consistency and efficiency.

*Elliot Polak is the  
founder and CEO  
of localization firm*

*Text Appeal  
(www.textappeal.com).*

**tips:**

- Ask local markets to champion ideas that can be used abroad. Result: they become more receptive to ideas from abroad. McDonald's successful "I'm lovin' it" line was initiated in Germany and shared all around the world.
- Remind country managers that consumers are not local, but individual: creative ideas that speak most to individuals tend to be universal. Sales for Unilever deodorant brand Lynx (Axe in some markets) hit the roof in five European markets thanks to a single cult ad produced in London.
- Pool the best creative ideas and share them with other markets. Procter & Gamble, like many companies, maintains an online "golden library" of best practices that can be accessed by worldwide staff.
- Cluster markets that can share the same creative executions and collaterals. Clusters may be based on similar market situations, cultural preferences, or geographic zones. Durex uses the same ads for markets where awareness and acceptance of condoms are similar.
- Pool budgets to appoint the most effective production and localization services per cluster. Sony Electronics Europe provides its 24 markets with an on-line service allowing them to select and review locally relevant versions of central creative work.

**view 2:****Conversion marketing.**

The best way to do business with people abroad is to share

your culture and values with them. This is marketing by evangelism. You convert customers to your brand.

Conversion marketing is typical of companies on a mission to change the way people live and buy, such as American Express, Philips Electronics, and business-to-business brands like SAP.

The challenge is to remain sensitive to locals in order to help them embrace the central vision and avoid "not made here" syndrome.

Clairol Herbal Essences shampoo avoided offending Japanese consumers by replacing an orgasmic cry under the shower by a cute giggle.

- If you employ a worldwide agency network, don't use it as a police force. Encourage each office to come up with original ideas. The most successful recent ad for Chivas Regal came from the Caribbean, in fact, the Dominican Republic.
- Use a creative localization firm that will make sure your above and below-the-line

Acceptance marketing is practiced by companies that have firmly established local operations and strong independent-minded country managers. ...Conversion marketing is typical of companies on a mission to change the way people live and buy.

**tips:**

- Listen to key local people. All Apple campaigns originate in California, but local country managers give weekly input on how to use media in creative ways that can then be applied elsewhere.
- When producing central creative work, use an agency that employs a mix of nationalities and can think outside the local box. Worldwide Adidas ads are designed at a small multicultural shop in Amsterdam.
- Check for potential cultural disasters before sending out embarrassing ads to local markets.

messages are both consistent and sensitive to local differences. This intermediary will act as a buffer between the center and the periphery and can reduce politics and costs in one blow. (Disclosure: I run a localization firm so may be biased—although clients seem to agree.)

- When you service an acceptance brand, it pays to see how you can centralize more. When you drive a conversion brand, you are well inspired to take local sensitivities into account.

As in life, those who find the right balance prosper. ●



# BEST PRACTICES FORUM

## Reinventing Global Brands

On September 28th, 2004 the Chicago Chapter of the International Advertising Association (IAA) and Nihon Keizai Shimbun, Inc. (Nikkei) sponsored a one-day Global Branding Forum bringing together many well-known marketing experts in the Chicago area. In his welcome speech Dan O'Brien, the president of the Chicago Chapter of the IAA, expressed his hope that the forum would provide an opportunity for members of Chicago's international marketing community to share each other's ideas and experiences in order to build better global brands.

Junichi Arai, Executive Vice President of Nikkei, pointed out that the title of the forum, "Re-Inventing Global Brands: A Best Practice Forum", is a key issue for Nikkei because of the impact global branding is having on multinational corporations. He explained how Nikkei was responding to the changing environment surrounding today's media by developing strategies dealing with corporate branding, corporate social responsibility, and investor relations.

The forum was attended by over 60 members of the Chicago advertising and marketing community, and included presentations by four guest speakers followed by a panel discussion and Q&A period led by Joe Cappo, author of the new book "The Future of Advertising".



Junichi Arai, Executive VP Nikkei

### ANNE TOULOUSE BOEING

#### At Home in the World: Communicating a Global Brand to Diverse Stakeholders

In 1999, when Anne Toulouse took over as Vice President of Brand Management and Advertising, Boeing had no central brand strategy. The corporate advertising budget was only .01% of revenue and individual business units were responsible for their own advertising. Drastic changes needed to be carried out, but due to its large size Boeing was not able to develop its global brand using a top down approach. According to Ms. Toulouse, Boeing instead utilized a push-pull approach to get all the business units on board. Another key to reviving Boeing's brand was the formation of an advertising council consisting of representatives from each business unit, members of the international communications and agency teams, as well as a representative from their Washington D.C. office.

Boeing's switch to a more centralized, value and process driven decision-making approach has led to



Dan O'Brien, President IAA Chicago

savings of between \$400,000 and \$1 million per year. Boeing is seeking to further improve its brand image by delivering a simple, consistent, and persuasive message, "People working as a global enterprise for aerospace leadership." It is also reaching out to the international advertising community in order to gain access to knowledge and experience outside the company. Perhaps, most revealing is the fact that Boeing seeks to achieve world-class advertising by benchmarking its advertising to other leading companies outside its industry such as Microsoft and GE.

### PROFESSOR HIROSHI TANAKA HOSEI UNIVERSITY

#### Global Branding in the Era of Corporate Transformation

With over twenty years experience working for Dentsu as an advertising manager, followed by nine years as a professor and consultant, Professor Tanaka has been actively involved in some of the most successful advertising campaigns for companies such as Toyota, Nissan, Fujitsu, and NEC. He is currently a

visiting fellow at Columbia University Business School, where he is concentrating on brand management, and its effects on corporate transformation.

Professor Tanaka explained that modern companies face three challenges: globalization, customer shift, and integration. He used Intel, P&G, Asahi Beer, and Nissan to show how each was able to overcome corporate crises by effectively employing corporate brand strategy to their entire corporation. In Nissan's case, new CEO Carlos Ghosn was able to turn a record \$684 billion deficit in 1999 into a profit of \$331 billion in 2000 by instituting sweeping changes that went beyond cost cutting.

Mr. Ghosn's first step was to redefine Nissan by returning to its historical roots of "bold and thoughtful design" (the Z-car and new Murano). He then communicated and reinforced this message among all employees and stakeholders by establishing intensive brand training sessions, and by establishing cross functional teams. Significantly, Mr. Ghosn set an example by attending these training sessions himself. These initiatives were capped off with the introduction of a more stylish logo, exciting new models, and upgraded dealership facilities.

### TOM O'TOOLE HYATT CORPORATION

#### Managing Consistency of Brand Delivery on a Global Scale

Mr. O'Toole addressed some of the fundamental reasons why companies need to look beyond traditional advertising alone as a means to create an effective global brand. He spoke about Hyatt's multi-functional focus on building a successful global brand, which includes core HR, IT, and Operations, in order to address four challenges to its business today.

The first of these challenges is the fact that individual consumers are buying products and services around the world on a weekly, and sometimes even daily basis. Mr. O'Toole pointed out that this is especially true in the travel and tourism industry. Second is the realization that brand commoditization is the biggest challenge to the hotel industry today, and that because this problem is not limited to the U.S. market it must be addressed on a global scale by creating a consistent and valuable brand. This relates to the third challenge, the importance of creating a price premium for a company's products through consistent branding. Finally, Internet distribution has enabled a company's customers around the world to have access to the same information, thus necessitating the creation of one global brand.

Mr. O'Toole also addressed the two common misconceptions that brand advertising is only a veneer, and is only a North American phenomenon. He countered that a company would fail to gain customer's trust if its advertising did not correspond to product reality, however, he added that a company may pursue such advertising in advance of any changes. He also noted that many of the fundamental challenges to Hyatt's brand standards today are coming from regional hotel chains in Asia.

**JERRY DOW  
UNITED AIRLINES**

**Marketing Your Way  
Through an Adverse Business Climate**

United Airlines is using global brand advertising to help diversify and differentiate its product portfolio. As in the hotel industry, Mr. Dow mentioned that the single biggest threat to the airline industry is commoditization. He also pointed out that airlines have contributed to this problem for a long time by using unimaginative advertising that focuses on attributes such as technology and seat size, instead of value. He explained how United Airlines is working to target frequent business travelers by making even its practical ads project a higher level of value and feel, such as one ad that read, "The most morning flights out of Chicago, and the most flights home." He also explained how United Airlines is integrating all of its global advertising, while at the same time keeping the message locally relevant. He demonstrated this point using an ad that read, "A multimillion dollar deal is still the best souvenir", which caters to Asian business people who still value face to face interaction.

Mr. Dow also spoke about how much of the diversification taking place in the airline industry is due to

the fact that customers want different products depending on which mode they are in (leisure or business). This contributed to United's decision to launch its new low cost service, TED, which only flies leisure routes to

and from places like Orlando and Las Vegas. On top of this, because TED is only one tenth the size of United, it offers a flexible platform to try out new ideas, which may benefit the whole corporation.



Hideki Kume, Hiroshi Tanaka, Jerry Dow, Anne Toulouse, Nobuyuki Kikuchi, Masami Wada



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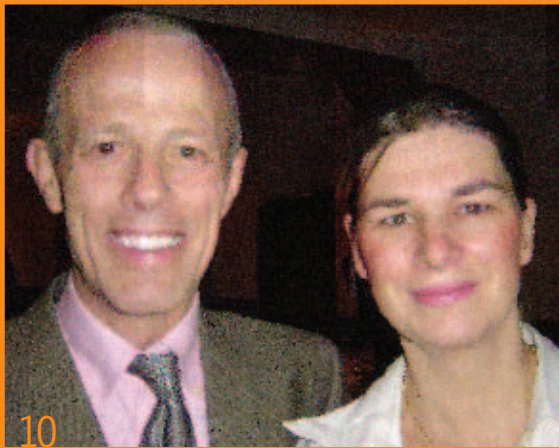
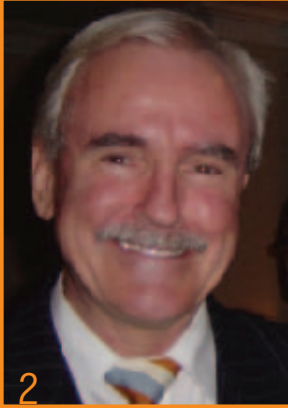


9

CHICAGO

Industry execs discuss global branding at a "Best Practices Forum," sponsored by the Chicago chapter of the International Advertising Association and Nihon Keizai Shimbun. (All names left to right.)

- 1 Susan Albert, Publicitas;  
Diane Massey, United Airlines.
- 2 Don Davis, Mediaedge:cia;  
Liz Rooney, Erik Fidel, both CNN.
- 3 Natalia Torres, Boeing; Hideki Kume,  
Nihon Keizai Shimbun.
- 4 Tom O'Toole, Hyatt Corp.
- 5 Dirk Claussen, CNN; Harold Dawson,  
Foote Cone & Belding.
- 6 Penny Derer, OMD;  
Anne O'Malley, USA Today.
- 7 Tim Schlax, Time, Cindy Pang,  
Hyatt International.
- 8 Sam White, Economist;  
Jacki Kelley, USA Today.
- 9 Toby Sachs, Foote Cone & Belding;  
Michael Lee, Lee & Steel and IAA  
world president.



ASHDOWN PARK, ENGLAND  
 Publishers connect with advertising reps at an annual event sponsored by the Connect Alliance group of reps. (All names left to right.)

- 1 David Oliver, Oliver Smith & Partners; Yosh Ikegami, Yomiuri Shimbun.
- 2 Bob Breen, Handelsblatt.
- 3 Greg Miall, Metro International.
- 4 Lisbeth Olness, Dagens Naeringsliv; Nick Edgley, Daily Telegraph.
- 5 Katja Hanel, Mercury Publicity; Dirk Van Roy, Roularta Media Group; Suzanne Trickl, Anja Herrmann, both Mercury Publicity.
- 6 Bernard Kedzierski, K. Media; Stefan Nero, Dagens Industri.
- 7 Katja Natus, Recoletos; Neil Michael, Oliver Smith & Partners.
- 8 Jim Koene, Reed Business Information.
- 9 Angelika Marx, Mercury Publicity; Britta Luigs, Bauer Media.
- 10 Colin Smith, Oliver Smith & Partners; Eileen LeMuet, Groupe Express-Expansion.
- 11 Simon Darragh, The Guardian.
- 12 Trude Margel Brinck-Johnsen, Aftenposten.
- 13 Antoine Dubuquoy, Le Monde.
- 14 Matt Findel-Hawkins, Nikkei Business Publications.

Celebrating new offices

SINGAPORE

Grey Global Group staffers and guests celebrate the opening of a new Asia Pacific hub. (All names left to right.)



Lee Lin, Nokia; Ricky Ow, AXN.

Grey Global Group's new office at Number 1, Shenton Way.



LONDON

Carl Cullingford (left), IGP Ltd., and Joerg Keimer, Der Spiegel, invited clients and media agencies to the "Spiegel Wine Tasting at the Stafford," planned as an annual event.



Danesh Daryanani, Universitas 21; Phil Mulholland, Grey Global Group; Tyler McGee, Nokia.



Sim Boon Hui, Leanna Loh, Gladys Ho, all Starhub; Catherine Lim, Tay Guan Hin, both Grey Global Group.

Fortune Honors Women CEOs

LONDON

High-powered women named top CEOs by Fortune celebrate at an annual luncheon. (All names left to right.)



Andy Bush, Fortune; Catherine Atkins, and Jackie Harley, both BlackBerry; Sarah Ferguson, Duchess of York.



Janet Guyon, Fortune; Christiane Amanpour, CNN.



Olga Maitland, Defense & Security Forum; Lesley Jones, Citigroup.



Barbara Kovacs, Tiffany & Co; Charlotte Moore, Fortune.



- LONDON
- Members and guests of the U.K. chapter of the International Advertising Association discuss key issues at the organization's monthly luncheon. (All names left to right.)
- 1 Micaela Cook, British Telecom; Bob Crozier, Forbes.
  - 2 Richard Astley, Outrider; David Rittenhouse, mOne; Phu Truong, WSJ.com.
  - 3 Tim Mickelborough, Reuters; Kerry Tarrant, Dow Jones.
  - 4 Mike Jarvis, Sebastian Dreyfus, both Banner Corp.
  - 5 Neil Sartori, London Times; Peter Irby, The New York Times.
  - 6 Adrienn Hant, OMD; Sam Davies, Forbes.
  - 7 Sarah du Heaume, Just Media.
  - 8 Randy Kilgore, WSJ.com; Jeremy Ray, Seriously Bright.

SINGAPORE  
Chris Leong (left), Grey Global Group SEA president, and Sim Kay Wee, CEO, Valuair, celebrate their new relationship as the agency assumes responsibility for advertising for the airline that currently flies from Singapore to Bangkok, Jakarta, and Hong Kong, with Perth and cities in China coming soon.



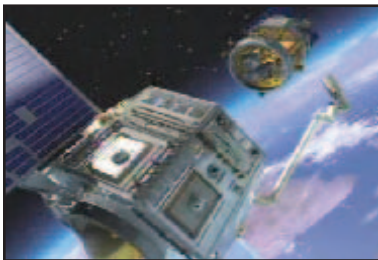
JAKARTA  
Djoko Lelono, Grey Worldwide Indonesia creative director, proudly displays the lifetime achievement award presented by the PPPI, the Indonesian Association of Advertising Agencies.



# america's midwest

A friendly workforce with a dedicated work ethic

*Boeing commercials that run globally emanate from America's Midwest. Both Boeing and agency Foote Cone & Belding are based in Chicago.*



The American Midwest is an enigma—it's American to the core, perhaps even more so than New York and LA.

That, according to marketers and clients who live and work there, makes the Midwest a uniquely productive place to do business.

"There's a work ethic here that is quite remarkable," says Jonathan Harries, South African-born, Chicago-based worldwide creative director for Foote Cone & Belding.

Harries marvels that one-third of his staff is in the office by 7 a.m.—and so are clients—so phone calls and meetings often take place early in the day—very early. "By 8, two-thirds of them are in, unlike in New York, where people drift in around 9:30 or 10," he says.

FCB encourages employees to "balance their lives," says Harries. The day ends at "a reasonable hour, because workers want to be home for family time, and we certainly encourage that."

Midwest business culture is as polite as you'd find anywhere in the world, even Japan, says Harries. "We have four big clients here in Chicago, and no matter what the situation," he says, "they are so polite, so nice, so non-threatening and so full of respect for us and our work that it enhances the creative environment."

Harries says he enjoys the relaxed atmosphere in Chicago. "New York has a tension built in," he notes. There's a certain carnivorous nature about

business in New York that is blissfully absent in Chicago, Harries thinks. "You even notice it with the taxi drivers, who drive sanely, not like they believe in reincarnation and they're in a hurry to get to their next life," Harries jokes. "There's just less pressure here, and in Milwaukee and Minneapolis."

Anne Toulouse, Boeing's Chicago-based VP-global brand management & advertising, moved to Chicago from Seattle with her company's headquarters three years ago.

"It's a good business climate, a good workforce and vibrant urban lifestyle that is unique," she says.

Toulouse loves the intellectual and cultural stimulation, the parks, and the fact that the infrastructure works. "When it snows, the streets are cleaned up quickly and efficiently—that reflects how the city and its workers function."

The Midwestern business climate isn't dog-eat-dog like it is in other cities, but it's serious, says Toulouse.

Chicago and other Midwestern cities are very focused on finding their place in the international business environments, and they're willing to do whatever it takes to attract business, conferences and create a hospitable business climate, says Toulouse. "There's a wealth across the board here."

America's heartland causes marketers to wax nostalgic about traditional values that reach beyond a strong work ethic.

"It's a welcoming, neighborly place. They're friendly, oh, my goodness, yes!" says Toulouse.

"At first, I couldn't tell if that welcoming neighborly atmosphere was sincere or not, but when our neighbors invited us to Thanksgiving dinner when we had only been here a couple of months, I realized they were absolutely sincere," she adds.

Midwestern values are an essential part of global marketing in the eyes of Pat Fallon, chairman of Fallon Worldwide, one of the founders of the 23-year old Minneapolis agency. Even as Fallon is transformed into a global agency, it remains grounded in its Midwestern values, never lets the agency stray far from its core values and Midwestern work ethic, says Fallon.

He says the straightforward, no-nonsense Midwestern approach to a global market has served his clients well. ●



- Get to the office early. Many offices are up and running by 7 a.m. Most Midwesterners are self-starters.
- Expect a polite, slightly formal, yet respectful, friendly, and low pressure atmosphere.
- Favorite places to take clients: baseball games. Not just any baseball games, but to see the world-famous Chicago Cubs, a usually losing team with a near-fanatical following.

Antony



**YOUNG** London ZenithOptimedia, Chief Executive, U.K. Group

1982 WELLINGTON Saatchi & Saatchi  
 1987 WELLINGTON Colenso BBDO  
 1995 HONG KONG Saatchi & Saatchi  
 1996 HONG KONG Zenith Media Asia  
 2001 HONG KONG ZenithOptimedia

2003 LONDON ZenithOptimedia

Tim



**ISAAC** Bangkok Ogilvy & Mather Asia Pacific, Vice Chairman

1975 LONDON Saatchi & Saatchi  
 1985 SINGAPORE The Ball Partnership  
 1995 HONG KONG Ogilvy & Mather  
 2000 SINGAPORE Ogilvy & Mather  
 2002 BANGKOK Ogilvy & Mather

2004 PARIS International Herald Tribune/  
New York Times

Will



**NICHOLSON** London International Herald Tribune and The New York Times, Managing Director-Global Sales

1990 SYDNEY The Ball Partnership  
 1992 LONDON VNU  
 1994 LONDON International Herald Tribune  
 1995 HONG KONG International Herald Tribune  
 1996 HONG KONG International Herald Tribune  
 1997 PARIS Initiative Media Worldwide  
 1999 NEW YORK International Herald Tribune  
 2000 SINGAPORE Ogilvy & Mather  
 2004 LONDON International Herald Tribune/  
New York Times

2003 SHANGHAI Unilever  
 2004 HONG KONG Grey Global Group

Janet



**DAI** Hong Kong Grey Global Group, Business Director, Asia/Pacific Grey Relationship Marketing

1992 NEW DELHI J. Walter Thompson  
 1993 NEW DELHI Young & Rubicam  
 1995 NEW DELHI BDDP  
 1996 LOS ANGELES Cybersight  
 1997 BEIJING Wunderman  
 2000 BEIJING Yahoo! China  
 2003 SHANGHAI Unilever  
 2004 IRVINE 10th Degree

Priya



**SINGH** VERMA Irvine, Calif. 10th Degree, VP, Media & Strategic Initiatives

1992 NEW DELHI J. Walter Thompson  
 1993 NEW DELHI Young & Rubicam  
 1995 NEW DELHI BDDP  
 1996 LOS ANGELES Cybersight  
 1997 BEIJING Wunderman  
 2000 BEIJING Yahoo! China  
 2003 SHANGHAI Unilever  
 2004 IRVINE 10th Degree

1998 LOS ANGELES Saatchi & Saatchi



Well it's officially winter, and that means either the pilgrimage to Davos or ski season. Either way, you are soon to be high in the Alps, struggling with one of those St. Bernard dogs to get at the keg of mulled wine tied to its neck. Along the way to your favorite chalet you may be inclined to pass through Zurich, the center of Swiss financial power. Zurich is all fun, frolic, and *foie gras*, making it a wonderful place to spend 20 minutes on your way to the central train station.

### arrivals

Now that high profile designer Tyler Brule has given up on re-branding Swiss Airlines into a large scale Swiss-army knife, the airline's inbound meal service may again include the kind of Swiss cheese in little foil wrappers with a picture of Heidi in the mountains. For every city you're exploring, you need a contact—old friend or new-found expert—someone like "our" Tanya, the uber-individual who knows every inch of Zurich even though she spends most of her life in places like St. Tropez and Hong Kong. She shall be your eyes and ears in the land of bratwurst and bankers.

### dining a la tanya

Hub Culture e-mailed Tanya to ask what's happening in Zurich. Back came an essay and insights into the psychographic characteristics of Zurich-ian restaurant owners, a bit too much information. Nevertheless, for your business lunch, go directly to Kronenhalle Restaurant, a Zurich institution, where the power elite gather to snarf. Kronenhalle is the best people-watching spot in Switzerland, (minus St. Moritz on a Sunday) provided you can spot a \$2 billion real estate deal in the offing. Tanya suggests you have a cocktail at the bar, arrive at precisely 2 p.m., and do not leave until five minutes after 7.

**KRONENHALLE RESTAURANT**  
Raemistrasse 4  
41-1-251-66-69

Should you only have three hours for lunch, try Rosso, for the best tagliatelle in town. These days TBP (the beautiful people) tend to just stare at pasta since it violates their low-carb regimens. Ignore them.

**RISTORANTE ROSSO**  
Geroldstrasse 31  
41-43-818-2254

Tanya insists that despite its boring and private exterior, Zurich is indeed a city throbbing with life. Jazz is very big, and jazz bars provide a cool scene for relaxing. One favorite is Widder Bar, which has the best whisky selection in town. It's a bit old school, but it is Zurich, and kind of fun.

**WIDDER BAR**  
Widdergasse 6  
41-1-224-2526

There is a wonderful shabby chic place called Talacker Bar run by Yves Spink. Yves is a bit like Peter Pan with rustic furniture, and his DJs serve up cool vibes in a place that can only be described as "eclectic." Where else can you see Rastafarians mixing it up with UBS executives in a hazy cloud of smoke? Yves always says it was about chilling out; Tanya takes all her friends there, and we can vouch for the tequila shots, so arrive early. Historical note: The people of Zurich are rumored to have invented tequila shots with a cinnamon powder and orange chaser. Very unique and highly recommended.

**TALACKER BAR**  
Talackerstrasse 41

### ubernocht

Believe it or not, Zurich has a massive clubbing scene, complete with crazy people who seem more at home in Berlin. The two best locations for non-stop late-night action are G5 and Spider Galaxy. Tanya indicates that people have entered Spider on Sunday and not found their way out until Tuesday. If you're really up for it, G5 is an experience, a dark, underground vibe. The hot spot for a more genial crowd

hygienic) floral bedspreads. Fortunately there are a few exceptions, most notably the beautiful new Park Hyatt. It's very whatever, which is to say, standard, but here, standard is good. No one goes to Zurich for hotel service.

The jeterati tend to prefer the Widder Hotel (attached to the Widder Bar), located in the middle of the Bahnhofstrasse, the main shopping district and the place where at any given moment you may feel as if you are indeed actually present in a bustling city. The interesting thing about the Widder is that the hotel is really eight buildings mashed together, creating a fun architectural atmosphere with decent business conferences facilities as a bonus.



An innovative architectural approach at The Widder Hotel, made up of eight carefully restored historic townhouses, results in a blend of very modern with some ornamentation that dates back to the 15th and 16th centuries.

is Dachkantine, especially on Friday or Saturday nights.

**SPIDER GALAXY**  
Geroldstrasse 15  
**G5 CLUB**  
Geroldstrasse 5  
**DACHKANTINE**  
Foerlibuckstrasse 109

### heads in beds

Switzerland is known as a friendly and efficient place, but somehow the memo got lost when it came to informing hoteliers. Every hotel room in Zurich seems to be lost in another age, where dust and cobwebs settle on small and dimly lit, (but very

**WIDDER HOTEL**  
Rennweg 7  
41-1-224-2526

Eventually, and no matter how exciting a private banker dinner is bound to be, the slopes will call. The train ride up to the mountains is simply stunning and involves little changes to the alpine ski trains at various cow pastures. Wonderful. Check out the world of Swiss trains at [www.switzerland.isyours.com](http://www.switzerland.isyours.com), and remember to avoid the Schnellzug trains in favor of the faster Interregionals. Overall, Zurich rocks, especially if you listen to Tanya. ●