

inter national ist

INSIDE ISSUE 2005
5

Wilhite
Recapturing
Spirit of
Nissan's
Past Glory

Jack Myers
Predicts
Seismic
Shifts In
Media World

**ROI
REDUX**

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FOR ADVERTISING, MARKETING + MEDIA PROFESSIONALS
early autumn 2005

12 / Cover Story
ROI REDUX

21 / Profile
STEVEN WILHITE, a key player in Nissan's turnaround team, is helping the automaker recapture past glory.

27 / Commentary
EXPERT MEDIA COMMENTATOR JACK MYERS predicts "we are in the early stages of seismic shifts in global media allocations."

38



cover photo: nonstock photography / veer.com

2005.5

Publisher and Editor Messages /4
Frontlines /7
Branded content; most valuable global brands; new for the bookshelf; new creative; coming events; regulations

Issues /32
Report from the International Advertising Association's European Summit

Essay /36
Are media companies a new creative resource?

Doing Business In... an Increasingly Smaller World /38

Around the World /40
Grand Prix Winners at Cannes

Data Bank /42
Stats and survey results

People and Places /44

Career Track /47

The Life Aquatic in Dubai /48
From Hub Culture

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inter national ist is published by DMNY Global. ©2005 DMNY Global. Excerpts may be quoted with proper attribution to inter national ist. inter national is a publication for and by international advertising, marketing, and media professionals. Printed by Wolf ColorPrint, Newington, Conn. Audited by BPA International.

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COMING

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2005.6

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2005.7

Internationalists of the Year

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

Simon Anholt first crossed my path when he started World Writers in 1989. I experienced first-hand his idealism and wonderful facility to think strategically. (And somehow, the stories he told about the nuances of language and culture were the ones I remembered best—how an English expression like “raining cats and dogs” might be raining jugs, pitchers, or sinks in other countries.) Now, 15 years later, we’ve both grown up enough to take risks and be more confident in our talents.

He has now directed his energies to “nation branding,” which may be one of the most fascinating and worthy aspects of multinational marketing today—particularly when directed toward the developing world. At a time when globalization has more negative connotations than positive, Simon’s drive to help countries create and communicate strong identities or national brands has far-reaching consequences. A strong country brand will do more to attract everything from aid to investment to manufacturing to political influence to tourism. Ultimately, even local companies can flourish under a strong national brand and contribute to the development of a middle class.

At a recent seminar in Washington, hosted by the *Washington Post*, Simon shared a number of ideas on fast-tracking capitalist development for third-world countries using branding principles. I was able to watch ambassadors turn into eager chief marketing officers for their countries as they shared image problems and questioned Simon about branding principles.

I’m now easily convinced that his concept of better developing country brands is an important marketing niche that will make a difference to global branding, the world economy, and many people’s lives. I can’t think of anything more worthy, more exciting, or more demanding of attention in these times.



deborah malone
PUBLISHER

When we began reporting our cover story, “ROI Redux,” we never expected the level of activity that has occurred in just a year. And we are heartened by the commitment and actions that are taking place.

The journey toward a new mindset about the role of marketing has moved along at record speed. Granted there is disagreement over the pace with some lobbying for a slower, more careful process while others advocate learning and modifying along the way.

But leading media agencies report that a majority of their multinational clients already expect marketing and communication analytics to be incorporated into the planning process.

Clearly, the idea that marketing money should be considered and treated as an investment and expected to produce a satisfactory return rather than be seen as a cost of doing business has taken hold.

To work, new measurements are required, and a number of organizations are moving forward to meet this need.

Also in this issue are highlights about “The Future of Traditional Media” and about “Branded Content” from the International Advertising Association’s abbreviated European Summit held in London on that fateful day of July 7. Michael Lee, IAA world president, shares his observations about how the day unfolded as many speakers and participants were not able to get to the venue.

After this issue we will take a break from the “Doing Business In…” column because Kathleen Barnes’ reporting has found that cultures are becoming more similar than different. To continue our coverage of “culture” will be a new feature focusing on businesses and their leaders who have a unique grasp of their countries or regions and a particularly meaningful way of marketing to them. We welcome suggestions you have for subjects for this new column.



nancy s. giges
EDITOR

branded content

HOW TO MAKE IT HAPPEN



Multinational corporations are finding that incorporating branded content into a communications program is difficult because the ad agency/media agency structure doesn't accommodate many new forms of communications vehicles.

"It suited it fine when there wasn't an ad agency," commented Mark Palmer, a consultant and former managing partner of OMD UK, who moderated a panel on branded content at the IAA European Summit. Now with so many players involved in the communications process—an ad agency, media agency, independent production company, media company—"everyone has a different skill but no one controls" the process, Palmer says.



But some companies are finding ways to make it work. At the Summit, Tom Carney, head of corporate identity for Shell International, discussed Shell's experience.

He said the company decided to make a change in its corporate communications strategy toward the end of 2003 and invited media owners to discuss how they can help Shell achieve its objective. "Where we wanted to move was from a communications model predicated on advertising to a program that was about developing an integrated communications approach in which advertising had a role to play."

Carney, whose responsibility is global and whose programs run in about 20 countries, said he wanted something that works across television, print, online, and face-to-face engagement.

In briefing sessions with print media owners one day and broadcast the next, Shell and its media agency Mediacom opened discussions with something along the lines of "you folks have relationships with audiences with whom we would like relationships that go beyond bombarding them with messages through conventional forms of advertising. If you can find creative ways of working with us, we can find ways to develop long-term partnerships that benefit both of us."

Media owners were asked to come up with an initial response in 10 days, and by the end of the process, Shell had several different media partners. "One interesting thing," said Carney, "was we saw alliances formed that had never been formed before. For example, one program we're running at the moment is called 'World Challenge' with BBC World and *Newsweek*. It seemed like an unlikely pairing but is working very well."

Carney said the results are encouraging. "In comparison to how we spent our money in previous years, this is delivering much greater audience and exposure than we have ever had before. We are in real terms spending less money...on this program and getting a hell of a lot more out of it." For additional coverage of the Summit, see page 32. ●

new medium to reach office workers

When Northwest Airlines challenged MindShare to capture the attention of office managers and workers in Tokyo, the media agency met the test. MindShare secured space on window cleaners' platforms on high-rise buildings to promote the airline's new high-tech, lie-flat seats in business class. The creative, prepared by Ogilvy, asks "Does your seat recline all the way down to 176 degrees?" Exposure was on buildings with high profile tenants such as Cisco and NTT DoCoMo. ●



COMING EVENTS

ALL PRICES ARE IN LOCAL CURRENCY UNLESS OTHERWISE STATED

SEPTEMBER 15
ASSOCIATION OF NATIONAL ADVERTISERS' AGENCY RELATIONS FORUM
PLACE: Grand Hyatt New
RESERVATIONS:
www.ana.net
francesca@ana.net
PRICE: member US\$695;
non-member US\$795

SEPTEMBER 26-30
ADVERTISING WEEK
PLACE: Various venues throughout New York City
RESERVATIONS:
www.advertisingweek.com

SEPTEMBER 29
2005 EACA EURO EFFIES AWARDS GALA
PLACE: Le Plaza Hotel Theatre, Brussels
RESERVATIONS:
www.euro-effie.com;
isabelle.prosser@eaca.be
PRICE: €195 plus VAT

SEPTEMBER 29
EACA PMC AWARDS
PLACE: Le Plaza Hotel Theatre, Brussels
RESERVATIONS: www.eaca.be;
isabelle.prosser@eaca.be
PRICE: €90 plus VAT

OCTOBER 6-9
2005 ANA ANNUAL CONFERENCE THEMED "MASTERS OF MARKETING"
PLACE: Arizona Biltmore Hotel, Phoenix, Arizona
RESERVATIONS:
www.ana.net;
Francesca Boniello
1-212-455-8013
PRICE: member US\$995;
non-member US\$1,595

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

businessweek/interbrand most valuable* global brands

RANK	COMPANY	COUNTRY OF ORIGIN	CATEGORY
1	COCA-COLA	U.S.	Beverages
2	MICROSOFT	U.S.	Computer software
3	IBM	U.S.	Computer services
4	GE	U.S.	Diversified
5	INTEL	U.S.	Computer hardware
6	NOKIA	Finland	Telecom equipment
7	DISNEY	U.S.	Entertainment
8	McDONALD'S	U.S.	Restaurants
9	TOYOTA	Japan	Automotive
10	MARLBORO	U.S.	Tobacco
11	MERCEDES	Germany	Automotive
12	CITI	U.S.	Financial services
13	HEWLETT-PACKARD	U.S.	Computer hardware
14	AMERICAN EXPRESS	U.S.	Financial services
15	GILLETTE	U.S.	Personal care
16	BMW	Germany	Automotive
17	CISCO	U.S.	Computer services
18	LOUIS VUITTON	France	Luxury
19	HONDA	Japan	Automotive
20	SAMSUNG	Republic of Korea	Consumer electronics
21	DELL	U.S.	Computer hardware
22	FORD	U.S.	Automotive
23	PEPSI	U.S.	Beverages
24	NESCAFE	Switzerland	Beverages
25	MERRILL LYNCH	U.S.	Financial services

*Value is calculated as the net present value of the earnings that the brand is expected to generate from July 1, 2004, to June 30, 2005. To be included, a brand had to be valued at greater than \$2.1 billion. ●

raining ads

Just as consumers are getting tools to zap and skip over ads, researchers in Japan at a unit of telecom giant Nippon Telegraph & Telephone are working on a technology that will project ads onto an individual's palms, according to a report from Agence France-Presse. Here's how it works: In a public outdoor area, a projector on a tall tripod shows images of raindrops hitting the ground and making ripples, hoping to attract people to the "rainy" area. The idea is to get them to do what comes naturally: holding out their palms. A camera tracks the person's movements and sends data to computers, which directs a projector to shoot out a small ad. So, for example, a nearby store might try to attract customers with an ad that says "Sale" right on their palms. "The palm is the information tool closest to humans," says Yoko Ishii, a chief researcher on the project. "An advertisement on the body would help convince people that the message is really meant for them," she said. ●





new for the bookshelf

The Advertised Mind, Ground-breaking Insights into How Our Brands Respond to Advertising by Erik du Plessis, CEO, Millward Brown, South Africa. (KOGAN PAGE)

The Mobile Revolution, The Making of Worldwide Mobile Markets by Dan Steinbock, affiliate researcher at the Columbia Institute for Tele-Information (Columbia Graduate School of Business) and author of The Nokia Revolution. (KOGAN PAGE)

Please Be Ad-Vised (4th edition), a legal reference guide for advertising and marketing professionals, by Douglas J. Wood, partner, Reed Smith. (ASSOCIATION OF NATIONAL ADVERTISERS) ●

fashionistas

Baby-boom women in Japan spend much more on fashion than the generations before and after them, women in their 40s and 60s. Even boomer men spend big on fashion, according to a survey by Hakuodo's Elder Business Development Division. Boomer men, more than 70% of them, have their wives in tow when they shop, but only 17.4% take along their husbands. ●

new ways to fly

When Grey Global Group Singapore learned from research that consumers like Valair for its value with amenities such as extra legroom, free meals, a 20 kg baggage allowance, allocated seating, and fun service delivered by a singing flight crew, the agency created a light-hearted campaign to show that "Everyone's changing they way they fly." ●

COMING EVENTS

OCTOBER 12
 NEW YORK IAA LUNCHEON
 STEPHEN CONE,
 HEAD OF MARKETING,
 CITIGROUP PRIVATE BANK
 PLACE: Princeton Club, New York
 RESERVATIONS:
 jill.henry@iaany.org;
 www.iaany.org;
 1-212-338-0222
 PRICE: member \$85;
 member's guest \$95;
 non-member \$115
 RESERVATIONS:
 mpaevents@magazine.org
 PRICE: NA

OCTOBER 16-19
 AMERICAN MAGAZINE
 CONFERENCE
 MAGAZINE PUBLISHERS
 OF AMERICA
 PLACE: Wyndham El Conquistador
 Resort & Club, Puerto Rico
 RESERVATIONS:
 mpaevents@magazine.org
 PRICE: NA

OCTOBER 20-21
 ICCO SUMMIT 2005
 INTERNATIONAL
 COMMUNICATIONS
 CONSULTANCY ORGANIZATION
 PLACE: The Hilton, Prague
 RESERVATIONS: www.iccopr.com
 PRICE: £1130.50/€ 1636.25/\$2017.05
 (all include VAT); 15% discounts
 for ICCO and IPRA members

OCTOBER 25-28
 CASBAA CONVENTION 05
 THEMED "CREATIVITY IN A
 DIGITAL WORLD"
 PLACE: Grand Hyatt and other
 Hong Kong locations
 RESERVATIONS:
 www.casbaaconvention.com;
 phil.todd@brandedasia.com;
 852-2167-8040
 PRICE: member US\$1,105;
 non-member US\$1,300

C O M I N G E V E N T S

OCTOBER 25
SINGAPORE HALL OF FAME
AWARDS & GALA

PLACE: Ritz Carlton Hotel

RESERVATIONS:

instadv@singnet.com.sg
or 65-6220-8382

PRICE: NA

OCTOBER 27-28
FIPP WORLDWIDE MAGAZINE
MARKETPLACE 2005

PLACE: London Hilton Metropole

RESERVATIONS:

www.magazinemarketplace.com;
Claire Jones, claire@fipp.com,
44 (0)20 7404 4169

PRICE: member £440;

non-member £500 (plus VAT)

NOVEMBER 1
TRENDWATCHING.COM'S
TREND SEMINAR

PLACE: RSA, 8 John Adam Street,
London

RESERVATIONS:

www.trendwatching.com
or Liesbeth den Toom
liesbeth@trendwatching.com

PRICE: £249

NOVEMBER 10
TRENDWATCHING.COM'S
TREND SEMINAR

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

RESERVATIONS:

www.trendwatching.com
or Liesbeth den Toom
liesbeth@trendwatching.com

PRICE: US\$399

NOVEMBER 20-23
ADASIA 2005 SINGAPORE—
WINNING IN ASIA

PLACE: Suntec City

RESERVATIONS:

adasia@tegworld.com;
www.adasia2005.org.sg

PRICE: US \$1,100

continued on p.46

regulations

- **INDIA's** cabinet has voted to allow foreign newspapers to print inside the country. The recommendation that limits the papers to printing the same edition as in other countries is expected to be approved by parliament, ending a 50+-year ban intended to protect the country's newspaper industry. Last year the *International Herald Tribune* challenged the ban by publishing in the country.
- The Institute of Practitioners in Advertising, London, has expressed concern to members of parliament about a proposed bill designed to prevent ambush marketing in the 2012 Olympics. The IPA believes that there is adequate protection for official sponsors under existing U.K. law and that the proposed bill is too broad and may impinge upon the freedom of commercial expression.
- **VIETNAM** is prohibiting all forms of cigarette advertising as well as public activities sponsored by tobacco companies. In the ban issued by the Ministry of Culture & Information, "all activities that make the public recognize or pay attention to cigarettes" are also forbidden. ●

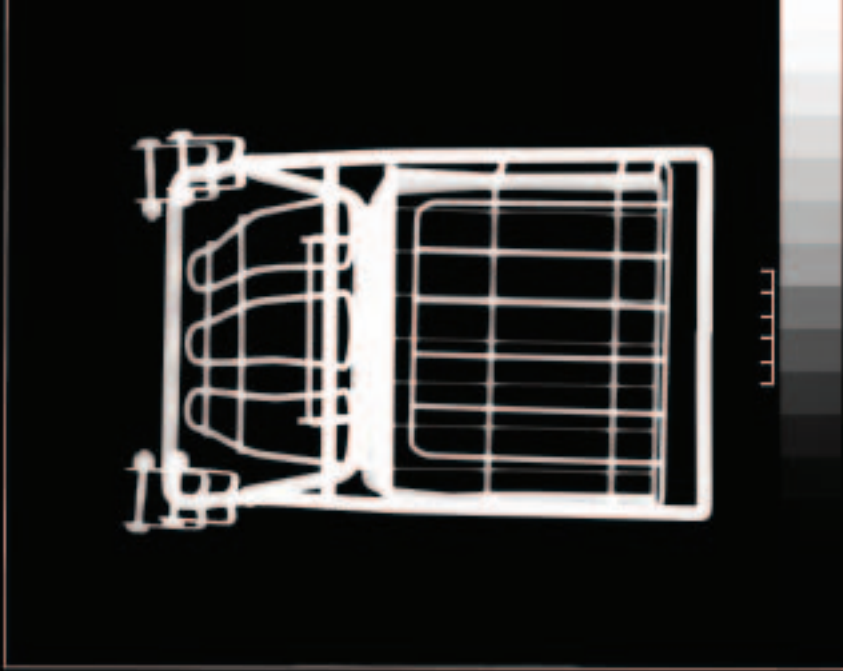
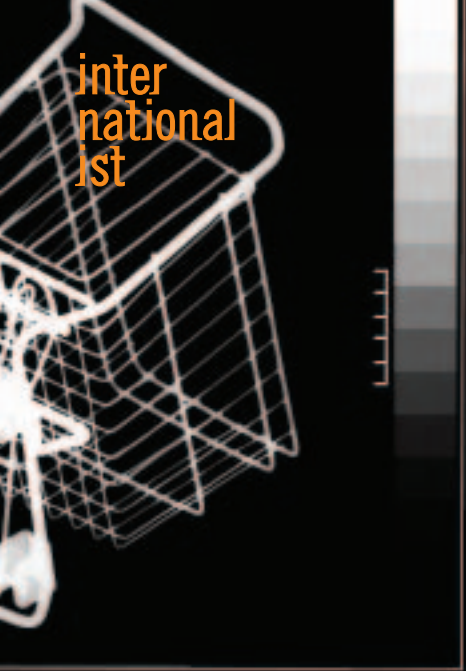


tidbits

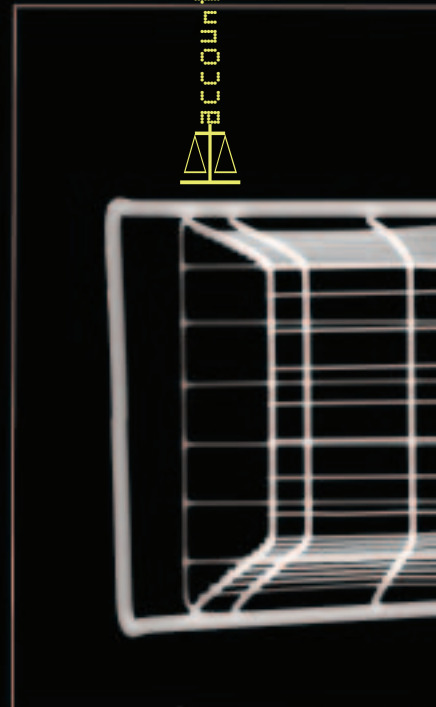
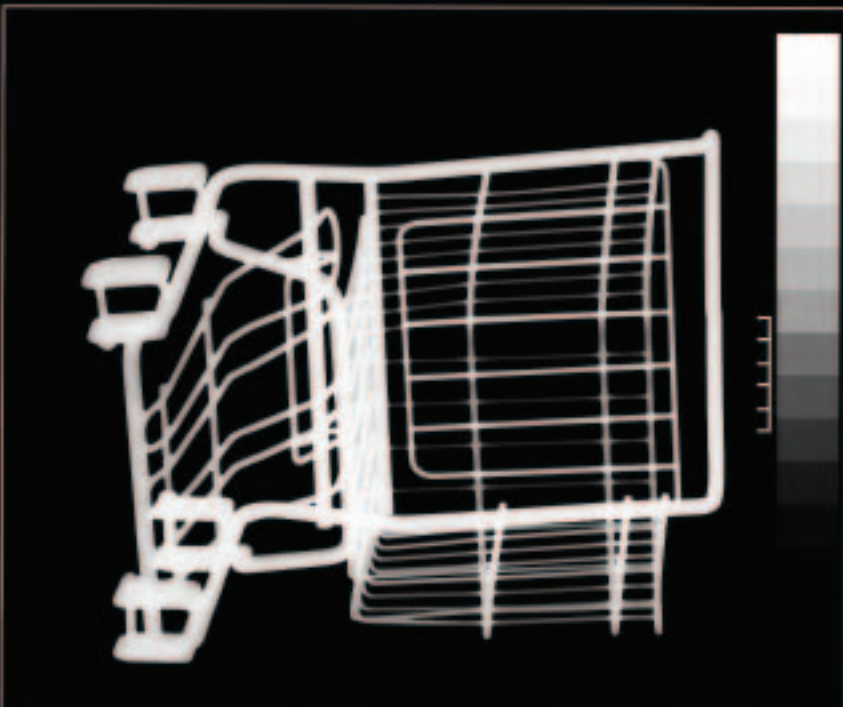
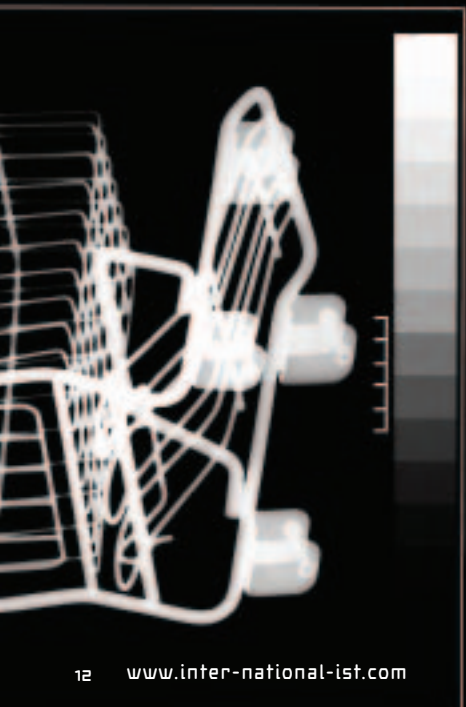
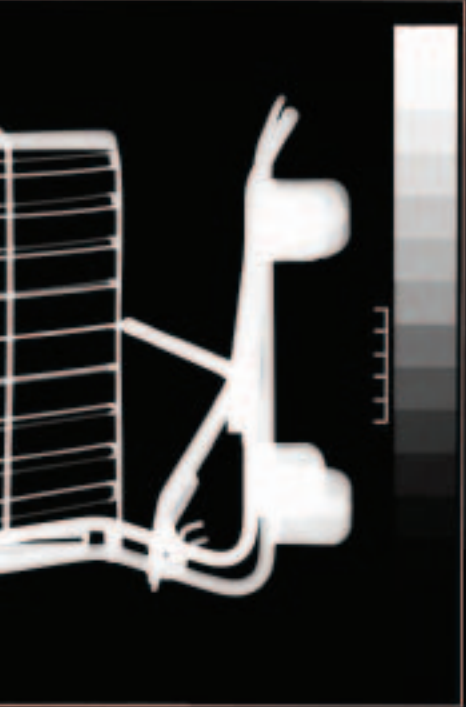
Samsung Electronics and Channel [V] are collaborating to promote Samsung's yepp T8 multimedia player to young audiences in Mainland China, Hong Kong, Taiwan, and Thailand. The integrated effort includes live music events in Hong Kong, Taiwan, Bangkok, and Shanghai as well as product-integrated programming and commercials on-air, microsites on-line, print in [V] magazine, and radio. Agency: Cheil Communications.

CCTV, the most-watched TV network in China, reaching 90% of the population, has launched its first campaign—in print—targeting multinational advertisers. The ads by Ogilvy & Mather Beijing seek to differentiate CCTV from local and provincial networks, emphasizing the network's quality and production values.

The Internet is expected to overtake magazines as early as 2007 to become the third-largest advertising medium, according to a report in the *Nihon Keizai Shimbun*. The report, based on an estimate by the Dentsu Communication Institute, notes that the Internet overtook radio in 2004. It says that TV commercials and newspaper ads are expected to remain the top two media for the foreseeable future. ●



B Y N A N C Y S . G I G E S



Accountability

ROD REE X

Shifting from a mindset of marketing money as a cost to marketing money as an investment means new measurement tools that combine consumer purchasing and use data with media consumption data in one methodology are essential.



As marketing ROI takes center stage among the world's leading marketers, the consumer is playing a starring role and being examined from all angles.

Activity among agencies, research firms, and industry organizations is accelerating as all seek to fix what is being called a broken system based

on mass marketing and mass media at a time when one-on-one, narrow targets, and individualized messaging are proliferating.

In the year since *inter national ist* first addressed ROI and accountability, words have turned into actions. Media agencies are incorporating

ever more sophisticated tools, measurement and forecasting models into the planning process; research firms are seeking the ultimate measurement and forecasting tools; and cross-industry groups are forming, such as MI4 (Measurement Initiative: Advertisers, Agencies, Media, and Researchers). This is an initiative in the U.S. by the Advertising Research Foundation, American Association of Advertising Agencies, and Association of National Advertisers, designed to lay the groundwork for the evolution to new methods of measurement. Globally, the World Federation of Advertisers has just released what it calls a blueprint for consumer-centric holistic measurement, designed to lay the groundwork for encouraging a comprehensive

response to ROI requirements.

Survey after survey shows that measuring marketing ROI is top priority to the world's major marketers, even as there is a general lack of agreement on a basic definition of "marketing ROI." Much of the focus now is in the area of cross-media measurement and the development of tools to help marketers and their agencies come up with the most efficient and effective allocation of budgets across a variety of communication vehicles, both traditional and non-traditional, and among various geographies.

Comments Dirk Miller, VP-corporate marketing communications of Siemens AG. "Marketing ROI and accountability are indeed key challenges of marketing and advertising today. ...People want to know how their marketing dollars are working for them."

Clearly, there is a greater sense of urgency to move forward. Says Stephen Gatfield, executive VP-global operations & innovation at Interpublic, in the U.S. particularly, there is a tipping point approaching. People are saying "How much longer should I keep my basic budget allocations as I have or at what point should I feel capable of substantially changing? You need data to make those decisions because you are talking about billions of dollars."

This spring in a survey conducted by Marketing Management Analytics (part of Aegis Group), the Association of National Advertisers, and Forrester Research, 60% of senior-level marketers in the U.S. said that defining, measuring, and taking action on ROI is important, but only about 20% said they were satisfied with their ability to do so.



dirk miller

VP-corporate marketing communications
SIEMENS AG

"Marketing ROI and accountability are indeed key challenges of marketing and advertising today. ...People want to know how their marketing dollars are working for them."

Furthermore, the vast majority—73%—reported a lack of confidence in understanding the sales impact of a marketing campaign.

In laying out its blueprint and explaining its recent action, the WFA says, “The multi-tasking and media-savvy consumer of today has forced marketers to abandon single media approaches and accommodate multi-media measurement. In an environment with increasing onus on ROI and where media costs continue to rise, marketers need to better understand multi-media behavior in order to reach their target consumer in a timely and respectful manner and at a receptive moment.”

Meanwhile, marketers say that marketing ROI is, or at least should be, more than just a measurement tool. Siemens’ Miller maintains that marketing ROI is a philosophy requiring changes in organization and processes to optimize marketing activities. He says that the discussion should not focus on ROI measurement; rather it is ROI management which is crucial for the future. Procter & Gamble executives talk about ROI being a mindset, not a measurement.

Other senior executives say that marketing should be viewed as an investment, not a cost, and justified just as an investment from any other business function. Marketing ROI becomes critical to make this happen.

Bernhard Glock, manager, global media & communication at Procter & Gamble, calls the recent WFA action a watershed. “For the very first time, we have defined the criteria on which to develop new consumer-centric audience measurement. The ground has been

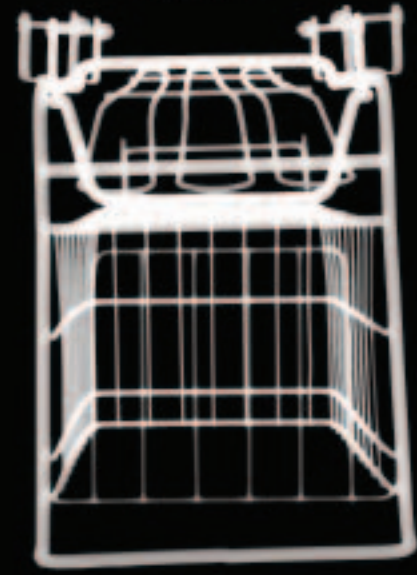
laid for a common currency with which to understand consumer behavior beyond demographics. Only by understanding consumer behavior can we ensure that people receive the right information at an opportune and welcome moment. This is what we must work towards.”

It is a goal that many organizations have recognized as significant and have been working toward but one that may not be so easy to achieve.

“Nirvana has not been realized,” says Gatfield, with Nirvana being a single data source that incorporates consumption behavior and media consumption into the same methodology.

“Where we are today,” he says, “is essentially needing to build a capability which allows marketers to allocate budgets across media. And we need to look at the relationships between them.”

He said that is one reason Interpublic formed a new unit just over a month ago, called Marketing Accountability Partnership, or MAP, whose mission is to bring together and oversee all of the individuals and proprietary tools and techniques devoted to marketing analytics across all Interpublic companies. Interpublic named Neil Canter, former partner in the marketing sciences practice area at Accenture, to head the new unit, which reports to Gatfield.



bernhard glock

Manager, global media
& communication
PROCTER & GAMBLE



“The ground has been laid for a common currency with which to understand consumer behavior beyond demographics. Only by understanding consumer behavior can we ensure that people receive the right information at an opportune and welcome moment. This is what we must work towards.”





stephen gatfield

Executive VP-global operations & innovation
INTERPUBLIC

“Where we are today is essentially needing to build a capability which allows marketers to allocate budgets across media. And we need to look at the relationships between them.”

According to Interpublic, the unit will enhance the company’s focus on marketing accountability and ROI.

“We regularly hear from our clients that they want a better understanding of the return they are getting from their marketing programs,” Interpublic Chairman-CEO Michael I. Roth said in announcing the new unit. “MAP will be a significant resource in addressing this need for increased accountability.”

Interpublic isn’t the only agency group with this in mind. Steve Simpson, global director of Mindshare’s Advanced Techniques Group (ATG), says his group is focusing on three areas:

- Timeliness of data, including real-time analytics;
- Market mix models that incorporate non-traditional media;
- Data that integrates media consumption and consumer behavior.

Siemens’ Miller acknowledges: “We are at the beginning of the journey, not in the middle, and not at the end.”

His company began its “journey” in 2001 when it wanted to address the question of “How can we increase our marketing efficiency and effectiveness?”

“One key lever we have identified,” he says, “is the implementation of strategic planning which focuses on communication needs rather

than on the usage of specific measurements. For integrated and all-embracing management of marketing ROI, it is necessary to set up a comprehensive measurement/management tool taking into account different measurement dimensions,” he adds.

He notes that it is especially important to have a combination of above-the-line and below-the-line measures in order to assess communication and sales impact. Called Brand Screen, Siemens’ system measures the input/output ratio of marketing activities of several dimensions: awareness, image, consideration, purchase, and loyalty.

P&G has been at the forefront in encouraging industry-wide efforts to find a new way of measuring the effectiveness of marketing spending. In addition to its work with the WFA, the company has encouraged Project Apollo in the U.S., a marketing information service being explored by Arbitron and VNU, which will collect and connect three types of data from a single panel of consumers: multi-media message exposure, brand recognition and preference, and actual purchase behavior. A pilot is expected to begin at the end of this year.

This urgent need for a new system has come about because of a confluence of dramatic shifts in the marketplace that is most visible in the declining effectiveness of mass advertising. The facts are often cited: Consumers are harder to reach; new media are bombarding consumers; and the cost of reaching consumers on the preferred medium of the past few decades—television—continues to rise as it





jim stengel

Chief marketing officer
PROCTER & GAMBLE

“I believe today’s marketing model is broken. We’re applying antiquated thinking and work systems to a new world of possibilities.”



reaches fewer and fewer people.

In fact, according to MediaCom, the number of TV commercials it takes to reach 80% of U.S. women ages 18 to 49 has risen from three in 1965 to 97 today.

Writing in an article in “The McKinsey Quarterly” earlier this year, authors David C. Court, Jonathan W. Gordon, and Jesko Perrey predict that by 2010, television advertising could be only 35% as effective as it was in 1990 and that for it to remain a formidable medium, television will have to interact with consumers in novel ways.

Jim Stengel, P&G chief marketing officer, put the situation aptly when he told a group of key industry executives a year ago, “I believe today’s marketing model is broken. We’re applying antiquated thinking and work systems to a new world of possibilities.”

Notes ATG’s Simpson, “The business of marketing is almost being played out in fast forward so it’s vital that insights are made on the most up-to-date data” and through integrated solutions that take into account all of today’s communications methods plus consumer data identifying who buys what and why.

Says Gatfield, part of the challenge is “we are getting to very, very measurable one-to-one interactive data and [at the same time] we are

getting into a world that is even more diffuse than advertising. So the complexity of what we are addressing is very significant and one of the things we’re trying to do is be more predictive in our ability.”

Marketers aren’t waiting for definitive answers before incorporating some of these metrics into their processes.

“Clients are more savvy, and the category has exploded,” says Simpson. “Initially, they thought it was too complicated or it can’t be done or they don’t have the time to get it done. We are at a point now where clients are crying out for this. Over half of our clients really want this, and we’re working them.”

When ROI first joined the marketing lexicon, many argued it was the age-old tug-of-war between the business-building function and the numbers folks. But with sophisticated models and the ability to track and integrate many types of data, there is no longer a sound argument that the financial impact of marketing can’t be measured.

Gatfield says, “This is the new holy grail. Clients want it.” ●

steve simpson

Global director
MINDSHARE’S ADVANCED TECHNIQUES
GROUP

“The business of marketing is almost being played out in fast forward so it’s vital that insights are made on the most up-to-date data.”



steven wilhite

Recapturing Nissan's stature of the past as the automaker takes giant strides toward reinvigorating its brand

Nissan Motor Co., one of Japan's leading automakers, entered the recent millennium a shadow of the powerful force it once was. The former pillar of corporate Japan was sinking under the burden of massive debts and a badly damaged brand.

Weakened by constant changes in strategy, the company had lost market share for 27 consecutive years. The spirit of adventure and urge to innovate that had made it Japan's No. 2 automaker was gone. Manufacturing rather than marketing-oriented, Nissan's hallmarks had become stodgy design, falling sales, and soaring losses.

Even when Renault emerged as the White Knight in 1999, invested \$5 billion to buy effective control, and sent turnaround expert Carlos Ghosn to re-engineer the company, many saw no future for Nissan as a major player.

This spring, however, the company announced that it is on track to reach its target of selling 3.6 million vehicles globally in the 12 months to September 2005. A key player on the turnaround team is Steven Wilhite, Nissan's senior VP-global marketing, who is responsible for all aspects of brand development and communications for the Nissan and Infiniti brands.

He has been intimately involved since he joined Nissan in 2001 as VP-marketing of Nissan North America after marketing positions at Volkswagen and Apple. A year ago, he moved to Tokyo to assume his current position.

Wilhite says while the journey to Nissan's future is by no means complete, giant strides have been made.

"Where we stand today varies by region. In some markets, we are gaining traction, and people are recognizing us for the things we want the brand to stand for in the future. In others we are still seen as relatively nondescript—we get the benefits associated with Japanese manufacturing, design, and production technology, but not because people necessarily know us. They are just aware that we are Japanese, and we share the generic benefits associated with this."

"The great news," says Wilhite, "is that in virtually every market we are moving in the right direction. If you look at a wide array of attributes such as 'fun to drive,' 'builds reliable cars,' 'prestigious brand,' 'takes my personal needs into consideration,' and evaluate where we stand in relation to our key competitors in each market, we are closing the gap in all cases in virtually every part of the world. If you look at purchase intentions, the good news is that these are climbing and often now exceed our market share. [That] means we are creating more demand for the brand and not simply pushing sales through the system with promotions."

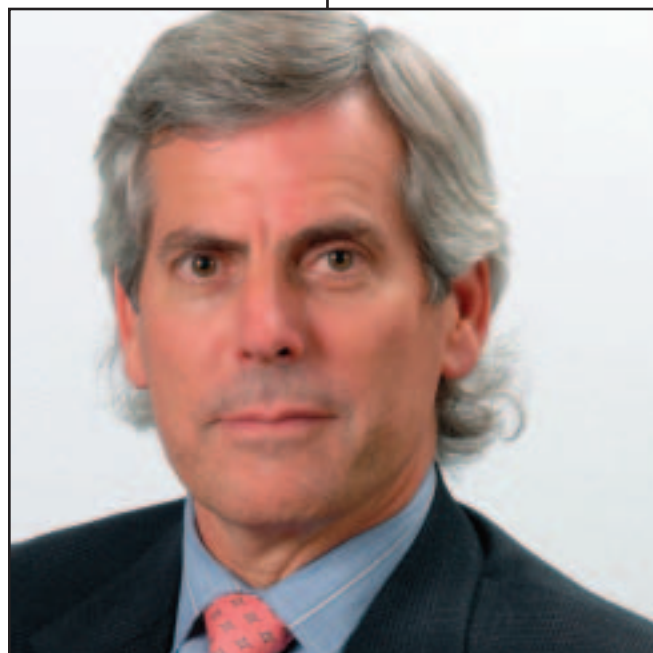
Three simple elements form the foundation of the Nissan brand. "First, we want to be performance leaders in every segment in every market where we compete, however you define performance—acceleration, power/weight ratio, stopping distance, engine characteristics," explains Wilhite. "We want to build cars that touch people's souls, that people want to drive, that they have fun driving."

"Next, we want to be design leaders. We want to be provocative, to be aggressive, to challenge convention, and to look at the world from a fresh perspective."

"The third element is that we wish to build cars with a high level of user friendliness and interior functionality."

"The core that touches all of these three is that we want to be an innovation leader, innovative in thinking, innovative in the application of technology, and innovative in materials. We can already see this

Steven Wilhite is responsible for all aspects of brand development and communications for the Nissan and Infiniti brands.





Nissan ran these ads on the inside front and inside back pages of the newspaper. The three photos in each ad reflect the "Shift" concept of responding creatively to challenges and looking for new possibilities that bring hope and courage: [ad at top from top] an elderly man boxing, a couple playing music and "singing" using sign language, square watermelons; [ad at bottom from top] a one-handed elderly man on bars; a young man swimming backwards; a monkey and dog walking across the street together.



to the people we are talking to we are not going to be efficient in the way we use our resources," Wilhite maintains.

The word "shift" has come to play an important role in Nissan's re-birth. When the time came for Ghosn and his team to decide just what the new Nissan stood for, the word "shift" emerged as a concept that all could accept, though each might prefer something different. The idea was not well received in the U.S., and Wilhite was dispatched to Tokyo to argue the case for doing something different in North America.

Ghosn listened sympathetically to Wilhite's appeal and then told him that he was too late. The decision was made, and his job was to make it work. Returning to the U.S., Wilhite was initially at a loss for what to do next. The clouds cleared after a meeting at TBWA in Los Angeles when a junior copywriter handed Wilhite a scrap of paper on which he had written, "A shift can change a person, a life, the world...or it can simply change the way you move through it." Sadly, no one now recalls the copywriter's name but the advertising developed from that insight surely earns him a place in history.

In the U.S., the word forms half of an advertising slogan that ends emotionally: "Shift passion" or "Shift dreams." In Europe, the line is "Shift expectations." In Japan, it is "Shift the future."

Wilhite says of the campaign: "Shift is not a tagline. It is the manifestation of our company. It embraces everything we are trying to be. We are shifting all the time. The power of the idea helps people to shift across cultures, across languages, across geography. It brings a challenge to each one of us and the opportunity to respond creatively in whatever we do."

Wilhite's goals include crafting a consistent global identity for Nissan. Already the Shift campaign represents the first time a single idea has been used across all Nissan's markets. The partnership of Eastern and Western cultures that is reflected in the Nissan-Renault relationship is mirrored by the company's lead agencies, TBWA and Hakuhodo, which serve the brand via a dedicated agency partnership named \G1 Worldwide. OMD and HDY Media Partners are the two media agencies of record. The latter operates only in Japan, where OMD has no presence. ●

a radical shift in u.s. network tv

For only the fourth time since 1990, the 2005/2006 U.S. upfront national TV market has declined. But unlike double digit drops during 1991, 1993, and 2001, this year's fall-off was only 1%.

The drop reflects cost controls implemented by media buyers plus the erosion of media buying and selling traditions by alternative media. In all, we estimate some \$500 million has shifted from network TV to alternative media.

Because of the size and importance of the U.S. market, a shift of this magnitude, even though it's within a single market, has an impact on international players as they go about allocating their budgets and incorporating new media into their plans. We are in the early stages of seismic shifts in global media allocations and it is important to understand what is happening as well as why.

Although our early forecasts proved to be slightly bullish and we expected stronger cable network revenue growth, our primary research conducted among senior advertising and marketing executives proved to be very close to target with actual national TV upfront spending. Because this group has historically been too bearish, we adjusted the data upward. But unlike past years when marketers jumped back in, this year they chose to dip their toes into several new pools, reallocating an estimated \$500 million to video alternatives for 2006. While on the surface it may seem absurd to begin projecting the 2006/2007 upfront market a year early, this analysis provides a fascinating glimpse into the future of the U.S. national television marketplace and a preview into what it will take to be a player.

Although this year's decline totals only \$150 million, or 1%, media buyers and sellers are questioning if this is the beginning of a long-term slide or simply a pricing adjustment generated by aggressive buyer actions. Should networks expect similar declines next year or will revenue erosion continue?

In the review of spending patterns, "Jack Myers Media

“ We are in the early stages of seismic shifts in global media allocations. ”

Business Report” has determined that of this \$500 million shift, about \$350 million, or 70%, was redirected from broadcast networks and \$150 million from cable. Additionally, an estimated \$400 million flowed from broadcast networks to cable this year. With \$750 million in upfront spending redistributed away from broadcast, the success of the six networks in losing only 4% of last year's spending volume speaks to the continued viability of the network business.

However, it seems inevitable that the redistribution to alternative media will continue. For international advertisers, reaching an audience in this complex media marketplace is becoming even more complex.

- Of the \$500 million, only \$250 million went to the Internet, far less than some had projected. However, as broadband video distribution grows and quality improves, broadband revenue gains will be exponential.
- Cinema advertising is estimated to have captured an estimated \$100 million in revenues at the expense of networks and will continue to grow.
- In-store TV, such as Premier Retail Networks and other location-based video, represents another \$50 million in shifted funds, and this medium is rapidly expanding available in-store inventory.



- Mobile advertising, VOD (video-on-demand), and DVR (digital video recorder) advertising, and other emerging outlets captured an estimated \$50 million.

- Other place-based and community outreach options generated approximately \$50 million.

Each of these categories is on a trajectory pointing to double-digit annual gains, with mobile, VOD, and DVR advertising growing at a 25% to 50% rate for the next five years. While networks will be positioned to capture some of these revenues, a majority of the dollars will flow away from traditional television media suppliers.

Based on expectations that budgets will continue to be reallocated from network television to alternative video options, next year's national TV advertising shortfall can be expected to grow from \$500 million to an estimated \$800 million. It is reasonable to assume that 70% will again be at the expense of broadcast networks, representing an estimated \$550 million erosion of broadcast budgets. Assuming cable attracts another \$500 million of broadcast budgets, the six broadcast networks will need to generate an incremental \$1 billion from new sources just to stay even next year.

Assuming that broadcast networks will generate incrementally about \$700 million to \$750 million of the \$1 billion-plus shortfall from new sources, total broadcast upfront revenues would decline an estimated \$300 million to \$8.4 billion, a 3.5% decline (assuming broadcast network ratings do not suffer significant increases or decreases).

Cable, which could lose \$250 million to alternative media options next year, should gain \$500 million from broadcast budgets, a net gain of \$250 million. Assuming an additional \$350 million from incremental sources, cable would grow \$600 million, or 9%, in next year's upfront market.

As current patterns accelerate in future years, it will be important to determine how effectively traditional media suppliers will be able to retain reallocated budgets. Traditional media companies like CBS, MTV Networks, Scripps Networks, News Corp, Disney, and others are making significant investments in online and broadband media development. These companies can be



Many traditional network companies will focus increasingly on sponsorships, alliances, partnerships, branded entertainment, integrated marketing, and multi-platform initiatives designed to hold onto budgets that might otherwise shift to alternative media.



expected to accelerate their investments and acquisitions to become more viable players in the alternative media space. They can be expected to increase their development of video-on-demand and DVR-friendly options for their advertiser partners. Simultaneously, though, cable and satellite operators led by cable operators Comcast and Time Warner are developing strategies to shift budgets from the national to the local and regional marketplace. Print media are finally accelerating their broadband offerings. Local broadcasters are improving their local online news and packaging multiple sites for national advertisers. Marketers are focusing efforts on highly targeted sites, especially in the automotive, health, and entertainment categories. This will place even greater pressure on TV networks.

As these patterns become more apparent, many traditional network companies will focus increasingly on sponsorships, alliances, partnerships, branded entertainment, integrated marketing, and multi-platform initiatives designed to hold onto budgets that might shift to alternative media. Media sellers will also invest more aggressively in new research services that promise to validate the marketing value of popular network television programming. This shift, however, promises to take several years and multi-millions in investments. Only visionary and confident branded media players will successfully make the transition.

Others will continue to play by old commodity-market rules, relying on lower costs-per-thousands and traditional media efficiencies to generate increased market share and volume. Advertisers who rely on traditional metrics and mass media will need to increase their traditional network investments to offset audience erosion and declining commercial viewing.

Both strategies are viable, but traditional TV companies that expect to grow primarily through cost-per-thousand price increases using tried-and-true Nielsen demographic ratings as the only measure of performance will find themselves sorely in need of new strategies, as NBC and some cable networks discovered this year. ●

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iaa european summit 2005

This year's International Advertising Association European Summit promised a day chock full of sessions addressing issues that matter most to the international advertising community. Just as the program was starting on July 7, elsewhere in London a series of coordinated explosions were set off in the transit system by terrorists temporarily paralyzing the city. The opening address by Patrick Barwise, Professor of Management & Marketing, London Business School, and two morning panels took place, one on "The Future of Traditional Media," moderated by Rupert Howell, president, McCann Erickson EMEA, and the other on "Branded Content," moderated by Consultant Mark Palmer. The afternoon sessions were cancelled.

Michael Lee, president, Lee & Steel, and chairman and world president of the International Advertising Association, lived in London from 1976 to 1983. He started his career there before moving to the U.S.

a first person account

BY MICHAEL LEE

Before boarding my morning flight to London on July 6, I'd just heard London had beaten Paris in the 2012 Olympic bid. Incredible news. London was going to be in a very good mood.

July 7 began like many summer days in London—with overcast skies and light rain. I took a taxi to the International Advertising Association's Third European Ad Summit at a very slick new hotel, the Riverbank Park Plaza. It was good to run into some old friends immediately over coffee. The event was to be well attended, the location and organization top rate, the program cutting edge—this was going to be a very good day.

But right away, there was grumbling that colleagues were late—usual London underground commuting delays, I thought. Still Patrick Barwise jumped with gusto into his presentation and did a great job talking about brands other than totally ignoring his allotted time.

Then the first of several announcements came: "There have been some incidents on the underground causing delays, and it has been shut down."

The next panel on the "Future of Traditional Media" did not get into the topic in quite the provocative manner I expected but all solid material. Then just before the coffee break came more news, this

time of apparent bombs and explosions around London—perhaps as many as seven. Deep intakes of breath all around as the hotel security chief formally advised of the exit routes from the ballroom (we were well below street level) and added any unattended bags would be "dealt with... like that one over there" he said, alarmingly pointing to a lonely back pack.

This was now coffee break time, and a further announcement advised delegates they could go to the IAA business center and see the developing news on TV. I did not bother to go, but headed for the lobby, and hopefully mobile phone service. Wishful thinking. Few had cell phone service—"it's been switched off by the authorities" was the word. I can't really believe this is happening. Déjà vu (on 9-11, I was in New York). Outside it was raining. Word was that there were no trains, taxis, buses; Heathrow was closed. Lunch had been prepared and paid for, so the IAA sensibly suggested everyone go and eat it, but naturally the rest of the conference was cancelled (to be resumed at a later date).

After catching up with several delegates (from Athens, Frankfurt), I ventured out into what was now afternoon sunshine. Hordes of people were walking away from the center of London and the

nearby Houses of Parliament, whereas I was heading in that direction. All seemed calm, other than the wail of the occasional siren, and big traffic jams of cars filled to capacity as colleagues gave people lifts home. My dinner plans were cancelled (no transport). Slightly stunned colleagues were trying to figure out how to get to Heathrow or Eurostar or simply Croydon.

I called home and left a message on the answer machine that there had been bomb explosions in London but I'm okay and nowhere near their location. Waking back across the Thames, past the Houses of Parliament and Trafalgar Square, things seemed to be returning to normal. Packed buses were running, cell phones were working, police were everywhere.

The full story would unfold in the next few hours. Sadly everyone had forgotten about the Olympics, in any case who's worrying about 2012. Funnily enough the traditional media, whose questionable future had been discussed just that morning were doing a very good job of reporting—BBC Radio 4 and the main morning and evening dailies were right on top everything. Stories of sadness, of the bereaved, the maimed, the heroic, the innocent, and the lucky. It wasn't just another rainy summer day after all. ●

views on "the future of traditional media"

SUE UNERMAN

DIRECTOR OF STRATEGIC SOLUTIONS
MEDIACOM WORLDWIDE

"I think it's wrong to say the 30-second television is dead, but it is changing in its role and usefulness. The way that media owners can make money out of television is also changing. That's a good thing if it leads to better accountability and better profitability for the client."

"There has always been a way to interrupt TV commercials and it's called the kettle. People have always popped out of the room to avoid ads."

MARK WOOD

COMMERCIAL DIRECTOR
SKY MEDIA

"You don't need to be a genius planner to know that the more engaged viewers are in programs, the more the advertising works around those programs and what we need to do is get advertisers to harness that power. Getting involved with content and more involved with viewers is the way advertisers have to go."

"Creative agencies lost control of the advertisers overall strategy some years ago. I think that content cannot be divorced from advertising any more. I think ultimately the power will swing back away from media agencies because they are too focused on trading and commodities and should go back to what we used to call creative agencies if the creative work becomes more of the content."

PAUL MARAVIGLIA

VP-INTERNATIONAL PUBLISHER
BUSINESS WEEK

"A print magazine won't be the future for our business in the long run. The challenge is...if you're a daily newspaper that day has come now. If you're a weekly magazine, that day is around the corner if not now. More people access Business Week online in Europe than the print magazine. The question is how do you create a bridging strategy? In the future the key for us—I wouldn't be surprised if there are maybe as many as 20 distribution channels in the future. For me it's not a choice between the print product and an online product. For me, it's the online product is complementary to the print product. The secret is in the transition."

PATRICK BARWISE

PROFESSOR OF
MANAGEMENT & MARKETING
LONDON BUSINESS SCHOOL

"There is only one long-term trend in marketing expenditure, and that is slowly away from traditional media toward interactive marketing, which includes Internet advertising and especially search but also permission based e-mail, continuing investment in Websites, online promotions, mobile etc. That's not saying people will stop using media. The increasingly complex thing we're having to do is use these things in combination. In addition, of course digital media and time pressure mean that consumers are increasingly controlling so we have to move more toward a combination of pull and push."

ALISON REAY

COMMERCIAL DIRECTOR EMEA
YAHOO

"The whole media model is going to change because we found from research that [the I generation] just doesn't consume any media at one time on its own. It's how they interact when they are looking at the TV screen or e-mailing their friends or messaging their friends or maybe listening to the radio all at the same time that is challenging us."

"We did a straw poll last year in the U.K. of all the creative we received, and only 10% came from a traditional ad agency. That's very concerning. The Internet is at the moment the only way you can truly advertise at one time and in one place. Clients are increasingly looking at ways they can do this. Ad agencies and media agencies aren't as geared up as they should be."

views on "branded content"

PAUL BAY

CITIZENBAY
(FORMER LEVI'S EMEA)

"The problem we have is consumers don't think 'oh, that's nice branded content' or 'oh that's lovely PR.' They just go 'that works for me' or it doesn't. There is a bit of a rush right now for branded content to be the new solution without thinking whether it is truly relevant."

MICK BROWN

CEO
COAST

"A client on his own could place an ad. But content isn't like that. Two people have to say 'yes': a client...and a media owner. That creates a real problem in terms of the structure of the way that communication works because none of the agencies are set up like that. So how is a client who wants to work in this area supposed to put together a deal if the pieces of the jigsaw puzzle aren't there."

MARTIN HART

POLICY MANAGER
OFCOM

"Is product placement a magic bullet to consumer engagement for your products? The answer is no. Content does what it does and advertising does what it does and if you want your product to be the hero of the communication, you should make an ad."

MICK BUCKLEY

CEO
CBC EUROPE

"If you ask consumers when they are confronted with advertising and sponsored content from a campaign which they'd rather have, they say by a large margin, they would like to be communicated through sponsored content."

"When one of these things happens, it's usually driven by very creative, tenacious people either at the client or an agency which pushes the whole thing through because the agency world is not structured in the best way to enable these."

SIMON JACOBSON

HEAD OF MEDIA SPONSORSHIP
CISCO SYSTEMS

Jacobson discussed Cisco's involvement with branded content, whose key objective he said is aimed at revenue and business growth. The company produces a program with partner Fact-based Communications that appears on CNBC. He is committed to "good content" because he says, "If it's not entertaining, people won't watch it."

"Cisco is an IT company. We've traditionally sold to technical people. We sell boxes with lots of lights and lots of cables. It's very interesting to certain audiences, and we're very successful at it. But there is a broader audience that we have to reach, not just through branded content and not just through product placement, but through our advertising, our PR, and all the other elements of our communications mix. So [the program] "E-Life" plays a key role in relevance. The stories and content of the program support, underpin and reinforce the messages that Cisco wants to put out about our technologies and about the solutions that people look for in real life.

"It is not product placement. You don't see Cisco people being interviewed. It's real life. In terms of emerging markets, it has a double whammy effect. It clearly helps the brand position and awareness of Cisco, and second it plays a key role in education because in emerging markets, the adoption of technology has been much later than in the more advanced western markets.

"We've done some research outside the U.K., and it's quite clear that audiences are savvy. They know the program is sponsored and [when they learn it's Cisco, they say], 'I would expect Cisco to sponsor a program like that and give me information that I wouldn't get in an entertaining way in any other format.'

"They are expecting a lead brand in the segment—and I'm sure this applies to other segments, not just IT, whether it's financial services or automotive; they expect the leading brand to step up to the mark, be innovative in the way it delivers its messaging, and be consistent. We did markets where we did advertising and where we don't and markets that are technology-advanced and those which are coming up fast. The research, we run on CNBC Europe—we are now in our third series—shows there is equity in the brand 'E-Life.' What it shows is that we are getting permission from the business decision maker audience, and we are starting to address them offline on non-TV platforms, 3G, online, print, and live events. [We are starting] to take the equity that has built up in the program and associate it with Cisco and the local broadcaster as a key partner, whether on a pan-regional basis or country by country. So it starts to build its own momentum. It's interesting; I don't know whether it's a surprise because it's the client driving this. I don't think any of the large agencies have gotten this yet."●

idea generator

With the old model for planning and buying media now defunct, are the media another creative resource for marketers?

B Y
L I Z
J O N E S

The process of planning and buying media has changed dramatically, even in my (relatively) short professional career. There was a time when agencies—once convinced of the demographic fit and having haggled with the media owner a) to reach the right price and b) for long enough to merit their commission—would hand over their clients' money, assured they had done their job. There would no doubt be a nice spot of lunch, and it was on to the next plan/buy/sell/lunch.

That simple model is now defunct. Media owners have had to discover new ways to secure revenue. Direct meetings with clients, strategy planners, and other marketing services agencies are all on the agenda for media owners, as brands look for more involving and effective advertising. There are a number of factors at play here, but in addition to the traditional incentives for media owners to go the extra mile, there are new influences.

Today no media owner has a guaranteed fixture on a media schedule. Other work has to be done both in terms of the ideas generated (and therefore often the people contacted along the way) in order to really understand the

clients' business and objectives to secure the deal. Therefore not only is media the new creative but I would even argue that media owners are perhaps the newest breed of creative agency.

There is a dated image of media owners as a bunch of brash, badly suited people who spend their days lunching and their evenings wining and dining while doing deals on beer mats. The truth of the matter, and I say this from the experience of working for two ad agencies and two media owners, is that the way we work is not dissimilar to any agency or client.

I have always worked surrounded by great, energetic, young people. We are all ultimately working to a P&L and are therefore revenue-driven whatever side of the fence we are on. We are all now ultimately client-focused and the way we work together is led more and more by a partnership approach as real value doesn't come from "deals" in the purest sense of the word.

Today, however, media agencies are stretched thinner than ever, often on reduced revenues while the demands of media neutral planning have forced planners to deliberate the use of many

*Liz Jones is
VP-European sales director
of CNBC Europe.*

more communication channels, all this in the midst of much media fragmentation.

Fewer brains are striving to cover more ground while media owners are well staffed often with high caliber people (who were once on the agency side). We all spend a fortune on research designed to investigate precisely how consumers interact with our formats, and there is an additional wealth of consumer insight via our editorial departments. For example, no one knows better how, when, and what a CEO watches on television than CNBC Europe, because we have been working to understand this since day one.

International media owners have close relationships with their viewers/readers and can therefore produce very creative ideas that are right for the client because they know that they will engage and connect with the often niche target audience. They also have the flexibility and in-house capability to execute them cost effectively and quickly. They have a limited number of solutions and a wide array of possible clients whereas agencies work across a handful of clients but have a proliferation of proposals and channels to consider. Aside from creativity, media owners also provide resource in the shape of research: insight, runs, competitor analysis, help with presentations, pitches, and papers. This is as well as the traditional post-campaign evaluation for the client's

actual activity on our media.

Buying culture and negotiating have traditionally been about keeping people in the dark, and media owners can't afford to continue to leave it to chance. The premise of a good deal is understanding a client's business and the issues it faces. Then understanding how those issues are driving the marketing objectives and strategies. In order to do that, it is paramount that media agencies recognize

you come up with the right idea and the right distribution channel and then look at exactly how you will evaluate the success of this.

As a consequence of this sea change media owners often have longer and (sometimes better) relationships with their core clients than the agency. For media not targeted at the traditional 20-to-30-year-old planner/buyer (and here I obviously refer to CNBC Europe), in

Buying culture and negotiating have traditionally been about keeping people in the dark, and media owners can't afford to continue to leave it to chance. The premise of a good deal is understanding a client's business and the issues it faces.

what we as media owners can do and contribute and therefore involve us early, brief us thoroughly, and work with us to sell it up the line to the client. Does the client want to buy a certain number of AB men or do they need to sell 35,000 cars?

The numbers are only one part of the equation; the magical element is sometimes missing. Proper transparency is needed among media owners, agencies, and clients and a real understanding of the end game. Only then can

dealing directly with clients we can ensure a better understanding of the value of our channel. This way of conveying the message is less risky than entrusting it to said 20-to-30-year-old.

The future I think is bright. There is closer collaboration; there is a common desire to grow the cake and therefore help each other create budgets. Creativity, consumer choice, and content are the key buzz words currently, and it is incumbent on all of us to embrace them, wherever we work. ●

boundaries blur



World growing smaller, market growing larger; columnist concludes global culture replacing national differences

The German romance with the automobile is an increasingly global trend (Altea Seat/Grey Advertising).



Is the world truly getting smaller? Just thinking of the European Union, the amalgamation of Asia, and even the shrinking of Latin America, it would seem that global telecommunications, the Internet and, dare I say, global culture is beginning to blur international boundaries.

You might well ask what is so similar about Turkey, Mexico, and Vietnam, but after writing these pages for more than two years, I'd turn the tables and ask you, "What's so different about these countries or the UAE, the Baltics, and Brazil?"

(Quite honestly, our reporting shows that cultures are becoming more similar than they are different, and we believe it is time for the "Doing Business in" column to take a break.)

Yes, we all know the Germans love technology and the Italians love romance. So how do you explain a German ad portraying an almost religious reverence for a car and the Italians' fury at being portrayed as rustic and cozy?

Yes, it's difficult to find Mexicans, Spaniards, or Italians in their offices between the hours of 1 and 5, but what does that really mean? Not

much more than the fact that Germans, Finns, and American Midwesterners are at their desks at the crack of dawn.

It's not surprising that Aussies are brash and love their beer or that dating couples don't appear on state-controlled television in the UAE.

Yet these are superficial differences. What is surprising is that there are far more similarities than there are differences.

I'm certainly not the first to suggest that globalization has blurred international boundaries, nor would I suggest that cultural differences are disappearing completely. The Japanese will always be excruciatingly punctual and the Mexicans will always be laid back. Each nationality will have its own language, cultural quirks, and national pride that require marketing sensitivity.

Yet, any of us would be hard-pressed to find a culture that didn't recognize Coca-Cola, Nike, Nokia, Panasonic, and Toyota.

Walk down the street in Hong Kong, Rio or Johannesburg, and you're likely to see a McDonald's.

Check out the kids on the street and,

guaranteed, they have iPods plugged into their brains when they're not talking on their Nokia or Motorola phones. They're bound to be wearing the latest, coolest, hippest sneakers, and drinking a bottle of Coke or Mountain Dew.

It's the young generation that is blurring those international boundaries. With 38% of the world's population under the age of 20, this post-millennium generation will be a global driving force in

Here are a few general rules of conducting business that will serve you well in virtually any country. They are gleaned from cultural consultant Gwyneth Olofsson's "When in Rome or Rio or Riyadh: Cultural Q&A's for Successful Business Behavior Around the World." (INTERCULTURAL PRESS 2004):



- **Cell phones:** At any business meeting, in any culture, default behavior is to switch off your phone before it starts, unless you know the people well and are sure they won't mind. You are in effect saying that your caller is more important than the person or people you are with.
- **Business cards:** Incorrect translations can be more trouble than they are worth. So one trend now is to stick to English for business cards.
- **Business relationships:** Before you charge into doing business, figure out how the culture operates: Do relationships drive deals or do deals drive relationships? It's all about trust. In the U.S. trust is regarded as less important than rules and contracts that keep people on the straight and narrow.

In cultures where there is a high degree of trust between individuals, such as Japan and the Scandinavian countries, there has traditionally been less emphasis on the written contract. Americans are often perceived as taking the short-term view and not having the time to build trust-based relationships. In some cultures, like Greece and China, people prefer to do business with friends or family as they know they will not be cheated. In these types of cultures, you must not jeopardize a long-term relationship for a fast buck.



*The next generation—preteens
now—will spur an even further
trend toward globalization*

(McDonald's/India/DDB Worldwide).

much the same way the American Baby Boomers have dominated U.S. culture, lifestyle, politics, and marketing throughout their lives.

A few months ago, a German advertising executive told me that the stereotypes in his country apply to adults, but not to teens. “When I compare my friends with teenagers in Moscow or Madrid, there’s little difference from teenagers in Munich. They’re wearing the same clothes, listening to the same music. Thanks God, we need that,” said Uli Veigel, CEO of Grey Global’s German operations.

Marketers in the United Arab Emirates told me about clandestine dating practices among teenagers hanging out in shopping malls that involve writing phone numbers in the frost on bottles of Coke. I heard tales of hip kids on the streets of Hanoi and Istanbul and young urban sophisticates in Latvia and Lahore, matched by skateboarding Mountain Dew drinkers in Helsinki.

It might just be a “kids will be kids” phenomenon if it weren’t for the unparalleled advent of global communications that is likely to be an essential part of the lives of these teenagers through old age.

With the Internet and satellite television available almost everywhere, consumers of all age groups have become global consumers.

IM-ing friends across the planet has become a daily necessity of life for urban teens, and cell phones have leapfrogged traditional telephone lines and become the primary lines of communication in many countries with poor infrastructure.

HBO is available to nearly three-quarters of the world’s population, so American culture is in living rooms daily, along with satellite feeds of virtually everything available on television worldwide.

So it’s not just the kids. All age groups are recipients of this global influence, although some are being dragged kicking and screaming into the global marketplace.

In some cases, the older generation may be somewhat less savvy and more resistant to change. However, they, too, are driving the international thrust for automobiles, business travel, computers, and developing technologies that their children will inherit in the 21st century global marketplace.

Every society has demographic differences between young and old, rich and poor, rural and urban, but those differences seem to be increasingly less important from an international marketer’s viewpoint because of global brand recognition.

There will always be national pride and a desire for products made or branded locally, but there is an increasing desire for the appearance of sophistication that comes from ownership of international products.

Does this spell the end of local marketing or in-country global representatives? Not at all. In fact, another common thread I found in the dozen countries I examined was a desire to be spoken to in their own languages with a sensitive ear toward cultural preferences.

Brazilians love music, Australians revel in thumbing their noses at sacred cows, Vietnamese have a fierce sense of national pride and optimism about their future, and South Africans love their new-found racial homogeneity.

I don’t think this means unique cultures will disappear. I’d like to think instead this global awareness portends better understanding and less stereotyping.

It certainly doesn’t mean the global culture or the uniqueness of individual cultures and markets will be missing from these pages. As the “Doing Business In…” column takes a break, we’ll be featuring businesses and their leaders who have a unique grasp of their countries or regions and a particularly meaningful way of marketing to them.

We welcome your recommendations and your feedback. ●



*Mountain Dew’s hip pitch
to Finland’s youth could
fly in nearly any country
in the world (BBDO).*



*The youth culture is
driving a new global
culture (Apple iPod/global/
TBWA Worldwide).*

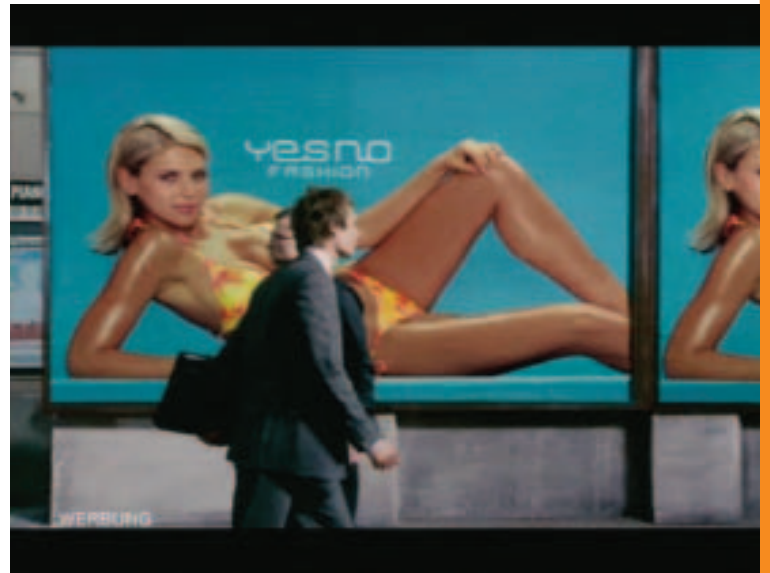
Grand Prix Winners of Cannes Lions 2005



Category
Cyber
Client
Method Products
Agency
Crispin Porter & Bogusky
Country
U.S.



Category
Direct
Client
Renault
Agency
Nordpol Hamburg
Country
Germany

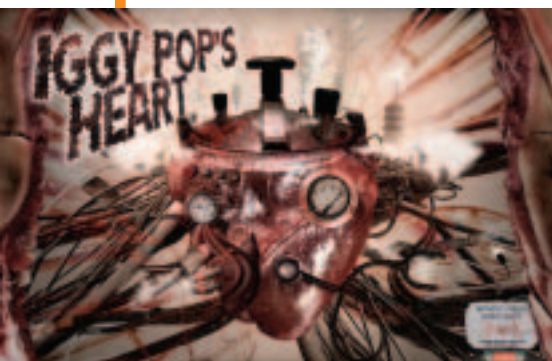


Category
Media
Client
Procter & Gamble
Agency
MediaCom Tel Aviv
Country
Israel

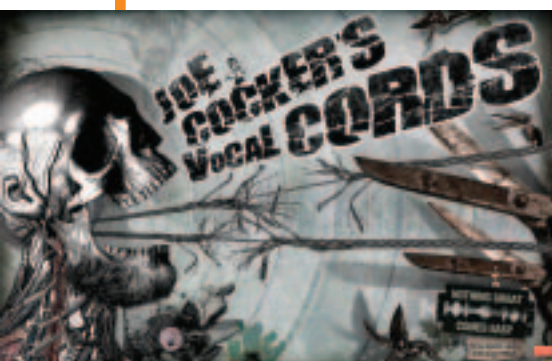


Category
Press
Client
EMI Records
Agency
TBWA\Paris
Country
France

Category
Outdoor
Client
Silfa (Lego)
Agency
Ogilvy & Mather Santiago
Country
Chile



Category
Film
Client
Honda
Agency
Wieden & Kennedy U.K.
Country
U.K.



WHO'S TUNING IN, LOGGING ON, HITTING THE BOOKS

Source: NOP World Roper Reports Worldwide

WATCHING TV		LISTENING TO RADIO		READING*		COMPUTER/INTERNET** (not for work)	
AVERAGE WEEKLY HOURS							
HEAVIEST MEDIA USAGE							
THAILAND	22.4	ARGENTINA	20.8	INDIA	10.7	TAIWAN	12.6
PHILIPPINES	21.0	BRAZIL	17.2	THAILAND	9.4	THAILAND	11.7
EGYPT	20.9	SOUTH AFRICA	15.0	CHINA	8.0	SPAIN	11.5
TURKEY	20.2	CZECH REPUBLIC	13.5	PHILIPPINES	7.6	HUNGARY	10.9
INDONESIA	19.7	THAILAND	13.3	EGYPT	7.5	CHINA	10.8
GLOBALLY	16.6		8.0		6.5		8.9
LIGHTEST MEDIA USAGE							
AUSTRALIA	13.3	JAPAN	4.1	U.K.	5.3	CZECH REPUBLIC	7.1
INDIA	13.3	INDIA	4.1	BRAZIL	5.2	JAPAN	6.9
SWEDEN	12.3	SAUDI ARABIA	3.9	TAIWAN	5.0	GERMANY	6.4
VENEZUELA	11.9	KOREA	3.0	JAPAN	4.1	ITALY	6.3
MEXICO	11.6	CHINA	2.1	KOREA	3.1	MEXICO	6.3

* Includes books.
**Excludes those who report no time using computer/Internet for non-work purposes.

OVERSEAS VACATION PLANS

Source: GMI Poll

	NORTH AMERICA	EUROPE	ASIA	LATIN AMERICA	
% PLANNING TO TRAVEL OVERSEAS ON VACATION THIS YEAR					
Yes	16	36	23	25	<ul style="list-style-type: none"> • NORTH AMERICA = U.S., Canada • EUROPE = Denmark, France, Germany, Italy, Netherlands, Poland, Spain, U.K. • ASIA = China, Japan, South Korea • LATIN AMERICA = Mexico, Brazil
Maybe	26	29	37	44	
No	58	35	40	31	
% HOW DETERMINE WHERE TO GO					
Personal recommendation	52	43	44	48	1,000 RESPONDENTS IN EACH COUNTRY. POLL TAKEN MAY 10-18
Web search	54	59	63	34	
Visit travel agent's office	18	21	35	20	
See TV program	20	20	27	27	
Read a newspaper	16	16	17	11	
Other	11	10	2	11	

MAJOR OBJECTIVES FOR CONSUMER MAGAZINES' WEBSITES

Source: International Federation of Periodical Press

EXPAND AUDIENCE BEYOND THE PRINT BASE.....	84	%
ATTRACT NEW READERS FOR THE PRINTED PRODUCT.....	81	
CREATE NEW REVENUE STREAMS/PROFITS IN LONG TERM.....	76	
BUILD COMMUNITY AROUND THE BRAND.....	67	
COMMUNICATE WITH TARGET AUDIENCE MORE FREQUENTLY.....	57	
ALLOW AUDIENCE ACCESS TO CONTENT AT TIMES AND CONVENIENT PLACE.....	42	
CREATE NEW REVENUE STREAMS/PROFITS IN SHORT TERM.....	40	
INCREASE PRODUCT LINES.....	33	
PROVIDE WEBSITE ADS AS ADDED-VALUE FOR PRINT ADVERTISERS.....	27	
FORM ONLINE PARTNERSHIPS WITH OTHERS.....	22	
DISCOURAGE AUDIENCE FROM DRIFTING TO OTHER ONLINE SOURCES.....	18	

CONCENTRATION OF THE MEDIA AGENCY INDUSTRY VARIES GREATLY BY COUNTRY

Source: RECMA

SELECTED MARKETS	MARKET SIZE U.S.\$ IN MILLIONS	TOP 3 AGENCIES' MARKET SHARE %	LEADING AGENCY
Indonesia	285	66.7	Initiative
Hong Kong	1,305	63.6	MindShare / Maxus
India	2,195	56.4	MindShare / Maxus
France	14,380	54.9	Carat
Sweden	1,245	51.9	Mediaedge:cia
Belgium	1,655	51.3	Carat
Japan	40,000	50.0	Dentsu
Mexico	2,500	47.4	MPG
Germany	17,335	46.0	MediaCom
Argentina	865	44.6	Initiative
Italy	7,470	44.2	Mediaedge:cia
Netherlands	2,110	41.4	Kobalt
U.S.	83,575	30.4	MindShare
U.K.	14,325	30.4	MediaCom
China	9,600	18.8	MindShare

zenithoptimedia ad expenditure growth and forecast

Source: ZenithOptimedia Currency conversion at 2004 average rates

	2004 US\$ MILLIONS CURRENT PRICES	% CHANGE 2004 VS. 2003	2005 US\$ MILLIONS CURRENT PRICES	% CHANGE 2005 VS. 2004	2006 US\$ MILLIONS CURRENT PRICES	% CHANGE 2006 VS. 2005
NORTH AMERICA	168,197	6.0	174,547	3.8	184,309	5.6
EUROPE	104,398	6.0	107,942	3.4	112,571	4.3
ASIA/PACIFIC	79,625	8.2	83,654	5.1	89,121	6.5
LATIN AMERICA	16,142	17.4	17,082	5.8	18,167	6.4
AFRICA/ MIDDLE EAST/ REST OF WORLD	17,667	22.1	20,759	17.5	24,271	16.9
WORLD	386,030	7.6	403,984	4.7	428,438	6.1

2005 AD OUTLOOK
IN KEY INDUSTRIALIZED COUNTRIES2005 AD OUTLOOK
IN OTHER SELECTED COUNTRIES

% change over prior year in nominal currencies

Source: Universal McCann's Insider's Report by Robert J. Coen

COUNTRY	FORECAST 2005	2004	COUNTRY	FORECAST 2005	2004
U.S.	+ 5.7	+ 7.4	CHINA	+ 35.0	+ 33.0
SPAIN	+ 5.0	+ 6.0	INDONESIA	+ 25.0	+ 26.0
ITALY	+ 4.9	+ 8.0	BRAZIL	+ 19.4	+ 22.1
U.K.	+ 4.7	+ 2.0	INDIA	+ 16.0	+ 10.0
MEXICO	+ 4.0	0.0	RUSSIA	+ 16.0	+ 12.0
CANADA	+ 3.8	+ 3.0	SOUTH KOREA	+ 7.5	+ 8.0
AUSTRALIA	+ 3.5	+ 4.0	POLAND	+ 7.0	+ 11.1
FRANCE	+ 3.1	+ 3.5	PORTUGAL	+ 6.0	+ 8.8
JAPAN	+ 2.0	+ 3.0	CZECH REPUBLIC	+ 3.9	+ 4.0
NETHERLANDS	+ 2.0	0.0	BELGIUM	+ 2.6	+ 7.0



CANNES
 Out and about at the International Advertising Festival.
 (All photo identifications from left.)

- 1 June Blocklin, Young & Rubicam.
- 2 The main venue.
- 3 Daryl Fielding and Paul Jackson, both Ogilvy & Mather; Hervé de Clerck, AdForum.
- 4 Alan Rutherford, Unilever.
- 5 Toshiake Nozue, Dentsu; Piyush Pandey, Ogilvy & Mather India; Masako Okamura, Dentsu.
- 6 Jukka Kohonen, IAA Finland; Michael Lee, Lee & Steel; Ian Fairservice, Motivate Publishing/ IAA Dubai Organizing Committee.

B-to-B Branding

NEW YORK
 The Financial Communications Society hosted the marketing director of Mexico's Cemex, one of the world's leaders in the manufacture of cement products, to learn more about the nuances of growing a global business-to-business brand.

Andrew Claffin, Barron's; Javier Treviño, Cemex; Karen List, New York Times.





NEW YORK

Takasago Tomobe and Tsukuru Urano, both Nihon Keizai Shimbun, were on hand to welcome participants to a seminar on "The Future of Economic Integration: The US-Japan-China Power Triangle" jointly presented by their newspaper and the Japan Society.



1



2

WASHINGTON

Simon Anholt, author of "Brand New Justice" and an expert in the branding of nations, was featured at a luncheon hosted by the Washington Post.

(All photo identifications from left.)

- 1 *Simon Anholt.*
- 2 *Gordon Shirley, Ambassador of Jamaica.*
- 3 *Wally Snyder & Jeff Perlman, both American Advertising Federation; Nancy McLernon, Organization for International Investment.*
- 4 *Lois Segel, Washington Post; Jian Hua Li, Embassy of China; Amer Yaqub, Washington Post.*
- 5 *Paul Weatherly, Weatherly Consulting; Erin Mulholland, Edelman.*
- 6 *Fritz Poku, Ambassador of Ghana.*



3



4



5



6

NOVEMBER 24

TRENDWATCHING.COM'S
TREND SEMINAR

PLACE: Koepelkerk, Renaissance
Amsterdam Hotel, Kattengat 1,
Amsterdam

RESERVATIONS:

www.trendwatching.com
or Liesbeth den Toom
liesbeth@trendwatching.com

Price: €299

OCTOBER 26 (AND NOVEMBER 23)

TEXT APPEAL'S
"DIRECTORS' CROSS BORDER
ADVERTISING WORKSHOP"

PLACE: Institute of Directors Club,
London

Reservations: Francesca Smith
francesca@textappeal.com
44-207-350-0020

PRICE: £120

FEBRUARY 3-5, 2006

ADPRINT EUROPEAN
ADVERTISING FESTIVAL

PLACE: Poiana Brasov, Romania

RESERVATIONS:

cristina.dumitru@adprint.ro;
www.adprint.ro

PRICE: NA

MARCH 16-18, 2006

DUBAI 2006:
CHALLENGES OF CHANGE

40TH IAA WORLD
ADVERTISING CONGRESS

PLACE: The Dubai International
Convention Center, U.A.E.

RESERVATIONS: Joseph Ghossoub
j.ghossoub@thgrp.com

PRICE: NA

MAY 1-3

5TH FIPP INTERNATIONAL
BUSINESS MAGAZINE
& PROFESSIONAL MEDIA
CONFERENCE

PLACE: Millennium Hotel
& Grosvenor Hotel, London

RESERVATIONS: Lucy Fairclough
lucy@ppa.co.uk

PRICE: NA



1



2



3



4

Berets on Bastille Day

NEW YORK

inter national ist celebrates Bastille Day in one of several international gatherings to celebrate holidays around the world. (All photo identifications from left.)

- 1 Sal Zammuto, Publicitas; Glenn Lombino, DTP Systems; Manfred Mareck, Publicitas.
- 2 Hugh Roome, Scholastic; Bill Morrow, Crain Communications.
- 3 Richard Hine, Dow Jones.
- 4 John Marshall, Nihon Keizai Shimbun.



1



2

3

NEW YORK

Advertisers discussed the state of print advertising at the Association of National Advertisers' "Print Advertising Forum." (All photo identifications from left.)

- 1 Chris Theodoros & David Hirsch, both Google.
- 2 Bob Liodice, Association of National Advertisers.
- 3 Bill Duggan, Association of National Advertisers; Stephanie Decker, Decker & Decker Associates.



Mike RICH Singapore MindShare Asia Pacific's Performance, Managing Director

1992 LONDON Endsleigh Insurance Services Ltd. 1998 LONDON BroadMind UK 2005 SINGAPORE Performance Worldwide sports entertainment

1996 LONDON Brand Asset Management

2000 LONDON Performance Worldwide (formerly BroadMind)



Andy BUSH London Fortune Europe, Publishing Director

1986 LONDON/AUCKLAND Saatchi & Saatchi

1999 NEW YORK Time International

1989 LONDON The Sunday Correspondent

2002 LONDON Fortune Europe



Percy FAHRBACH New York CommPros LLC, CEO

1974 WELS, AUSTRIA Schaefer GmbH

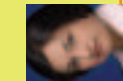
1989 FRANKFURT Business Week (McGraw-Hill)

2000 NEW YORK Gruner & Jahr International

1977 WELS, AUSTRIA Lugmayer

1993 FRANKFURT McGraw-Hill Europe

2005 NEW YORK CommPros LLC



Bipash GHOSH Singapore BBC World, Senior Marketing Manager Asia

1992 NEW DELHI Oberoi Group of Hotels

2001 LONDON Full-time graduate student and consultant

2005 SINGAPORE BBC World

1996 HONG KONG Turner International Asia Pacific Ltd.

2003 KUALA LUMPUR Independent consultant



Paul BAY London Citizenbay, Founder

1986 LONDON McCann Erickson

1995 LONDON Leo Burnett Europe

2000 BRUSSELS Levi Strauss Europe, Middle East Africa

1992 NAIROBI McCann Erickson East Africa

2004 LONDON Citizenbay

1997 LONDON M&C Saatchi/Walker Media

Are you one of those people who hear the word Dubai and think "sandstorm"? Do you often get all those states confused, not sure which one harbors danger and which one the great beaches? Clearly, the Middle East has the best beach sun in the world, but that's a fact often overlooked in current events. Thank goodness for Dubai! The jewel of the Emirates is hotter than Hades these days, but in a good way!

historical brief

Most people may not know Dubai is located smack-dab in the middle of the world, making it the perfect stopping off point if you are en route to somewhere from Europe, Africa, Asia, or the Russian peninsula headed southwest. That was never enough for this thumbtack on the map, so some Emirates executives decided to make Dubai the economic hub of the entire region. Today, Dubai is the layover hub bar-none, the best mall with the best prices on Rolexes this side of a Bangkok back alley, but it's also a business heavyweight and pretty fun too.

first

Fly Emirates! Throw in their great service, ability to face Mecca at appropriate times, and inflight TVs, and there really is no other way to arrive in Dubai. Once there, the best way into town is to hail an Emirates crew member and ask for an Emirates car service into town. You'll be glad for the power-pumped air conditioning as you peel yourself off the rich black leather seats at your final destination. The traffic drives so fast that you don't really want to deal with the driving yourself. For hotels, we have three recommendations for the mix between budget and opulence: Jumeirah Beach Hotel or the Dusit. The Burj Al Arab is oh so shiny.

clumping

Everyone thinks that this city's cultural life for an international jetsetter (like you) is clustered in the futuristic parts that have made Dubai such a superstar. Places like Dubai Internet City, the Jumeirah Beach and Burj Al Arab sections or the new Palm and World developments for international sun-seekers all spring to mind. Like anywhere, the real pleasures cannot be found in these soul-less locales, but since they have grass and air conditioning, you might want to hang out there after all.

You could actually reinvent your whole life clumped into these areas. Check out www.dubaiinternetcity.com to get the skinny on tax-reduced corporate holding structures and other items to keep your new consultancy solvent in an era of Indian outsourcing. While there, you can always put a down payment on your new private island at The World, complete with submerged aqua houses and a giant mall the size of a small Vermont county. The great thing about Dubai is that even though it's all desert, it's increasingly focused on water. Why not live the life aquatic with a place at the Palm Jebel Ali (www.palmsales.ca)? It really is incredible, a palm tree visible from space with luxurious island homes and landscaping, complete with various b-list movie stars for neighbors. If

mainland living is more your style, flip some real estate and get in on the new Burj Dubai—the world's tallest and super seriously cool building of the international jet set moment.

entertainment

Even though Dubai is now a huge city, it is still enduring growing pains, which means that nightlife and restaurants

there for the late-night antics. DUBAI MARINE BEACH RESORT & SPA JUMEIRAH www.dxbmarine.com

Further afield, the Skyview Bar at the Burj Al Arab is fun for a look-see and some cocktails. It's better than the Burj Al Arab's downstairs restaurant, which is Singapore-style tacky. But this place is high on the cocktail list. BURJ AL ARAB JUMEIRAH BEACH ROAD www.jumeirahinternational.com There are lots of standard things to do in Dubai, such as riding dune buggies, visiting the



The Burj Al-Arab, more than just a place to stay, is an attraction in itself. Next door is a water park that features rides such as this waterslide.

are somewhat limited. But what there is can be great fun. For starters, center your activities around the Jumeirah Beach Resort and the Burj al Arab hotel areas. The Jumeirah alone has like three good places, but the best bar by far is Boudoir, which is next door at the Dubai Marine Beach Resort and Jumeirah Spa. The place thumps and you're just as likely to spot 50 Cent and T-Bone inside as you are to find a member of the Fahd family. DJs and music are legendary at Boudoir, and though it's a great place for dinner, you really want to be

souks, or getting in a round of golf while nice patient people hold your sun umbrella over your backswing. But stick to the golf—some of Dubai's attractions, which seem harmless, are actually not so cool, such as camel racing. Aside from that, Dubai rocks. It's modern, fun, international, and increasingly... wet. Sure, you still have the occasional sandstorm and the traffic; calls to prayer and dust can be a bit overwhelming, but it's a city for business, for living, and for fun. Just remember: it's a dry heat, and girls: cover up. ●