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Market Leader

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MARKETING SOCIETY

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How to Protect Against Marketing Fraud

John A. Quelch
Harvard Business School
William D. Wilson
Marketing Productivity Audits

Marketing Expenditure is growing faster than ever before, fuelled by corporate growth objectives that seek to launch new products, reach new customers, penetrate new channels and expand into new geographies. Marketing is a $450 billion industry. Media advertising expenditures alone reached $250 billion in 2004 in the USA, equivalent to almost $1,000 per capita. Major marketers such as Ford and General Motors spent more than $3 billion each in 2004. Procter & Gamble spent almost $5 billion.

Many question whether marketing is effective and delivers value for money. Equally important is the threat of marketing fraud and whether marketing expenditures are properly and sufficiently audited. In a climate of tighter governance, with the Sarbanes Oxley Act requiring that the CEO and CFO sign off on the company accounts, it is essential that boards and top management have confidence in the integrity of marketing expenditures.

Accounting reporting standards have been improved in recent years to outlaw bad practices such as artificial booking of as yet unrealised revenues to achieve quarterly or fiscal-year sales targets. In addition, the top line of the income statement must now represent the value of sales net of discounts rather than gross sales, which some companies were inflating by offering products and services at high list prices that were simultaneously accompanied by substantial discounts.

These changes, however, have not stamped out fraud and malfeasance. In 2004, the Warner Lambert unit of Pfizer Inc settled charges of deceptive sales and marketing practices for $430 million including a $250 million fine. Saks was found to have improperly collected $20 million in markdown allowances from vendors whose merchandise did not sell at expected retail prices. In 2005, AOL Time Warner agreed with the Securities and Exchange Commission to $1.2 billion in settlements, fines and revenue restatements; AOL had over-claimed its number of subscribers and charged AOL advertisers more than they should have paid as a result. And several advertising agency executives have recently been convicted of fraudulently overstating billing hours to public-sector clients in order to meet their revenue goals.

WHY IS MARKETING FRAUD NOW MORE LIKELY?

Four factors make marketing fraud more likely than in the past.

First, the pressure to meet the quarterly sales forecast is greater than ever, resulting in a disappointing 'do whatever you have to do to make your numbers (but don't tell the boss)' ethic in many organisations.

Second, the trust and continuity between customers and suppliers that characterised, for example, agency-client relationships 20-plus years ago no longer exists; over $35 billion of US ad agency billings were opened up by clients to agency competition in 2003–2004, a greater proportion than ever before.

Third, the marketing landscape continues to become more complex; for example, there are today 1,600 broadcast and cable outlets in the US alone from which advertising time can be purchased.

Fourth, the emergence of internet advertising and product/brand placement arrangements for which measurement and audit systems have yet to be defined or standardised adds an extra element of uncertainty and risk of kickbacks.

Firms vary of course in the size and materiality of their marketing, sales and distribution costs. We believe that firms with 7.5% of revenues or more in marketing expenditures should pay special attention.

HOW TO PROTECT AGAINST MARKETING FRAUD

What should the boards of directors, charged with protecting the reputation of these firms, do to mitigate the risk of marketing fraud?

Elevate Marketing

Appoint a chief marketing officer who combines budget accountability with creative flair. Have the CMO present the annual marketing budget to the board. Require that significant changes in the level or allocation of marketing expenditures be explained. Require that the CMO sign off on the integrity of the marketing expenditures component of the annual accounts.

Add Specialist Audits

Accounting firms define their roles more narrowly than ever; spotting fraud and waste are not on their agendas. Companies must ensure that their internal audit teams include marketing expertise. Internal audit or specialised outside firms should conduct sample audits of purchases from marketing suppliers. Audits are especially needed when advertisers such as airlines barter their products and services in exchange for media time and space.

Tighten Contract Terms

When buying media time and space through third party agencies, reserve the right to audit the cash flow trail all the way to the media owner. It's important to check that the agencies are refunding savings achieved by combining your purchases with those of other clients.

Deploy Six Sigma Processes

Fraud and waste are less likely when procurement processes are well-designed and well-documented. Good processes are a deterrent as well as an aid to discovery. At one newspaper chain, implementing six sigma revealed that front-line advertising sales people were ordering free make-up ads for ads that allegedly ran with copy errors. In fact, they were selling without authority five ads for the price of four, delivering the fifth as a make-up.

Practice What You Preach

Demand the same high stands of your own procurement and marketing staff that you expect of others. Require annual employee sign-offs on corporate codes of conduct that explicitly prohibit sales and marketing practices such as excessive gift giving, corporate hospitality and unauthorised discounts. Establish a whistleblower hot line and pay restitution to customers promptly if you discover employee malfeasance.

If retailers with surveillance cameras lose three percent of their annual sales to theft, it's probable that a similar percentage of all media expenditures are lost to frauds and deceptive practices. For the more than 50 US public companies spending over $1 billion each year on marketing, that is at least $30 million apiece, enough to warrant closer board scrutiny.

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How Much is Fame Worth to the Bottom Line?

Justin Sampson
Customer Relationships Marketing, ITV Sales

It is an incontrovertible fact that people want and need famous people and brands. We have looked for role models who can help us achieve what we want since the beginning of time. The superstars of evolutionary days were the best hunters, who became role models, men to be looked to for inspiration on how to avoid hunger. The intervening centuries have done nothing to diminish an innate psychological mechanism that tells us people who get a lot of attention are worth following.

The 20th century saw a significant step in the notion of fame and much of this was driven by media developments. Cinema was an early protagonist in taking people who were familiar in small communities and making them well known on a wider scale. Television took the process a stage further, bringing famous people into our living rooms.

The ability of fame to make you rich is instinctively well understood. David and Victoria have not set about to create Brand Beckham out of a humble desire to share their lives with as many people as possible. The end-goal is putting a monetary value on their fame, an ambition that countless people have aspired to and achieved.

Marketing folk have also recognised the value of creating famous brands – for the same reason. There is an implicit understanding that the greater the stature of your brand, the better chance you will have to drive company profitability.

Indeed, the marketing community is responsible for setting benchmarks for wannabes if Victoria Beckham is to be believed. In her autobiography she shared her lifetime ambition, which is to become 'more famous than Persil Automatic'.

But here we have to consider a key business dynamic that Jeremy Bullmore wrote about some years back. Over time, there are perpetual shifts of influence between what he called the 'toothsuckers' and the 'go-for-its'. Toothsuckers are much more inclined to value prudence and like to be able to measure the effect of everything. On the other hand, go-for-its are naturally instinctive and will veer towards solutions that are not necessarily easy to measure.

Every company will rightly have a mix of these two types, although there is a discernible pattern. Go-for-its will more often be found in marketing departments and when times are good, they are allowed to run free with their ideas. Toothsuckers are invariably in finance functions and when times get tough, they increase their influence. The current climate is placing significant emphasis on the need for hard evidence of effect, so the toothsuckers are enjoying a period of ascendancy.

It is in this context that ITV launched the Values of Fame programme in 2004. We recognised the implicit benefits of fame in building companies' businesses, but we also understood that it can be difficult to pin-point the exact return on investment that comes from making your brand more famous.

Given television's role in bringing famous people into our living rooms, we believe that the medium remains the best guarantor of delivering and maintaining fame and celebrity for a brand. So we wanted to help marketers to more explicitly justify this investment.

We established two parallel but complementary paths. First, we invested in consumer research with the objective of getting under the skin of how famous brands live in consumers' minds. Second, we explored datasets that were renowned for linking marketing investment to company profitability to develop fame metrics.

For the first of these, we worked with a methodology pioneered in the US by BBH. The resulting research, called the ITV Fame Ratings, has enabled us to identify the key elements of fame and to determine how famous different brands are on a scale of 1–100. We chose 130 brands to test in the research. While most of these were brands belonging to our clients, we also included some celebrities and media brands for comparison purposes.

THE FIVE ELEMENTS OF FAME

First is Connection, which is about likeability and relevance – famous brands establishing a mutual bond of care with consumers.

The second element is Standout – famous brands create and demonstrate a point of difference to others around them.

Then we have Talkability. Whether it is at the breakfast table, the school gate, around the watercooler or in the pub, famous brands get people talking about them. A recent trend is for virtual conversations through internet chat rooms and blogs.

The fourth element is Familiarity. Through a combination of awareness and knowledge, consumers have a strong understanding of what the brand stands for.

Following on from this is the final element, Universal Meaning. As well as having a strong understanding of the brand for themselves, consumers know that their family, friends and colleagues share what the brand stands for.

This is important, since it is a strong part of human psychology that people around us endorse, either explicitly or implicitly, the choices that we make. Explicitly we might seek approval from others for choosing a particular car marque, while implicitly we will choose one grocery brand over another for fear of being caught at the checkout with something that might be embarrassing. Without universal meaning a brand will find it harder for its consumers to enjoy third-party endorsements that they are making the smart choice.

We found that these five elements do not carry the same weight of influence in determining a brand's overall fame. Universal meaning is the most important, followed by Familiarity.

In looking at brands' overall fame scores, Cadbury's achieved the highest Fame Rating of 71.8[1], pipping CocaCola to the post by a short head. While the latter scored better on universal meaning, Cadbury's pulled ahead as a result of having stronger connection and talkability (see Figure 1).

Other brands towards the top of the ranking included Royal Mail, Tesco and Nescafé; they rise towards the top by doing well against each of the five elements of fame. To use an analogy with the pentathlon, the great performers have to achieve across all five disciplines, rather than excelling at just one or two.

FAME OR INFAMY?

In talking to customers about these findings, we have found ourselves often drawn into the question of the dividing line between fame and infamy. Would an infamous character score highly on our measure because there is a widespread understanding of what he or she stands for? Similarly, how would a brand's fame be affected by a serious bout of negative publicity?

The connection score is important in the context of this debate. If a brand is not liked or is not seen as relevant this will drag down its score.

Victoria Beckham is a good case in point. Compared to the other five components of fame, she scores very poorly on this dimension. People feel she has little relevance to them and are unsure how much they like her. This is a major reason why she has some way to go if she is to fulfil her lifelong ambition. Her Fame Rating of 56.4[1] was comfortably eclipsed by Persil's score of 63.6[1] (see Figure 1).

Another interesting observation that we have pulled out of the research is the important effect of brand legacy. We included a number of brands that are relative newcomers and, while they have achieved significant awareness, they are not achieving the same level of fame as more established brands.

An example of this is the mobile network sector. Each of the five networks is well known and an integral part of consumers' daily lives, yet only Vodafone made it into the top 50. In a related field, Carphone Warehouse is a regular feature on most high streets, yet its Fame Rating of just over 50[1] lags some way behind the fame of other high street brands such as WHSmith and Woolworths, which score over 60.[1]

In due course, we plan to track how brand fame moves from one year to the next. This means we will be able to more clearly track the effect of marketing programmes – not just on overall fame, but also on the five elements.

FAME METRICS

Interesting stuff, but what does this mean for a brand-owner's bottom-line? This is where Fame Metrics come in.

In establishing Fame Metrics there were two important considerations for us. First, were we working with robust datasets? Second, could we tie the results back to consumer research in order to create a link between brand fame as it exists in consumers' minds and business KPIs?

We chose to work with two companies. Many readers will be familiar with PIMS, which for 30 years has been tracking the impact of marketing strategies on profits. OMD Metrics has six years' worth of econometric analysis, which not only enables analysis of the ROI of a campaign, but also identifies the contribution of different strands of the communication mix. These two companies have merged their learnings to create Pravda, a database that allows rich interpretation of the effect of various forms of marketing on profitability.

Our start-point was to examine the link between a brand's Fame Rating and its market share. The approach was to build a comprehensive dataset of fame alongside other potential drivers of market share. Rather than simply seeking to correlate market share with fame, other potential influencers of market share, such as marketing activity, market complexity and frequency of category purchase, were also taken into consideration.

Working across 110 brands, our multi-variate model unveiled a strong relationship between a brand's Fame Rating and its market share. It's a simple equation: as fame increases, so market share increases (see Figure 2). A 10% rise in the fame of a brand will, on average, increase market share by a fifth.[2] We also found that when a brand's Fame Rating goes above 60, market share starts to rise exponentially. It's a non-linear relationship, with fame playing an increasingly important role. And of the five elements of fame, Universal meaning has the most significant influence on market share.

When we looked at different sectors, we found some that had stronger links between fame and market share than others. Telecoms, travel and retail had steeper correlation lines than sectors such as alcohol, electronics and motors. This is largely due to market dynamics, specifically the number of competing brands in the sector and the purchase frequency. However, we did find constancy in that the curve of market share against fame holds true sector by sector.

We went further to try to identify the proportion of a brand's market share that can be attributed to its fame. While, to a large extent, market share will be driven by base effects within the category, our work shows that around 40% of household brands' market share can be attributed to the effects of fame.[2]

Fame Metrics has also reiterated the importance of brand and image messages in building profitability. Looking at the service sector, the top-quartile performers in profit terms were investing 30% of their communications in brand and image advertising, as opposed to product or price-led activity (see Figure 3). This is ahead of the average of 25% across the whole services sector and three times the proportion invested by the bottom quartile performers.[2]

A similar picture emerges in the fmcg sector, where the top-quartile performers invest over 50% in brand advertising, while the bottom-quartile invest under 40%[2] (see Figure 4).

RETAIL EXAMPLE: IMAGE VS PRICE

There is an interesting case study from the retail sector to back this up. It's the story of a retail brand that had historically focused its investment primarily, if not exclusively, on communicating line and price offers. This national retail chain then embarked on a test where seven regions of the country included brand image advertising on television to support product messages. The other five regions only carried the product messages, which were broadcast on television as well being printed in press and leaflets.

The ROI across all communications was £11.53 per £1 spent in the areas where brand-led advertising supported the product messages. In contrast the return was only £4.60 in the areas without brand support.

For the first time, we have created a direct, quantifiable link between the fame of a brand and its business performance and there is a wealth of data to support this argument. At this point, we have made public macro learnings. Over the next year we intend to explore in more detail the implications of fame within particular business sectors.

While we acknowledge that some of our learnings reinforce historical understanding, we also believe that we have uncovered new insight into the nature of fame, how brands can increase their fame and what this can mean to the bottom line.

ENDNOTES

1. ITV Fame Ratings conducted by NOP Research. Fame Ratings is a trademark of Bartle Bogle Hegarty.

2. Fame Metrics – an analysis of OMD Metrics, PIMS and Pravda.

NOTES & EXHIBITS

FIGURE 1

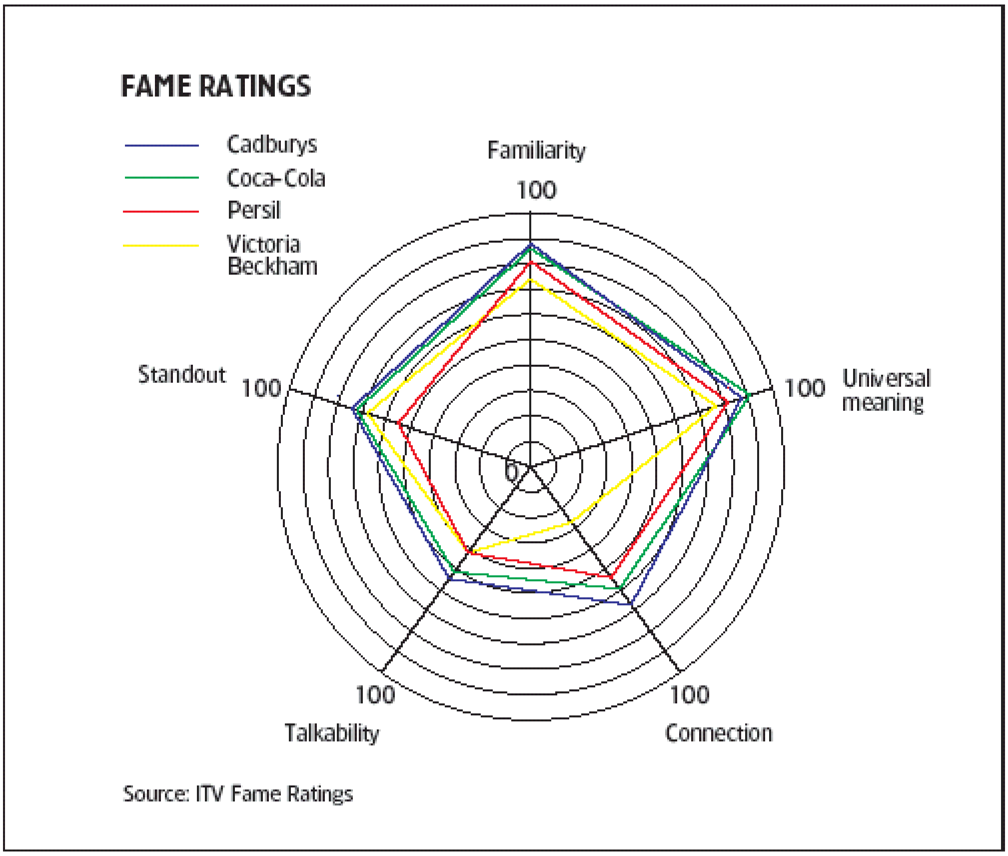


FIGURE 1

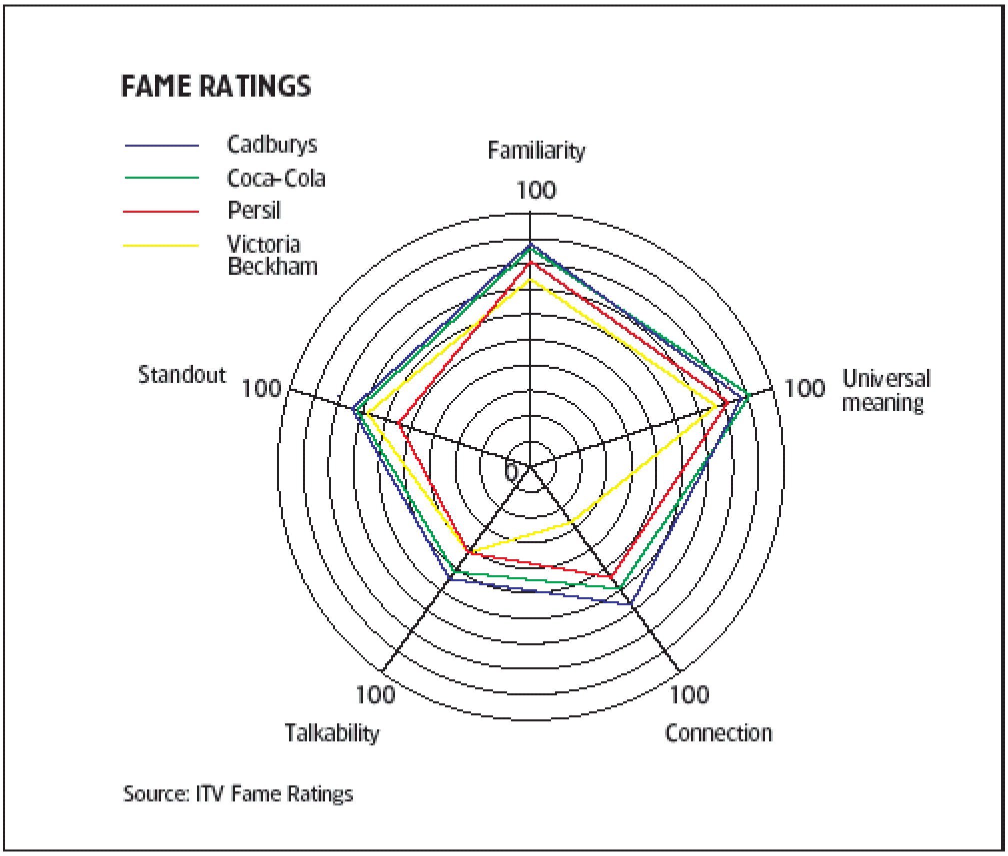

FAME RATINGS
Cadburys
Coca-Cola
Persil
Victoria Beckham
Familiarity
100
Standout
100
Universal meaning
100
0
100
Talkability
100
Connection
Source: ITV Fame Ratings

FIGURE 2

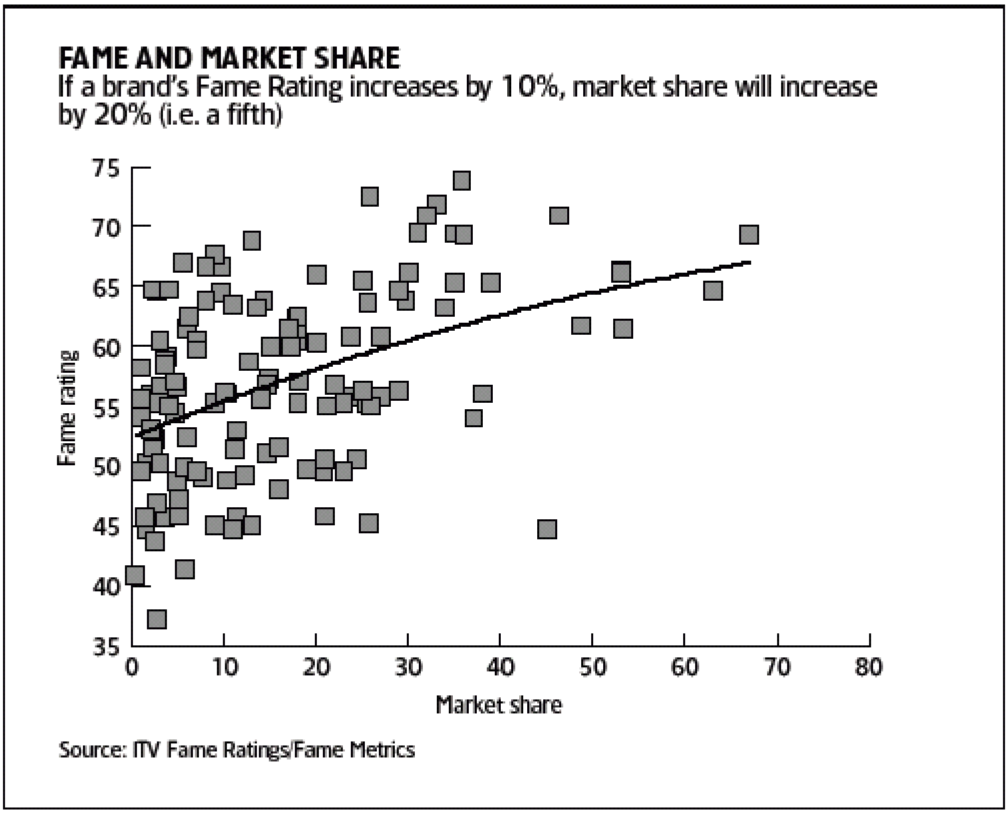

FAME AND MARKET SHARE
If a brand's Fame Rating increases by 10%, market share will increase by 20% (i.e. a fifth)
75
70
65
60
55
50
45
40
35
Fame rating
0
10
20
30
40
50
60
70
80
Market share
Source: ITV Fame Ratings/Fame Metrics

FIGURE 3

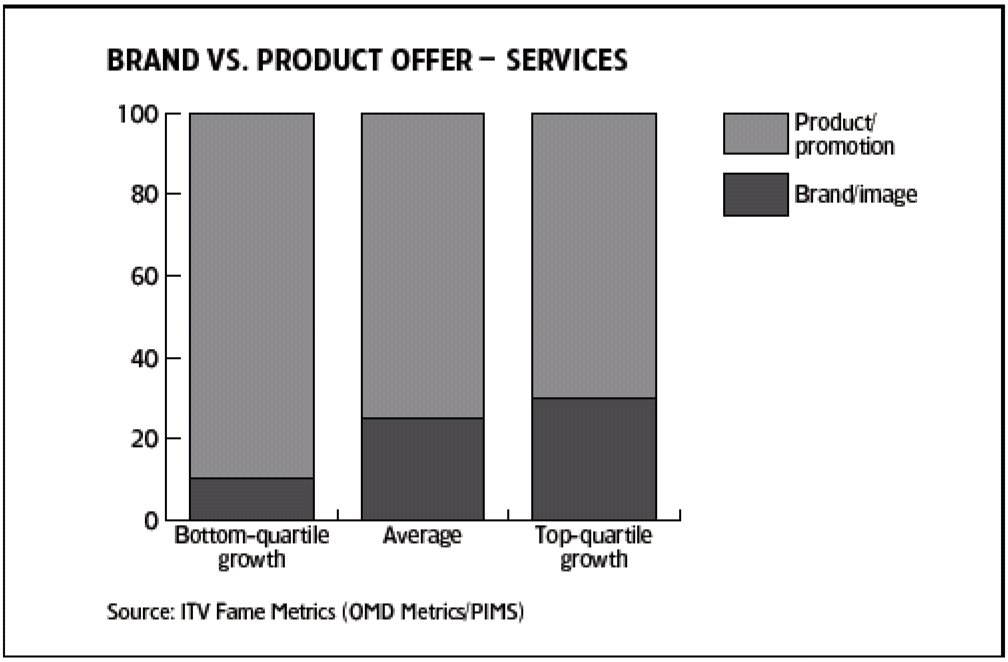
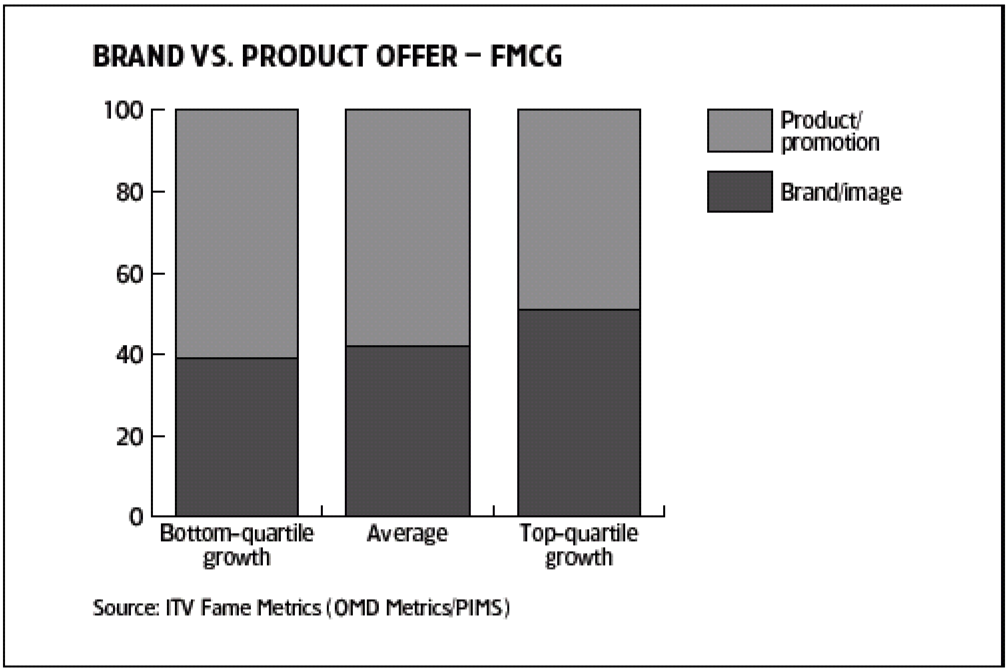


FIGURE 4



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Winter 2005, Issue 31

Technology Services Marketing Gets Its Act Together

Beverley Burgess
ITSMA Europe

If you are the kind of marketer who leads your business in its strategic thinking, owns the relationship with the customer, controls the brand(s) and manages the portfolio, then you are probably not working in a technology company. Especially not one focused on providing services around the hardware and software that customers need to run their businesses.

The IT industry has traditionally been a sales-led, macho environment in which to work. Up until the early 1990s, the name of the game was distribution, with members of the sales team effectively working as order takers. But following the dotcom crash and the economic downturn, we are operating in one of the most fiercely competitive yet undifferentiated markets there has ever been.

The major industry analysts, such as Gartner and IDC, are predicting that overall growth rates in spending on business-related IT services will not outpace growth rates in GDP for most countries. On top of that, third-party intermediaries are increasingly part of any deal, shifting the balance of power in the industry towards the customers and squeezing supplier margins whenever possible. In addition:

- product companies are dashing into services markets, desperate to generate more revenue
- customers are becoming more sophisticated and sceptical, demanding that suppliers back up their claims for return on investment
- profitable mega deals are a species in decline
- and consolidation within the industry has already begun – HP bought Compaq; Oracle bought Peoplesoft and Siebel; Business Objects bought Crystal Decisions.

THE GOOD NEWS AND THE BAD NEWS

The good news is that there are still opportunities out there. The UK is one of the fastest-growing geographical areas of demand in Europe. UKbased organisations whose core activities rely on technology, are still spending to get the advice they need to align their technology investment to their business goals. And they are still spending to get the support they need to install and run their IT systems day to day. So the challenge for IT companies now is to find the segments of the market that offer faster than average growth, win them over and then ensure that they are so happy they will not even consider the competition.

The bad news is that, according to an ITSMA survey[1] conducted earlier this year, everyone in IT is looking to grow their service business by around 20%. With nearly every IT company focused on the same growth areas, price competition is becoming fiercer. Tech companies can remedy the situation, but they must be willing to invest in areas such as brand positioning and differentiation.

So we come to the conclusion that, more than ever, strategic marketing is needed to deliver results and build sustainable advantage for the future.

But marketing as a discipline in most technology services companies is poorly developed, poorly understood, and undervalued. There are very few CMOs who have come up the ranks from the services side. And there are even fewer CEOs at IT services companies who have climbed the ranks through marketing.

What's Next?

Philip Oliver, acting group marketing director at Fujitsu and ex-IBM marketer and strategist, outlines the future role of marketing in IT services companies as being about strategy, brand and demand, with trust as the key enabler between the marketing department and its internal stakeholders.

To fulfil this new role, we have to look at each of these elements, starting with the need for more strategic marketing thinking.

DRIVING STRATEGIC THINKING: WHERE TO PLAY AND HOW TO WIN

When annual growth in demand for technology-based services was still in double digits, the focus was on making the services accessible and coping with recruitment/delivery issues to meet demand. Now that growth has slowed, companies are starting to think about identifying segments where growth is still attractive, tailoring or customising offers for those attractive opportunities.

This is where integrated technology solutions come into play, but most companies still need to do a better job at making sure their value propositions are targeted and relevant. Unfortunately, too many marketers in the industry are ill equipped for this, coming, as they do, from a specialist marketing communications background.

To drive more strategic marketing thinking into the business, marketers need to go back to basics. This means auditing their external and internal environments, particularly looking out for changes that may be long-term migrations in the way business is done – such as the offshoring or global sourcing phenomenon. BT's Global Services team, particularly the enterprise marketers led by Andrew Campling, excels at this, using classic market audits to identify new opportunities within priority customer segments.

Generally, a much deeper insight into customers and their issues is needed. But because these marketers rarely see a customer this could prove difficult. Setting up a decent market intelligence program incorporating primary and secondary research sources, and involving debriefs of internal customer-facing staff, is the way to start.

We can learn something from the example of our fmcg colleagues, who have to present their latest market insight to their top teams every one to two weeks. If you extrapolate that buying cycle to technology's three-to six-month cycle, it means quarterly health checks on customer priorities and perceptions, at the very least.

To complement this knowledge of the customer, marketing must keep a close and detailed eye on competitors. IBM leads the field here, able to anticipate problems its key competitors will face before they do. To achieve this, IBM Global Services marketers and strategists enlist the help of their colleagues in the finance department, who have a better eye for reviewing financial statements and spotting trouble ahead.

BUILDING A DIFFERENTIATED SERVICE BRAND

Branding is the second aspect of the new role and here again we find something of a gap. This stems from the fact that many technology CEOs have never seen the point in investing in something as intangible (to them) as their brand. In a business services company your reputation makes or breaks you as buyers rely on word-of-mouth to select suppliers for multi-million dollar, multi-year deals.

In many technology companies, the number of service and front-line personnel outweighs the number of target buyers they are trying to influence. So an increased investment in internal brand alignment programmes (versus external brand communications) makes sense. It's a matter of getting your story straight and getting everyone on board with it before you try to take it to the market.

To make this concept more tangible, technology marketers should think of service companies in the leisure industry, such as airlines and hotels. When these companies promise customers a friendly and relaxing experience, they make every effort to live up to their word.

It sounds like common sense, delivering on promises. But if internal stakeholders do not know what marketing is promising or do not have a clear plan for how to live up to those promises, brand integrity and brand equity are in trouble.

IT marketers must use research to discover what matters to customers and find out how they and their competitors are delivering on what matters. Finally, they must map out the service process as far as possible, and design each touchpoint to represent and reinforce their points of difference in the areas that matter to their customers.

UNISYS – INTEGRATED MARKETING PROGRAMME TARGETING RETAIL BANKS

Led by Paula Darvell and Chris Skinner, Unisys's financial services marketing team first defined the key issues that retail bank executives cared about, such as reducing the cost of serving customers to compete with internet-only banks. Then, they built value propositions around their ability to add value on these issues, such as cutting mortgage processing costs by 40%. Finally, they backed up these value propositions with specific customer references to prove the point – all delivered in an integrated sales and marketing campaign that used multiple media to reach its target audience. One measure of success, apart from the $100m uplift in sales achieved, is the fact that Radio 4's *Today* programme goes to Unisys for comments on financial services industry issues.

GENERATING TARGETED DEMAND

The third aspect of the new role is the one we are all historically comfortable with – demand generation. But even the discussion here has changed its tone. While it may be possible to generate leads for maintenance service contracts that keep your PC software or even your PC running smoothly, it's an entirely different ball game in the world of systems integration and outsourcing contracts.

Generating demand here is more about providing an executive dating service.

In companies such as Accenture and EDS, marketers are constantly warming up prospects and driving opportunities to meet for their sales and account teams. They recognise that service contracts regularly last between one and five years and represent a huge investment for buyers, who do not respond well to transactional selling and push marketing techniques.

Having a sense of which marketing vehicles work at different stages of the relationship cycle in this industry, as shown in Figure 1, is important.

Third-party recommendations, whether from buyers, peers, the press, industry analysts or other sources, are crucial. Hewlett-Packard recognised this and did a great job with its recent advertising campaign featuring HP+ customer success stories. Deloitte is also forging ahead here, focusing on the idea of pull marketing through its branded content approach, incorporating publications for customers such as *How to Choose a Consultant*.

ITSMA has researched what works in building relationships with buyers, and recommends the following approach.

- Demonstrate an understanding and a vision around their business issues.
- Swiftly follow up with a compelling and differentiated value proposition, articulating how their issues can be resolved using your service.
- Support your claims with solid references.

Unisys' integrated marketing campaign is an excellent example of this approach.

BUILDING TRUST WITHIN THE BUSINESS

Get Commercial – Understand the Business Drivers

In order to step into their new role, IT marketers have to gain backing from the business. There are two major steps to take. The first is to demonstrate an understanding of the commercial aspects of a service business. Being an expert in marketing will not cut it – you need to understand the business.

GETTING LINE EXPERIENCE

LYNDA Chambers, head of the UK private-sector business at French-owned Steria Group, has been on a personal journey to build her commercial experience. Previously head of UK marketing, Chambers first added sales to her remit and now runs the private-sector business P&L as well. She is adamant that, 'I now make it mandatory that marketers get out of marketing, visit customers and work in other parts of the business for a while.'

If you do not know what drives your colleagues – utilisation rates, total contract values, pipelines – then you cannot communicate just how marketing can help with the issues that keep them awake at night; or, more broadly, how you can help the business make money.

Other companies, such as UKowned Computacenter, are responding to this increasing need for marketers to understand and get closer to the business by putting marketers into service business units. Hewlett-Packard, under former CEO Carly Fiorina, split marketing into back office (technology and solutions development) and front office (customer-facing) activities alongside their colleagues from other functions.

Others are still grappling with the best way to structure their marketing function to be closer to the business, but many have settled on a combination of:

- Employing service line marketers who interface with the P&L business units (for example, consulting)
- Employing industry-aligned marketers who build propositions for and relationships with

specific customers (for example, CIOs in utilities).

These two teams are then supported by some form of shared service for communications, research and intelligence specialists too. This approach, used by Accenture, Atos Origin and Fujitsu, to name a few, has the benefit of bringing marketing thinking closer to the business and its customers, while balancing the need for scale and buying efficiencies in specialist marketing areas.

Get the Metrics – Demonstrate You Have Delivered

The second issue linked with building trust is good old performance measurement. Trust develops when you have done what you said you would do, and a marketing performance measurement system is the best way to demonstrate this. Indian firm Wipro has built an excellent system for showing how its marketing programmes have extended the reach of their sales teams, filled the business pipeline and shortened the sales cycle (see Figure 2).

Lynda Chambers at Steria has also been busy measuring the business results of marketing investment. She recommends 'keeping it simple and using the language of the business'. The result emphasises the size of the business pipeline, Steria's brand strength in its target market and with an eye to financial prudence in the marketing budget.

To summarise, as the tech sector matures, marketing must step into a new, more strategic role in the business. Although the IT industry has traditionally lagged behind fmcg companies in terms of marketing, by focusing on strategic thinking, true brand differentiation and targeted demand generation, tech marketers will be taking a huge step in the right direction.

Furthermore, by enhancing their knowledge of the business and tying marketing results back into business drivers, marketers will build trust with their internal stakeholders, and together they can successfully ride the waves towards industry maturity.

ENDNOTES

1. ITSMA (Information Technology Services Marketing Association) specialises in helping companies market and sell services and solutions. As a membership organisation, it works with the world's leading technology and professional services firms to generate new business, build customer loyalty, and strengthen brand differentiation. www.itsma.com

NOTES & EXHIBITS

FIGURE 1: EFFECTIVE MARKETING VEHICLES ALONG THE RELATIONSHIP CYCLE

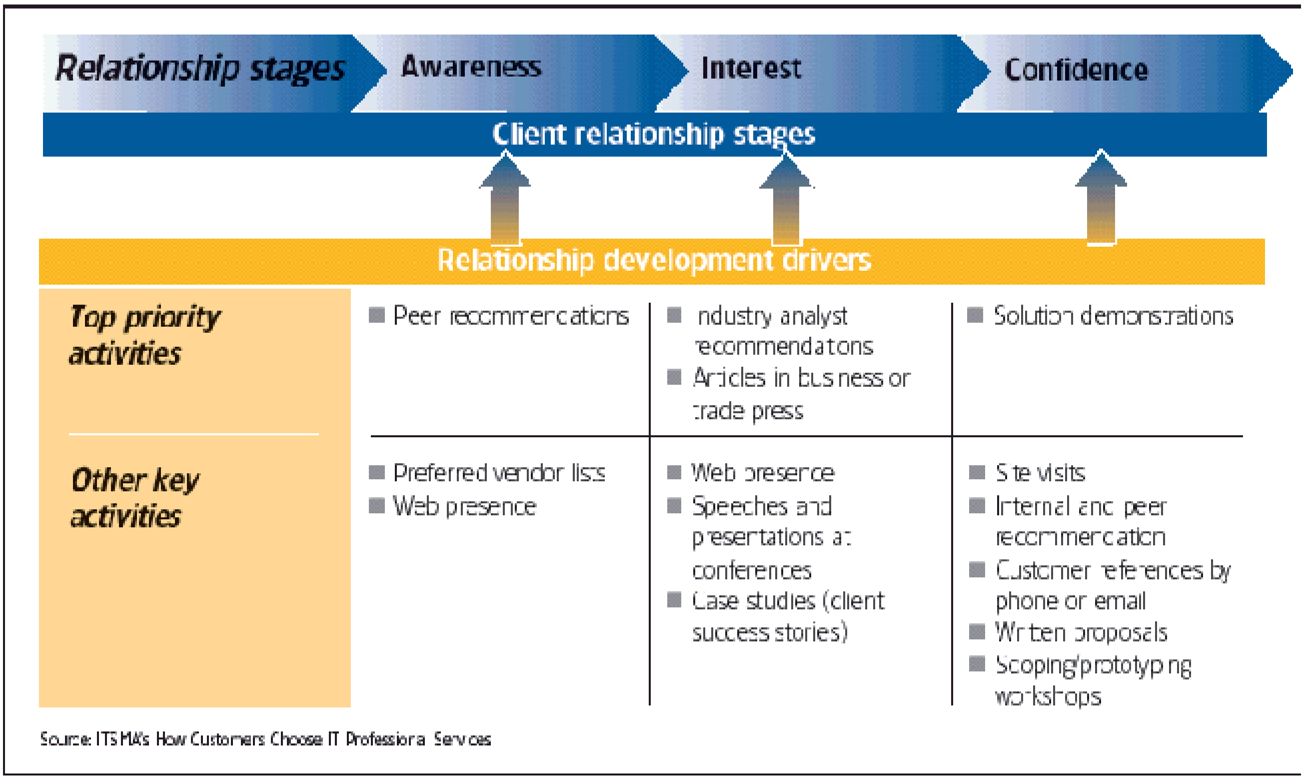
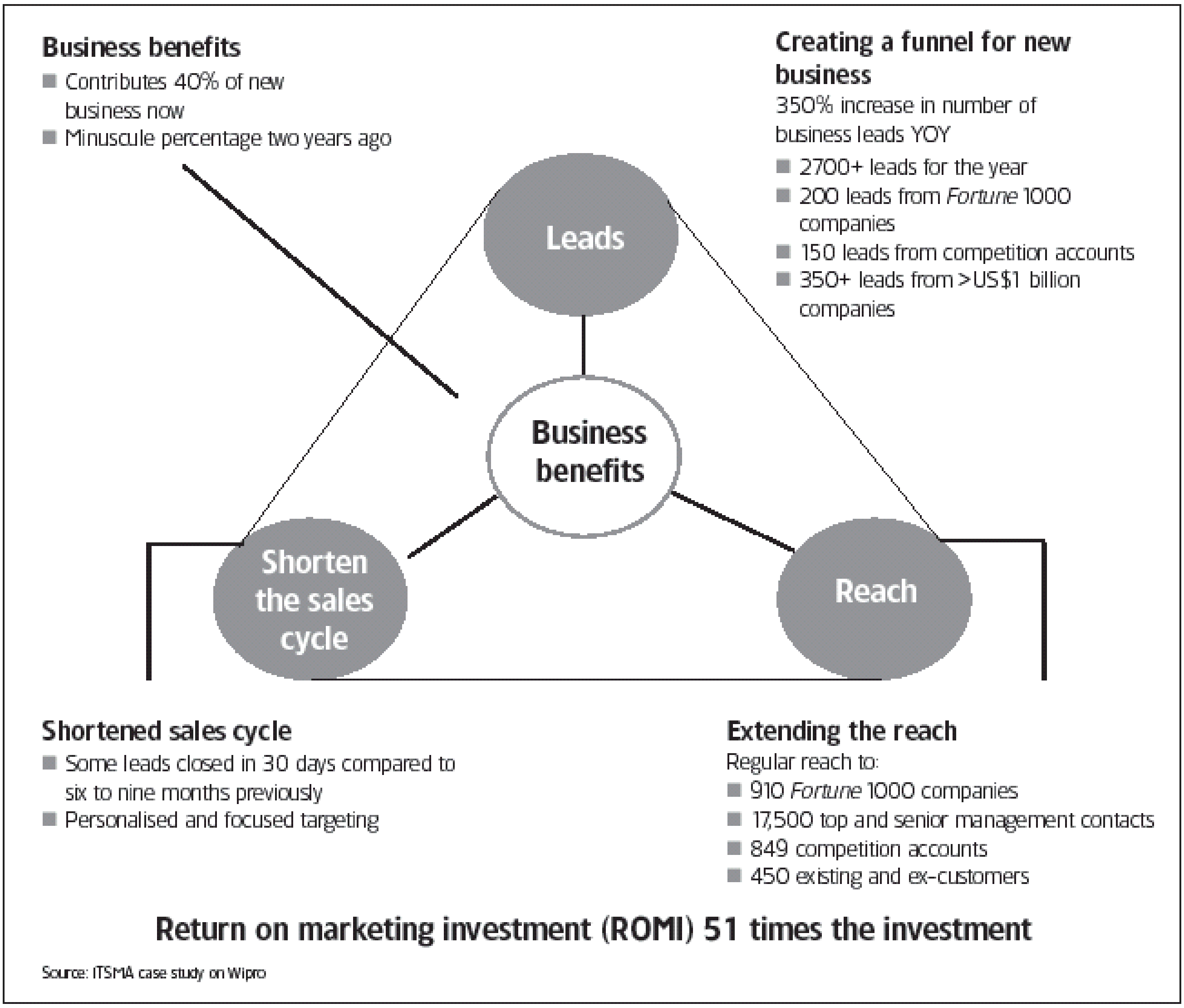


FIGURE 2: DEMONSTRATING THE BUSINESS RESULTS OF MARKETING AT WIPRO


Business benefits
Contributes 40% of new business now
Minuscule percentage two years ago
Creating a funnel for new business
350% increase in number of business leads YOY
2700+ leads for the year
200 leads from *Fortune* 1000 companies
150 leads from competition accounts
350+ leads from >US$1 billion companies
Leads
Business benefits
Shorten the sales cycle
Reach
Shortened sales cycle
Some leads closed in 30 days compared to six to nine months previously
Personalised and focused targeting
Extending the reach
Regular reach to:
910 *Fortune* 1000 companies
17,500 top and senior management contacts
849 competition accounts
450 existing and ex-customers
Return on marketing investment (ROMI) 51 times the investment
Source: ITSMA case study on Wipro

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Winter 2005, Issue 31

A True Story: The Birth of a Great Campaign

Paul Feldwick
DDB London

Some 14 years ago, the agency I worked at – it laboured then under the unwieldy name of BMP DDB Needham Worldwide – was invited to pitch for the Barclaycard account.

Barclaycard was one of the two leading credit card brands in the UK. It had a history of famous advertising, which for the previous nine years had featured the television presenter Alan Whicker. One of the questions posed to agencies in the pitch was whether to keep Whicker, who was strongly associated with the brand, or move on to something new.

Barclaycard was facing a challenging business environment. Shifts in interest rates and growing levels of fraud had reduced profitability. Meanwhile, many new credit cards were marketing themselves aggressively with interest-free offers. Despite this competition, Barclaycard management proposed the bold step of adding extra services such as purchase insurance to their product, investing in improved customer service, and – to pay for all this – introducing for the first time an annual fee for card users.

The Barclaycard clients were delightful to work with. They gave us a brief of exemplary detail, and were never too busy to see us during the run-up to the pitch. By the time of the presentation, we felt we understood them and their business very well; and they must have thought so too, as they awarded us the business.

As we got to know the company it became clear that no one there really wanted to retain Whicker, and we agreed. Not only had the campaign run out of steam, but Whicker himself was getting older and his much parodied blazer and moustache were looking increasingly old-fashioned.

So at the pitch we presented a new creative idea, which everyone found very exciting. We told them they no longer needed a celebrity. Instead, we had a big blockbusting relaunch commercial, something on the scale of British Airways' 'Manhattan'.

THE BIG IDEA

We would see a great city of skyscrapers from the air. As we zoomed in, we would see people everywhere running up stairs and spilling out on to the rooftops. Music would build excitement. We would cut to the pavements, where bits of something, like tickertape, were floating down from the sky. As one fell into a cup of coffee at a café table, people would look up to see what was happening. Eventually we would all see that the people on the tops of the buildings were joyfully cutting up all their old credit cards and throwing them away. As the music swelled to a climax the final words on screen would read – 'Barclaycard. We think it's all the credit cards you'll ever need.'

We began to work together with great enthusiasm. Then we hit a few snags.

The new campaign was pretested by a well-known qualitative research company. Although the results were – to put it mildly – disappointing, the researchers were keen to show the agency that they could be constructive. They assured us and the client that with a few tweaks, the idea could be made to work.

The Idea Begins to Unravel

Meanwhile the first production estimates were coming in. No one had ever pretended that this film would be cheap. But the costs that were now becoming apparent, involving helicopters and casts of thousands, were threatening to use up most of the media budget.

At the same time the TV companies' statutory copy clearance people were looking at the campaign. We could not, they told us, show competitors' cards being cut up. And throwing things off buildings raised a number of problems: danger to others, encouraging litter, etc.

So the original idea was modified and scaled down. Out went the helicopter shots, and we would see only crowds of people running up stairs. A voiceover explained more product benefits. We took out the shot of the card falling into the coffee.

The second round of research was even less encouraging than the first. Still, the research company insisted that it was just a matter of getting the detail right – while of course we at the agency were equally keen to save our great, pitch-winning idea.

And the copy clearance people were still unsatisfied.

When we came to the third test animatic, the crowds of people had been reduced to one man in a macintosh. He was standing on a fire escape cutting up an anonymous credit card and putting the pieces in a paper bag. At this stage, the initial lukewarm response in the groups turned to total mystification.

BACK TO SQUARE ONE

It was now at last reluctantly agreed that the original idea was dead. A new campaign was proposed. This would dramatise the benefits of the new card by showing what could go wrong if you didn't have one. For instance, to demonstrate that Barclaycard now offered medical assistance we had a commercial that opened on a totally deserted beach. We heard gloomy music as a sinister wind stirred magazines on empty sunloungers. A doom-laden voice announced 'Every year, 40,000 people have to cut short their holidays due to illness . . .'.

It was now nearly six months since our appointment. Our clients had been endlessly patient and understanding, but even they were now beginning to drop hints that the relaunch date was very close, the airtime was booked, and they would really appreciate being able to approve something soon. (see Figure 1)

Research was booked in a hurry. The research company that had worked with us so far was unable to meet the tight deadline, so I ended up doing the groups myself.

At the last minute someone suggested that it might be a good idea to hedge our bets – just in case the new idea wasn't right. One of the creative teams, we heard, had an idea involving Rowan Atkinson.

Hurriedly the Rowan Atkinson animatics were prepared. These bore no relation whatever to the final campaign. The first one began with a joke competition to find the replacement for Alan Whicker. A variety of unlikely people were doing very poor Whicker impersonations, culminating in Atkinson tearing off his false moustache and deciding to be himself. In the following scripts we saw Atkinson in a Whickerish reporter role, but getting it all wrong.

The empty beach campaign was among the most disliked ideas I have ever shown to consumers. Miserable, gloomy, doomladen, and also extremely boring, were some of the kinder things said about it. I was glad I had an alternative in my art bag.

Sadly, the Atkinson campaign didn't fare much better. The Whicker impersonation was embarrasingly unfunny. The scenes that followed met with a fairly stony response too.

STUMBLING UPON SUCCESS

There was nothing for it at the debrief but to tell the truth. I explained that the first idea was a total dog. I admitted that the Atkinson scripts weren't right. There was only one shred of hope, which I had to make the most of. When I asked the groups rather desperately at the end what they thought we should do, everyone agreed that 'you should use Rowan Atkinson, because he's funny whatever he does'.

It is enormously to the credit of our clients at Barclaycard that they accepted this recommendation, such as it was, with equanimity. We began negotiations with Rowan Atkinson. Luckily for all of us he was open to the idea of doing TV commercials.

However, he didn't want to appear as himself. In fact, he had a very good idea of who he wanted to appear as – a new character he was already thinking about called Richard Latham, a sort of bumbling secret agent – Blackadder meets James Bond.

Far from causing us a problem, the Latham character offered a providential answer to the one remaining detail of the campaign: the lack of any actual scripts or ideas.

Our creative teams were briefed to write scripts about Latham. Rowan Atkinson and his producer John Lloyd were closely involved at all stages, often rewriting the scripts themselves during the actual shoot. They were of course complete professionals, and – perhaps because they had no need to prove their 'creativity' – always understood that they were creating advertising, not pure entertainment.

The airdate was now so close that there was no time for another round of animatic testing. We and Barclaycard had to trust Atkinson, Lloyd and our own judgement, and so three films were shot and put on air. At the same time, the finished films were Link-tested by Millward Brown – not, we agreed, as a go/no-go decision, but as the first stage of our diagnostic learning about the ads. This approach was continued throughout the campaign, and the findings were used to upweight or downweight different treatments and to carry out minor improvements. None of the commercials was ever researched as an animatic.

The rest is published history, and the campaign's success in defending the brand, transforming its image and its profitability, is described in *Advertising Works 9* – the paper won a Gold in 1996.

LESSONS TO BE LEARNED

I've told this story as honestly and accurately as I can from my own memories. Others who were involved may be able to correct some details, but I am confident that it's fairly close to the actual events.

But the story might have turned out differently in so many ways. Our clients might have approved the original idea without research and spent millions on something that probably wouldn't have worked. Or they might very easily have rejected our slightly vague proposal to 'use Rowan Atkinson because he's funny' and required a new set of scripts (quite possibly a new agency too). They might have insisted on agreeing every word of the Latham scripts by committee and subjecting them to animatic testing – which might have done little harm but by my guess would probably have hamstrung the apparently effortless craft that Rowan Atkinson and John Lloyd were allowed to bring to the results. And so on.

The campaign was allowed to emerge as it eventually did because everyone involved was prepared to trust one another, and to work together as a team. Anyone who had used their power to assert control over the process would quite likely have killed it – whether it was the client insisting on approving every word of the scripts, or a creative director refusing to work within Atkinson's idea, or a planner or researcher demanding some impossible standard of 'proof' before making any decisions.

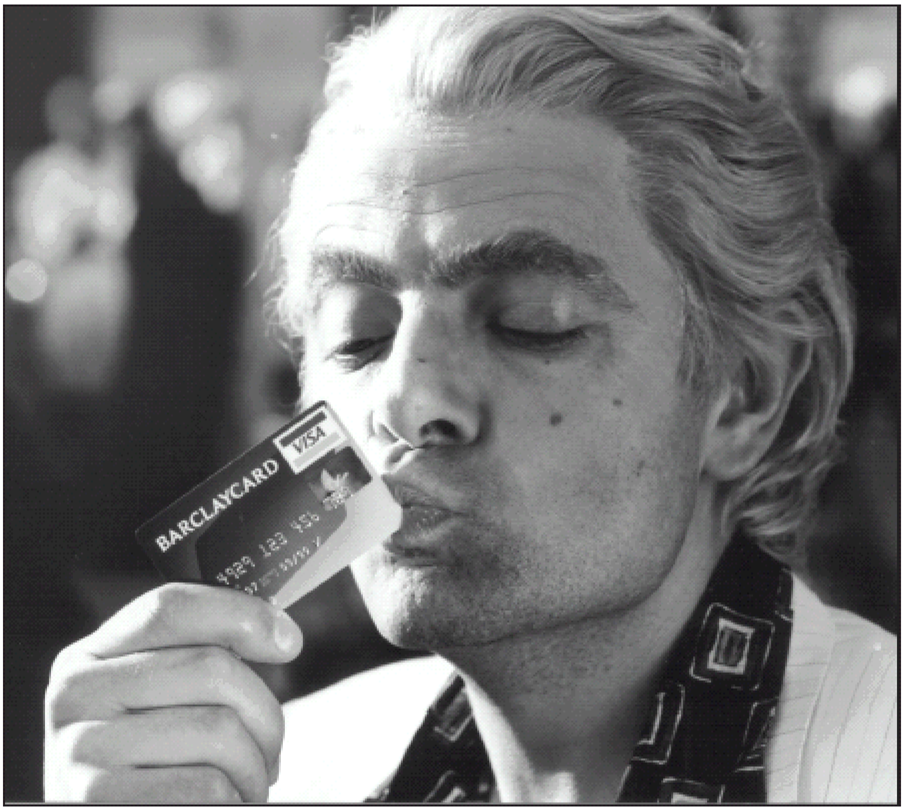
It takes only one person to kill a great campaign. It takes many people to allow it to happen. And sometimes the most important thing you need to do is also the most difficult – just get your ego out of the way.

The IPA awards spotlight the kind of campaigns that actually work in the marketplace – not just those that fit some narrow theory of how advertising ought to work. The winning papers show us what success really looks like. They will tell you a great deal about strategic thinking and learning from research. They will tell you about business results, about consumer responses, about the logic and rigour of proof. But I suspect they do not usually reflect the amount of muddle, error, guesswork and pure luck that actually led to each of these successful campaigns.

So perhaps when reading these cases as a guide to best practice, we should remind ourselves that in the real world of business there are no additional prizes for elegance, logic or neatness – only for ending up with something that works.

NOTES & EXHIBITS

FIGURE 1: ROWAN ATKINSON, 3 MARCH 2005. ATKINSON APPEARED AS RICHARD LATHAM IN BARCLAYCARD'S ADVERTISING FROM 1992 TO 1997


BARCLAYCARD
VISA

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Winter 2005, Issue 31

Breakthrough Creativity: A Blend of Art and Science

Philip Gladman
UK and Europe at Diageo
Andrew Melsom
Agency Insight

All diageo's marketers are put through the Diageo Way of Building Brands (DWBB). This training has become pivotal to the preparation and creation of advertising across all of its brands from Guinness through to Smirnoff, Baileys and new product development.

At the same time marketers have to be more and more accountable for the decisions they make and there are many measurement tools in place that can protect them. But equally, they can restrict and inhibit.

However, in the end, it's not really the processes that hold people back but the way they are interpreted and used. If you are a brilliant young marketer you may not have developed the confidence to rely on your own instincts, and consequently may be inclined to fall back on processes and tools to guide the creative work. If this is the case the outcome will tend to be bland and nondescript. If you rely entirely on instinct and don't apply the science, then the result can be wayward and wasteful.

This article is based on interviews with Diageo's own marketers and its agencies about what each thought of the other's approach to the creation of advertising. Prejudices were invited and, of course, given – in spades.

WHAT INHIBITS CREATIVITY?

Once we delved beneath the surface, we arrived at the main inhibiting factors on which both client and agency agreed:

- a strained, intimidating working climate
- the easy apportionment of blame
- slowness
- misinterpretation of both briefs and research to suit the agendas of the other.

But since there was a mutual desire to improve the quality of their creative output, Diageo's relationships with its agencies needed to move from being rigid and tense to becoming fluid and free before anything constructive could take place. What follows is a description of the ways we think this will happen.

CLIENTS LIKE ALGEBRA. AGENCIES LIKE ART. DISCUSS

In setting out why two types of people may be different, it's useful to first see what common ground exists between an advertiser and an agency.

Employees from both sides may come from a rich mix of creeds and colours, and they may all have been educated to a very high standard. But once these people join their respective client or agency companies, they are unknowingly acclimatised to quite different `manifestos'.

These manifestos are seldom written or recited, but they become evident to new employees after only a few weeks of arriving at their respective organisations. There will be a culture and a philosophy that will be absorbed in meetings and through talking to others.

The Agency Manifesto

- Take risks with the work you generate and present. By taking risks the agency will escape from the parity of 80% of the advertising that we see.

- Benign creativity is not an option, you will achieve nothing by being the same; chaos and unpredictability can fuel the creative process.

- Look for the single most compelling message and turn this into a memorable piece of communication – don't be persuaded that there is any more than one thing to say in the advertising.

- Use instinct, innovation, lateral thinking and the unexpected in the preparation and creation of strategies and advertising.

- Create work that wins accolades for the company. 'If we win awards we win more business, so that we can win more awards.'

- Your benchmarks are the other ads on air. Yours must stand out.

- In the end, no one cares or will remember what the strategy was. But they will remember the ad.

The Client Manifesto

- You should not be taking risks with the levels of investment involved.

- Look for the treatment that tells a good and fluid brand story, that gets the message across. Use our tools to diagnose the appropriateness of an idea.

- Be constantly aware of the business objectives: 'growth by x% per annum'.

- Use research, demographics, competitive market information, tracking, Link tests – anything that will guide you in the selection of an advertising idea.

- The work must work, whatever the work is like.

- Your benchmarks are the competitive brands in your space, the efficacy and growth of other brands in the company portfolio.

- In the end, judgement will be made on success – the objectives of the business plan, as defined by certain specific metrics, must be met.

Big agencies and big clients can compound each other's negatives when they work together. Corporate 'bigness' is bad for the creation of advertising and both sides need to work on bringing science and art together in small but effective teams.

Science, in advertising, can be regarded as intrusive and unwelcome. It assumes that we live in a predictive world, that we can anticipate outcomes through a series of equations and chemical reactions. The result of each reaction is a function of the composition and quality of inputs – and therefore the outcome will be logical and predictable. (see Figure 1)

Art is underpinned by a rather different belief – one which suggests that brilliant creativity emerges more from chaos than logic. It believes that the challenge of creative development is to find a unique spark that makes a powerful connection with consumers, delivering a benefit (rational or emotional) that will improve the quality of their lives. It will allow the brand to fight through the clutter of consumers' lives and take up permanent residency in the grey matter between their ears.

Art requires freedom, unencumbered by the restrictions of science. It needs to be nurtured and judged by the heart, not by the head.

INSPIRING CREATIVITY THROUGH THE BRIEFING PROCESS

Storytellers and sooths like to use analogies, and Jeff Goodby, of the famous US agency Goodby Silverstein takes the fishing parallel to describe the briefing process, maintaining that it should be about guiding people to the right part of the river, advising them on the right type of fly and the common behaviours of the fish, but not actually setting out how to catch it. Another way of putting this would be for the brief to provide direction but not directives.

Agencies like, more than anything, to be invited in to the wider problem. If you tell them the entire context of the brief they will feel more motivated than ever to help you.

A typical brief can use an Activity Goal to invite the creative people into the conspiracy. However, the opportunity is often lost through the use of language that only a marketer would understand or find motivating:

> *'To extend the emotional relevance of Brand X for adopters, causing them to increase their frequency of consumption and reappraise their stereotypes of the consumption occasion.'*

This can be compounded by the relatively unambitious Consumer Goal:

> *'Shift 10% of Adopters to Adorers and increase their frequency from 2.3 to 2.9 units p.a.'*

How inspiring are these sentences and how much light do they shed on your ambitions for the brand? The goals are an essential part of a marketer's job and have a role to play whether they are included in the brief or not.

However, a good brief also requires a simple statement, which clearly sets out your objectives for the advertising, which the creative people can then latch on to:

- 'Return Smirnoff to being a truly iconic brand'

- 'Make Archers a symbol of modern femininity'
- 'Motivate people to give to Oxfam again'
- 'Position Halifax as a modern bank, not a building society'
- 'Make Norwich Union one of the three companies that give you a quote'
- 'Throw away 30 years of advertising and bring Hovis into the modern family'

Experience can considerably fuel inspiration. The government or the Home Office do not immediately spring to mind when discussing inspiration, but the COI has a tradition of immersing teams in its problems. This is why it produces some of the most hard-hitting and occasionally terrifying ads.

Creative teams at JWT have flown fast jets and looked for Russian submarines in the North Atlantic on 12-hour sorties in search of inspiration on why pilots and navigators may want to join the RAF.

THE MIRACLE OF CO-INVENTION

There is a theory that all people can be divided into two types: radiators and drains. Radiators inspire you and generate an aura of positive energy. When they leave the room, you look forward to seeing them again. Drains drag you down. They are negative, fail to inspire and have no capacity for triggering or receiving ideas. When they leave the room you are grateful.

Experienced people from both sides of the client/agency divide who 'click' can realise the true spirit of a brief and liberate it from its regimented layout and harsh verbal structures. One of the great advocates of this system is Richard Branson, who has a mantra of 'Screw it. Let's do it.' When people at Virgin got stuck analysing the restrictions of the brief, he would suggest opening the gates and developing a brand strategy from the spirit, not the detail.

Talented people who are compatible can do this more easily.

M&C Saatchi's team were given complete access to the police force and their key insight, 'Not everyone can do it', came from listening to police talking about their remarkable work. Their idea was to get people who are respected for their physical strength and personal endeavour to try and confront the same issues as the police have to do every day.

What could be more convincing and inspiring for potential recruits than to see Bob Geldof saying that he could never separate a child from his or her parents even if there was a suspicion of abuse? Never has the insight informed the advertising better.

HOW TO RECOGNISE A GOOD IDEA WHEN YOU SEE IT

A new idea is nearly always just a combination of two other thoughts. This should not trouble us as there are plenty of previous ideas around to be plundered, and the potential combinations of two previous ideas are infinite.

MTV was a good idea but it was merely the combination of music and video. Now music cannot be sold without video. Whisky and Coke is the bringing together of two previously singular drinks, which were previously enjoyed without the help of the other.

Audiences and consumers today are increasingly fickle and difficult to impress. They are quite used to being exposed to new derivations of technology, new fads and new fashions, on a daily basis. We are told by media companies that media fragmentation and low-quality programming now mean that the value of the bought TV spot has been reduced to such an extent that it is incumbent on the creative idea to have the same impact on consumers as, say, the invention of the internet or the iPod each time it runs. This is quite a tall order.

All the industry experts we have spoken to used emotional or spontaneous ways of assessing advertising before they pondered the more rational analysis:

- Does it move me?
- Does the idea make me want to be a part of it?
- Does it empathise with me, and me with it?
- Does it impress me; make me laugh or cry?
- Does it stop me from looking away?
- Is it truthful?
- Does it bind the brand with my consciousness?
- Will I be able to recite it, sing it or smile a familiar smile each time I recall it?'

RECEIVING AND NURTURING CREATIVITY

If you are trying to encourage a climate of creativity, there is a lot of anecdotal evidence to suggest that a warm supportive environment created by the client will encourage an even greater effort from the agency. Agency people have told us that the clients who place more trust in the agency and try to say 'yes' more often, will be the ones for which they will work the hardest.

Agency people take the trust they are given very seriously and will want to reward their clients by going the extra mile. Clients who attract that discretion and energy to their briefs are likely to get better work because they are competing for that energy with the agency's other clients.

WHAT IS A POWERFUL ADVERTISING IDEA?

The Leo Burnett John West Salmon TV ad caused people to stop whatever they were doing when it appeared on television for the first time. Dave Trott of the advertising agency Walsh Trott Chick Smith said that he was in his local pub when the commercial was aired and 'the whole place just stared at the screen in disbelief'.

The idea was simple. A man from John West Salmon fights a bear for the fish it has just caught as proof that only John West cans the best salmon. What happens is so unexpected, and so compellingly funny, that the viewer applauds the commercial for its entertainment value and, hopefully, can remember both the product and the point it makes. (see Figure 2)

Pub stopper and sales up 23% with 83% of the UK population recalling the ad on a budget of just £1m.

Perhaps we should have criteria for ideas along the lines of 'Will it stop chat in the pub?' or 'Will it be talked about at work the next day?' as a part of the checking procedure for all advertising.

HOW TO GET BETTER CREATIVE WORK FROM YOUR AGENCIES

1. Agencies and clients are different, but share the single objective of brilliant creative work. Always make sure your agencies are as committed as the clients are.

2. Processes are good, but only if they enable freedom. Inspiration, particularly in the briefing the session, will motivate agencies and their creative teams. Chaos can be good in the early stages.

3. Immersion from both sides of the relationship is an essential component of creativity. Be a radiator not a drain. Be the reason why a creative team will want to break the paradigm for you. Tell them you will buy good work.

4. Look for the idea. No amount of executional puffery will substitute for an idea. Ever.

5. It's easy to say 'No', so practise saying 'Yes'. It's good for you. First, see if you think the idea can work, even if you don't like the look of it first time around. Don't fool yourself into thinking you are the consumer.

6. Research recognises what it has seen before, and will be comfortable with it. Don't be afraid if the ad is surprising people.

Some people take the view that, as clients, they can employ an indifferent attitude to suppliers, but this attitude will ultimately diminish the quality of the work. Respect is essential. For example, the meeting called to decide the fate of a creative route must be marked in the diary as sacrosanct. Both sides will benefit from a sense of occasion and order. Not to do so sets up a killing zone into which agencies fear to tread and outcomes are ill defined.

Perhaps the best advice is to constantly focus on the idea and not the execution, and to use direct and understandable language in feeding back to agencies – including an honest opinion as to whether or not you like the idea yourself. It is perfectly possible for an idea to be right and not to like it.

USING RESEARCH WHEN DEVELOPING ADVERTISING

When people view advertising in their own homes, they don't know or care about the thought that went into it. The role of the marketer is to deliver a clear thought about a brand but to do it in a way that is seen, enjoyed and remembered – to surprise and delight real people.

Research is often used to help understand the mind of the consumer, and how that mind responds to advertising communication. Sometimes research can help with this, but all too often it is used as a pivotal step in the process that has to be completed in order to validate our belief in an idea. It becomes merely a pass/fail mechanic rather than an aid to better decision making.

As the oft-quoted Bill Bernbach once said, 'We are so busy measuring public opinion that we forget we can mould it. We are so busy listening to statistics we forget to create them.'

So, what are the pitfalls and the lessons to be learned using research? We need to be sure that we ask the right questions of the creative work and that the researcher shares the desire to nurture brilliance.

Make sure that when you brief a research company, it knows what you are looking to achieve. A harmonious, 'yeah, I really like that' kind of response isn't always desirable, and your researcher needs to know this up front.

Also make sure that you are clear at the outset about whether you are looking to understand the idea or the executions and ensure that what you present to consumers is clear. Consumers can often see through embellishment, but if they can't see a pivotal idea then the work will not be sufficient.

The main point to remember from all this is that research is not a replacement for your own judgement. It can all too often confirm the known or accepted if we allow it to do so. Research is not the enemy: there is no such thing as bad research, just bad use of research. Commissioning the right kind of research, at the right points, for the right reasons, and interpreting it sensitively will help to make better decisions. Brilliance will follow.

NOTES & EXHIBITS

FIGURE 1: ARCHERS DRINKS. 'A SYMBOL OF MODERN FEMININITY', ARCHERS BENEFITS FROM A STRONG BRAND MESSAGE

FIGURE 2

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Unilever Champions the Power of Big Brand Ideas

Simon Clift
Personal Care

JUDIE LANNON: From your standpoint as head of Unilever's hugely important home and personal care brands, how would you describe the main issues in managing these brands?

SIMON CLIFT: I'd sum up the main issues for Unilever generally as simplification, harmonisation and globalisation. We have been hugely distracted by the great global challenge but there's no question in my mind that we have pulled together the management of our brands in a highly effective and efficient way.

We were a multinational with an enormous geographic spread and complete local control. As a result we had, for example, four or five laundry brand positionings in the Unilever stable – with different brand names in different countries. So Omo is a stain remover in Brazil and gentle fabric care brand in another country. There was no discipline at all and we've spent an enormous amount of energy, particularly over the last five years, in pulling that together to a level that will withstand the full heat of real competition.

JL: What have been the main consequences for brand development?

SC: The way Unilever is now organised makes everything much easier. Brand development the world over reports through the specialist in that category. So I'm responsible specifically for personal care and every personal care brand developer – the people who make ads – reports to me. So no longer do we have the conflict between what a local chairman wants and what the brand specialist wants. The local company is now strictly focused on operations.

JL: This structure is a dramatic elevation of the branding discipline isn't it? It must be a much more efficient use of resources, but isn't there still some resistance from the local offices?

SC: By regionalising and globalising, we've effectively said the old marketing job is going to be divided between people in countries who will worry about things like relations with the trade and all the business issues that are relevant to each particular country. But the needs for brands are different. We're pooling our resources in a global innovation centre that will contain the kinds of people who have much more highly developed brand development skills. They are really very different skills.

So we've recruited people for our innovation centres who lead all advertising in Unilever, which is, after all, the second biggest advertiser in the world. The buck stops with 14 senior vice presidents who have the advertising development budgets for the entire Unilever world, compared with 150 countries staffed by generalists.

JL: From a brand standpoint, what do you see as the single major advantage of this kind of structure?

SC: There's no question in my mind that this structure allows for maximum creativity. Big brand ideas that are sustainable across countries and through time are more likely to be developed with a relatively small number of specialists.

So there are now specialist brand developers who have teams of people around the world. That's why you suddenly get the Dove work. Not only is it a great campaign in the UK and US but it's gone into every country in the world like a hot knife through butter. We have a Dove senior vice president and she's responsible for the US, Europe, South America and Asia, so there's none of this 'not invented here' problem any more.

JL: But what about the inevitable misunderstandings, misinterpretations and all the other problems that come with local implementation?

SC: That is obviously where we do have a bigger challenge because of the divide between central brand development and local country brand activation – in other words, making sure that the brand idea is central to everything that touches the consumer. That's a harder challenge because in the end I can't turn round and say, for instance, the shelf marker in Bangkok doesn't represent the brand. When you visit countries you'll inevitably find that although the big brand idea behind the Dove campaign is 'real beauty', you'll inevitably find there's something that looks like a second-rate L'Oréal ad somewhere that got through by mistake.

JL: Has this restructuring had any down-sides?

SC: One of the consequences is that where we were very good – which usually meant a huge concentration of resources – we may have got less rigorous. People have less time and they have broader jobs. On the other hand, the corollary of that is that brands that were small and not very well managed are now managed much better. For example, Lynx had 20 years of mediocre advertising and now has fabulous advertising that wins prizes the world over.

The net of it is that some of the great brand icons of the past, like Persil in the UK, are now just parts of other global brands, whereas some quite small brands are now global icons. There's been a kind of democratisation, and some have lost and some have gained.

JL: Getting the thinking behind the current Persil campaign into other markets – whatever the brand is called in those markets – seems like a very big move for Unilever.

SC: The current thinking on Persil, the 'dirt is good' campaign idea, is completely counter-cultural for Unilever. And although there are people in the organisation who say we need advertising that is based much more on efficacy, the fascinating thing that we've learned is that the more confidently you assert that children can and should go out and get dirty, the consumer take-out is that it's very, very effective against stains. You don't need fizzing molecules to make the point!

It's the age-old argument about what you put in versus what the consumer takes out – which is not necessarily the same thing. For me, the essence of the debate is that we need to measure what consumers take out, not what we're putting in, which is idiotic. Most pre-testing methods measure what the manufacturers put in, not what the viewer takes out.

JL: This is an important principle for communication and goes to the heart of how companies use research. How does this view affect your use of research – pre-testing specifically?

SC: In my experience if you ask people their reactions to a simple animatic with an amateur voiceover, they'll mostly repeat back the input. But, if you do tracking over a sustained period of advertising that's actually been on air, you'll get real consumer out-take, and they're very different things.

To me the excessive reliance on animatics is crazy – like choosing your wife from a stick drawing. With Dove, for example, it's how the girl comes across – her non-verbal gestures, the cut of her hair and whether she's sympathetic, that determine whether the message is believable. It's not the words put in her mouth. There are lots of examples of where we would have chucked an ad away if we'd believed the quantitative predictive research. With Lynx particularly, there's no way you can tell whether this or that babe is going to be appealing to a 16-year-old boy from a line drawing.

That's why I'm only interested n measuring the output. Let's take the marriage analogy again. You can measure very easily how long somebody has been married, whether they've had children, how faithful they've been. What you can't do is use some kind of fake metric to predict before they're married that the marriage will last 4.6 years and that he'll love her 3.8 on a five-point scale.

And it's the same with communication. In retrospect, we can measure the impact of Lynx advertising in the UK, we can measure awareness and how high certain attributes score. And we must use that information for guiding what we do next. I'm very much in favour of measurement, I just don't believe in predictive research. And we don't use it.

JL: The fragmentation of television and the decline in viewing is changing the landscape for traditional advertisers. What's your view on the next stage?

SC: Television advertising is a time bomb and it is quite clear that as soon as you have a personal video recorder (PVR) you may never watch another ad again. It's interesting to see what ads look like at 30 times speed because that's how you see them and you almost never, even if you're in the business, stop and go back and look at them.

Trying to catch people's attention is obviously harder than ever. The statistics about the fragmentation of audiences, the number of channels, the amount watched and so forth are horrifying. And this has meant that the debate has fundamentally changed. We're no longer having the old argument that says we're here to sell products, we're not here to entertain people. You have to do both and you don't have a snowflake's chance in hell of selling if you don't engage viewers in the first place. (see Figure 1)

So, obviously the next stage is making stuff that people actively want to see and hear. Our advertising for Lynx in the States is an amazing example. It was launched two years ago and is now, against all our expectations, market leader. This is in a market where people are vaguely scandalised by sexual imagery, where there is no existing aerosol market and all the products are anti-perspirants rather than just fragranced deodorants – all of which were cited as reasons for not doing anything there.

JL: How did you get this through?

SC: We simply ignored the market knowledge and launched it. Now the advertising is proving incredibly effective because kids download the ads from the internet and send them to their friends. So a major job for us is driving traffic to the website, which we do with incentives and games and so forth. But this is a viable approach because we know that teenagers in the States spend 50% more time gaming than they do watching television.

JL: Like everyone, I'm sure you're developing 360 strategies. How does this work at Unilever? (see Figure 2)

SC: These 14 senior vice presidents responsible for brand development the world over have all the advertising resources and all the innovation resources as well. So we make a TV ad for Lynx – maybe in the UK or maybe in Buenos Aires or in one of the global centres – and it can go to any country in the world that we decide. But although we are in control of the theme advertising, the other related work will probably be done locally so it's critical that we have close co-operation between the country people and the brand people.

The single most important point is that the stronger and more coherent the brand entity is, the easier it becomes to articulate the brand idea. And, of course, this means the easier it is to express it in different media. If the brand developers have done their job in the different countries, the ideas fall from the trees about how to implement them. Dove is an excellent example of this.

JL: But television still tends to dominate doesn't it?

SC: In developing countries it does, but less so here. But we're still the biggest television advertiser in the UK and television is still very important for us. But there are lots of campaigns that don't go near television and an increasing number of campaigns that require something other than television advertising.

So, the summary is that you need a big brand idea that can be expressed in all sorts of media and promotions and at point of sale because, certainly in developed markets, television will never have the dominance it had.

JL: The Dove campaign has been genuinely groundbreaking. People have been thinking about putting 'real women' in ads for some time but never do it. In fact, when Marks & Spencer tried it with the 'I'm normal' campaign, it didn't work. How did the Dove campaign emerge?

SC: The idea really came from Dove's history. One of the most memorable Dove ads was in the 1970s using a rather overweight black woman saying how she'd used Dove, and she was a very engaging, real person. So it's in the DNA of the brand, but the latest version came from launching a beauty debate on the internet at the Dove site.

There's a real issue that many men are not aware of, which is how many young girls feel oppressed by the need to look like beautiful people in magazines. Girls get bullied and can suffer quite a bit. We're not running a charity, of course, but if you can align your promise with an important and widespread concern you have a very powerful property and one that can be used in so many different ways. (see Figure 3)

JL: The timing of this is obviously right but the execution is excellent.

SC: That's the point. They are aesthetically pleasing. We've got a fantastic photographer called Rankin and everything he does looks gorgeous. The girls are engaging and not fat, just curvy, and he really brings out their personalities.

It's important to realise that that the idea of using real girls in the way we have didn't come from some whacky creative who foisted it on a resentful, functionally driven company. I see it as the way our new structure is working at its best. Because now the decisions about brand ideas – like Dove and Lynx and others – are made by people who are brand visionaries, people who've got fantastic brand development skills.

JL: What do you know now that you wish you'd known 20 years ago?

SC: For me the biggest challenge for Unilever has been shaking off the vestiges of its multi-local past. I think we were always quite good on brands, we always basically understood why brands were important. But what we didn't understand was that the chances of getting 50 brilliant brand ideas in 50 countries working independently were as good as zero.

I wish we'd globalised and harmonised our brands 20 years ago when we still had time. There are all sorts of other challenges like 360, the collapse of TV, the retail press and others that we need to wrestle with. We would be much better off if we'd pooled our resources and concentrated on getting a smaller number of bigger things right.

JL: The operational savings here are obvious but you've really been talking about marketing efficiencies haven't you?

SC: Absolutely. I believe that marketing is still not elevated to a high enough level in many companies. Marketing is far too important to be left to some minor specialist department. When I started in Unilever advertising was done by junior brand managers. Now it's done effectively by people who 20 years ago would have said 'Oh, that's way below me, I've got far too many important things to do than to go to the pre-production meetings.'

The companies that we all admire basically have hero marketers at the helm – Apple and Nike, for example. Yes, they're entrepreneurs, but that's not really necessary. What I admire are the ones that have got a brand philosophy that pervades the whole company.

JL: One final question, what would you say you would like to accomplish by the end of the year? What would you like to remember 2005 for?

SC: I would like to get to grips with how we manage 360 across our organisation. I would like to see a very clever City analyst who knows more about Unilever than anybody else saying he'd like to see more hero stories about marketers in Unilever.

I'd like 2005 to be the year when we move marketing even more firmly up the company agenda. It's still not on the table of the board or the executive committee as much as it should be. I hope that, after 2005, there will many more people who will be the conscience of marketing at Unilever.

NOTES & EXHIBITS

FIGURE 1: ADVERTISING FOR UNILEVER'S COMFORT BRAND

FIGURE 2: ADVERTISING FOR THE HUGELY SUCCESSFUL LYNX BRAND

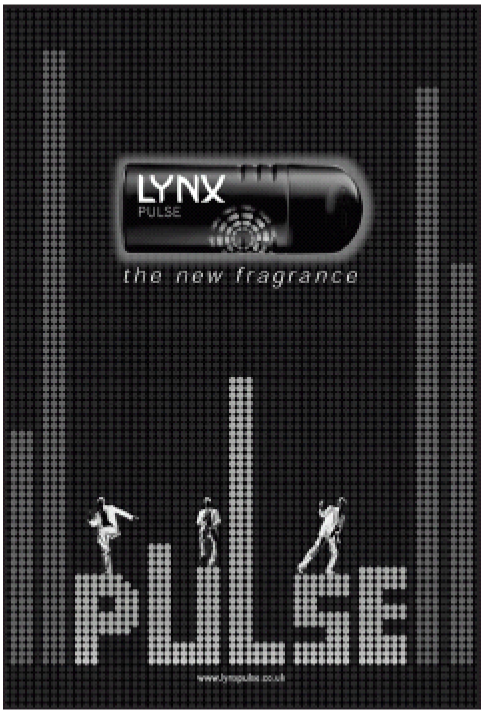

FIGURE 3: POWERFUL ADVERTISING FOR THE DOVE CAMPAIGN FOR REAL BEAUTY (SEE CASE STUDY PAGE 43)


☐ wrinkled?
☐ wonderful?
Will society ever accept 'old' can be beautiful? Join the beauty debate.
campaignforrealbeauty.co.uk
Dove

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How Dove Changed the Rules of the Beauty Game

Olivia Johnson

Whenever we explained Dove's new brand positioning to anyone, they always said, 'Oh what a great idea.' However, we couldn't seem to develop any creative work that did the new positioning justice. We'd been through months of creative development and research and had nothing to show for it. A bit of self-doubt was creeping in. Maybe it's a great positioning in theory but not in practice? Maybe, the inner voices whispered, the positioning isn't right.

Six months later all doubts had been dispelled. We were the proud creators of a much talked-about and much loved campaign.

This article describes that journey from doubt to celebration. It's a story of two halves. The first half will tell the story of how the positioning was developed. The second will tell the rather more tortuous, warts-and-all story of how we eventually managed to turn the positioning into compelling creative work.

DEVELOPING THE BRAND POSITIONING

Unilever launched Dove in the US in 1957 as a bar of soap. Over the next 40-odd years it grew by launching into other countries and other 'personal care' categories. This expansion meant that by 2001 Dove had fundamentally changed. Soap represented less than half its sales.

This change prompted the client and agency team to reflect on the future. What had been a soap brand was becoming something else. But what? Trend analysis of the categories Dove was in suggested that the potential lay with shampoo and conditioners and, ultimately, face care. Interestingly, women think about these sorts of products very differently from soap. The latter is about being clean and spruce. Shampoo and face creams are about grooming, about tarting yourself up, about, literally, putting your best face forward.

Shifting the Brand's Axis

We needed to stop thinking of Dove as a soap brand and start thinking of it as a beauty brand. However, sober reflection led the team to conclude that in many ways the last thing the world needed was another beauty brand. The world is awash with them. How on earth could Dove be a distinctive voice in this over populated world?

The brand team was predominately female. Each member of the team had the intuitive sense that the way other beauty brands behaved wasn't quite right (in the moral sense, not the commercial sense). So, what was wrong? It was the type of beauty promoted by these brands – it was all about a physical ideal that most of us fall far short of. This made the members of the global team feel miserable about themselves. It's like being a mortal in the company of the gods. You feel like sub-standard goods.

Moving From Intuitive Hunch to Proven Fact

The team had to find out if women around the world shared their feelings. But it's not easy getting people to admit to feelings of inferiority. So, instead of doing a piece of global consumer research the global account director (who was doubling up as the planner) trawled through academic research looking at women's relationship with depictions of beauty in the media. The research confirmed the group's hypothesis. A woman's self-esteem is often diminished by the images of physical perfection surrounding her. Fuelled by these findings, the global account director contacted and visited academics and counsellors working in this area. Susie Orbach, Naomi Wolf and Gloria Steinem confirmed the damage done by the media culture of perfection we all live in. (see Figure 1)

Changing the Rules of Beauty from Feel Bad to Feel Good

The client and agency team decided that Dove was literally on a mission – to change the way that women viewed beauty and themselves. A mission was articulated:

> 'To make more women feel more beautiful every day, by widening today's stereotypical view of beauty and inspiring them to take great care of themselves.'

And the brand's perspective on beauty was laid out, in what became known internally as Dove's beauty theory:

> 'Dove makes it clear it sees beauty in imperfections and doesn't worship stereotypes. Dove's beauty is self-defined, beauty with brains, democratic. Dove recognises not only the exterior, but also the woman within. There is depth of character behind the eyes, a strength and vitality of personality showing through.'

We also made a decision to use ordinary women (as opposed to models) in our advertising. Historically, Dove had featured ordinary women in its advertising. In those commercials ordinary women talked about how Dove had allowed them to get nearer to the picture-perfect ideal. We decided to turn this on its head and make a positive point about these women being real – with all the wonderful idiosyncratic things that being real brings with it. From that point on we decided to use real women in a real way.

DEVELOPING CREATIVE WORK TO BRING THE POSITIONING TO LIFE

We wanted to develop a pure brand campaign that would articulate Dove's beauty theory. We believed the heart of the problem was women's self-perception.

What advertising needed to do was reassure women that, contrary to what they might think, they are in fact, attractive. This reassurance would raise their self-esteem. The following creative brief and proposition was written.

The Proposition. A call to action. Seeking your own version of beauty will get you much closer to beauty than seeking stereotypical perfection.

Reason to Believe. Real types are so much more interesting and attractive than stereotypical flawless perfection.

The Mandate. The advertising must use real women as opposed to models.

Over the next few months three different campaigns were developed: Beauty Has a Million Faces One of Them Is Yours, Give Your Beauty Wings and Let's Make Peace With Beauty.

Understandably, given the creative brief, each idea had shades of the self-help manual about it. Each sought to help women see themselves with fresh eyes; each exhorted women to stop judging themselves so harshly; each gave hints and tips to women so that they would see the beauty that was already theirs.

As each idea was developed we explored it in qualitative creative development research. Unfortunately, women were not impressed. They found our creative ideas patronising. The tone was a bit happy-clappy. Critically, women didn't realise that Dove was trying to change existing, widely held definitions of beauty. They assumed we were trying to change them, not the world they lived in.

It was time for a re-brief.

Enter Inspiration, Stage Left

Our top-down approach seemed to lead to rather didactic, theoretical, and therefore distant, work. So we decided instead to work bottom up – product first, wrapped in beauty theory.

The first product brief that popped up once this decision had been taken was for Dove Firming. Women apply these products to their hips, bums and thighs in particular because those bits are prone to sagging and to the dreaded cellulite. So, the straightforward proposition was that Dove Firming tightens loose, bumpy, orange-peel bits. However, we wanted to tell this story in a way that would also help broaden definitions of beauty and so be true to the brand's mission.

Inspiration came from re-reading all the research that had been done. One theme jumped out at us. Women hated the advertising for these sorts of products.

'That Girl Doesn't Need a Cellulite Product, She Needs a Square Meal'

The reason they hated it was simple. The other brands used stick-thin, superbly toned young women in their 20s. The implication was that 'you too can look like this' if only you use the product. They found this promise farcical at a literal and physical level. And they found it patronising at a psychological level. Why, they bemoaned, are we always being told that thin is the only way to be. Why are slinky little hips the only hips to have?

This was our way in. Dove would challenge the current definitions of beauty by championing the idea that a beautiful figure doesn't have to be size 10. A fuller, more voluptuous figure can also be beautiful. We wrote the following brief:

The Proposition. With Dove Firming women can show off their curves.

Reason to Believe. Dove celebrates women's bodies as they are because being curvy is essentially female. Dove has an expert range of firming products.

The Mandate. This advertising must use real women not models.

When we briefed the creative teams we plastered the walls with competitive advertising. The parade of trim waifs seemed ludicrous and our proposition seemed refreshing in comparison.

The creative work that emerged included the powerful ad on page 44. We instinctively knew this work had the capacity to break the mould of beauty advertising and broaden current definitions of beauty. Having successfully captured the brand's positioning in product advertising we turned again to the brief for the pure brand campaign.

Turning the Brief Outwards Not Inwards

Developing the Firming campaign had taught us three critical things.

1. Exhorting women to believe in their own looks is counterproductive because how women judge themselves is a consequence not a cause. It's a consequence of the imagery that women consume, each and every day. The enemy is without, not within. If we want women to believe in their own looks we need to give them radically different depictions of beauty to aspire to.

2. Alternative depictions of beauty touch a nerve if they are antidotes to the particular stereotypes that women feel pressured by. The Firming campaign was powerful because it offered an alternative to the tyranny of thin. (Both women and journalists responded well. The resulting PR was extremely valuable). So, we went back through existing research to identify the stereotypes women think they are most crushed by. Internet discussion boards were also valuable sources of discontent. We established a hit list: you have to be young to be beautiful; you have to be tall; you have to have flawless skin, etc.

3. Using ordinary women in our advertising wasn't a whim, it was strategically critical. The women in the Firming campaign are palpably people like you and me. They are the living embodiment of a more democratic, inclusive notion of beauty. So we wrote six pledges that outlined the sort of women we would use in our advertising and how we would use them. Brim full of confidence and armed with these insights we penned a new brief for the pure brand campaign.

The Proposition. A campaign idea that questions the images pumped out by the beauty industry by showing genuinely stunning beauty comes in lots of shapes, sizes and forms.

Reason to Believe. If you believe what the beauty industry tries to tell us, beautiful is only beautiful if it's 5'11", eight stone, with long hair, ideally blond, with a perfectly symmetrical face, flawless complexion and under the age of 30. And yet, all around us is evidence to the contrary.

The Mandate. You must use real women who conform to the pledges.

CampaignForRealBeauty.com was Born

The work that emerged from the brief exceeded our expectations.

The work is eye-catching, compelling and loved by women in every one of the dozen or so countries in which it has appeared. Most importantly, it clearly positions Dove as the brand that is challenging the current, stifling beauty ideal and replacing it with a more refreshing, feel-good alternative. The resulting PR means that this critical message has been amplified two-fold.

Equally impressive is Unilever's genuine commitment to beauty theory. It is not just a marketing strategy. It extends to grass-roots action. Unilever created the Dove SelfEsteem Fund, a charitable trust that works with groups who work with women, helping them grow as individuals and learn to withstand the blandishments of the air-brushed, impossibly perfect media culture we all (still) live in.

www.campaignforrealbeauty.com

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Rainey and Mel White.

NOTES & EXHIBITS

FIGURE 1: POWERFUL ADVERTISING FOR THE DOVE FIRMING RANGE

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Professional Services Marketing: An Oxymoron and an Irony

Laurie Young
Marketing and Professional Services Firm

The professional services industry is vast and varied. One estimate puts its revenues at $700 billion worldwide and another suggests that it employs up to one in five workers in the developed world. It encompasses a wide variety of businesses whose offer is based around specialist skills or knowledge.

They range from the marketing services industry, in all its forms, through executive search firms, recruitment agencies, education, training and coaching providers to consultancies with various specialties (some of which now form the growing services arms of publicly listed companies like IBM). Included are legal, accountancy, engineering and architectural practices. It comprises an array of medical practitioners such as private doctors, dentists, opticians, pharmacists, osteopaths and physiotherapists. There is also a variety of retail professionals such as hairdressers, veterinarians and estate agents, which range from single shops to large chains.

The one thing they have in common is that knowledge is the barrier to entry into their business and they make vast sums from this 'asymmetry of information'.

The earnings vary enormously but can be eye watering, outperforming the takings of all but the very elite directors of publicly listed companies. The top earners include: merchant bankers (whose million-dollar bonuses can rival IPO takings or earn outs); partners in leading advisory firms (whose salary alone can be $1million); individual gurus (one charges $18,000 per day); and fashionable stylists (whose brands make them into multimillionaires).

How do they do it and can successful techniques be codified into a replicable and solid marketing approach? The main general principles are detailed below.

'DEMAND-PULL' IS THE COMPLETE OPPOSITE OF 'PRODUCT-PUSH'

Most first-rate professionals say that marketing starts with the work. The two main drivers of revenue growth in this industry are the technical excellence of the work and the quality of client service. For a number of reasons clients talk about a professional service after it is finished. This creates a strong reputation (which may eventually turn into a brand) and this, in turn, draws in more work.

This 'demand-pull' is the complete opposite of 'product-push' and has two very powerful benefits. First, it keeps the cost of sales low (because the firm does not have to go out to get work) and, second, it keeps prices high (because practitioners can focus on diagnosing need, and pricing becomes a consequence, not a focus, of discussion).

This makes the difference between an elite profitable practice and a grubby 'ambulance chaser'. As a result, all successful professionals focus their attention on it. They ensure that any strategy or business initiative is aimed at enhancing the firm's reputation or preserving it. Its success is measured by its effect on repeat business and referrals.

STRATEGIES EVOLVE FROM THE STYLE AND CULTURE OF THE FIRM

The ownership of a practice determines its approach to business. In a corporate firm individuals have clear accountability within a distinct area of responsibility, delegated by shareholders representatives. Strategy can be run by dedicated people to a clear schedule. A partnership, though, works through mutual ownership and consensus. As a result there is often surprisingly little direct decision making. Initiatives are more often created by a wide consultation or buy-in process which creates a momentum for the idea. Providing no one strongly disagrees with the initiative, it will become, more or less, common practice within the firm.

Partnerships tend to use a 'situational' approach to strategy development. Leaders will identify and work on immediate strategic imperatives, often as part of an annual budget round. It is less logical, less systematic and less well rounded than the procedural approach that business schools emphasise. In fact, many routine issues can languish due to lack of attention.

However, once the major strategic thrust is identified, the firm tends to tackle the most important issues as partners implement the actions agreed by consensus. Project teams might be formed to implement different aspects of the strategy, often in addition to their normal jobs, and are disbanded when either the strategic intent is achieved or other priorities identified. This built in responsiveness has helped to ensure that some of the world's leading professional services firms are well over a hundred years old.

Single-owner practices, on the other hand, tend to be dominated by what is politely called extant strategy. The owner is so busy winning, delivering and running the business that direction is created in their head and rarely committed to paper. Insight, decision and action follow each other quickly. Direction can be determined only by a retrospective view of past decisions. Staff in such firms can feel that they have no strategy to follow because there are no well crafted written documents or clear planning schedules.

Nevertheless, experience shows that firms led in this way can be very successful, achieving their strategic intent, particularly if the leader makes the direction clear to the people in the firm. It is relatively simple to use a few hours to tease out and articulate the leader's intuitive strategic intent.

DECISIONS ABOUT DIRECTION ARE BASED ON INSIGHTS INTO THEIR MARKET

There is nothing very special here to the seasoned marketer, except that there is a vulnerability that arises from the professional's greatest strength: closeness to the client. The intimate relationship that many professionals have with one client or one level of management can give them a distorted picture of trends. If they do not step back and take an objective view they can take decisions based on a mistaken perspective of the market.

Of those that do take the time to analyse their market, some take an economic view. For them, supply and demand are irresistible forces that govern a firm's success. Advertising declines if industry is slow, conveyance suffers if the housing market is weak and due diligence work when M&A activity is down. Yet this is limiting.

Some of the more successful firms take a behavioural view of markets. In other words, it is the behaviour of the suppliers and their interaction with clients that create opportunities. Leading firms have been practising relationship marketing (without calling it that) for many decades. In this view a market (and, in some cases, the firm itself) is seen as, primarily, a set of personal networks within which mutually profitable business relationships occur. While economics is not irrelevant, the supplier can stimulate interactions to create demand.

Professional service firms can therefore examine their markets by profiling client relationships and methods to stimulate more work from them. This might include, for example, cross-selling other services to contacts or deliberately encouraging referrals. In fact, for business-to-business professionals, a market perspective based on a relationship or network profile could yield better strategic insights than some of the more accepted economic approaches developed by theorists.

PROFESSIONAL SERVICE BRANDS ARE CORPORATE 'MASTER' BRANDS

One of the major differences between product and service marketing is the way in which a brand is managed. A product company can create a brand that has its own presence in the market. The corporate entity behind the proposition can be irrelevant to buyers.

The dynamic with service brands is completely different, however, because the emotions engendered by the buying process are different.

Most services include a process through which the buyer moves. Users must surrender themselves to the service provider, and this yielding of control creates anxiety. As a result of this anxiety, service buyers reach around the proposition itself to seek emotional reassurance from the entity in charge (without being aware they are doing so). As a result, the great service brands tend to be corporate brands.

This has implications for many aspects of brand development and naming strategy. Brand management for a service company is about dealing with the corporate brand itself. It therefore involves a different set of stakeholders, including the firm's leadership.

Naming strategy is different because service names have to be simple functional descriptors. (Business class from Virgin or American Airlines, or audit from KPMG versus audit from Grant Thornton.)

There is also a symbiotic link between the brand of a professional service firm and the reputation of key practitioners. In a large partnership, employees work their way through their firm, conducting client projects, until they 'make partner'. For many, this is a defining moment of their career. They are included in meetings and discussions that they did not know occurred and they become part of an inner circle of colleagues. Reward is substantially different but so too is responsibility.

In many firms, one of the main characteristics of a partner is the ability to build a book of business and to win work, so their external profile grows with experience. As a result, after years of performing at this level, they will gain an external reputation for a specialist skill. At this point, the client weighs both the firm's reputation and the specialist skill of the partner when buying. In fact, part of the strength of the company brand becomes the leading partners in its offer.

The brand of the firm and the reputation of key partners become inextricably linked. However, some become so enamoured with their own reputation that they discount the support of the brand that grew them. In fact, there have been cases of partners leaving thriving firms to set up on their own and finding, too late, that their former firm's brand was a major part of their fee value.

Employees, whether partners or staff, need to be a focus of brand work. When creating the brand position and brand values, designers should derive their work from attitudes of employees in addition to clients' perceptions. They must start with a hard-headed audit of what is experienced by clients through employees and make that the foundation of the strategy.

Ironically, despite the stunning affect on price and demand of the leading professional brand names, the industry is generally very poor at investing in brand strategies. Even the experts in this area, the advertising agencies, are frequently poor at managing their own brands. Most professional service brands (like Bain, KPMG, McKinsey, and so on) have evolved from years of quality work reinforced by repeat purchase. The brand has emerged naturally from reputation. In some cases, as in 'the magic circle' law firms or the 'big four' accountancy firms, there is opportunity to create distinction and differentiation through focused brand work. In the industry as a whole, there is huge opportunity from a more managed approach in this area.

THEY USE DISTINCTIVE AND RELEVANT MARKETING COMMUNICATION TECHNIQUES

Individual professionals must put great emphasis on communicating with their clients if they are to succeed. They must listen, diagnose, propose answers, advise and listen again. However, once the professional service becomes a business of any size, its leaders must consider how it communicates with markets.

There are three distinct levels of marketing in a professional service firm.

1. Contact marketing: activities at the client interface such as proposals, events, account management, business development and so on.

2. Credibility marketing includes industry skills, technical skills (professionals often take their skills for granted and fail to tell the market about them) and thought leadership.

3. Corporate-level marketing encompasses: brand, go-to-market strategy and specific reputation initiatives like CSR.

Although the industry wastes huge sums on questionable marketing habits like client hospitality, it uses all forms of marketing communications (even if it believes that it does not). For instance, professionals tend to be sceptical of both direct marketing and advertising. Yet merchant bankers use electronic newsletters to CEOs very successfully and ads from accountancy firms frequently occur in worthy magazines alongside partners' articles.

EFFECTIVE COMMUNICATION TOOLS FOR SERVICES

Viral Marketing

The industry has used viral marketing (long before it was called that) as a marketing tool to increase word of mouth. For example, a new idea will emerge from a business thinker or a consultancy in the form of a 'white paper' or magazine article. It will then be presented at a few leading conferences. (It is most powerful if it gets a hearing at a CEO-level conference such as the World Economic Forum held each year at Davos.)

The aim is to get clients talking and thinking about the new concept. Product managers in conference companies then spot the idea, allowing time on agendas for it to be presented. Soon whole conferences are dedicated to it, articles published and books authored. Leading consultancies then dedicate partners and staff to practise in the area. They adjust case studies from past projects and present briefs to their clients. At this stage, academics get funding for reputable research into the idea and add to its visibility. The new idea is viral, carried and reinforced by debate in the business community.

Thought Leadership

Thought leadership, another of the industry's big guns, is often used to reinforce the momentum of a potential business idea. The term is used to describe the publication and dissemination of ideas for commercial advantage and is often the source of NPD for the industry. In practice, it can range from an article in a magazine to a major sponsored programme or a complete book. Leading firms have teams of highly qualified people dedicated to it, backed by elaborate knowledge management systems to farm ideas.

A Star Performer

Another communication strategy is to create a star in a discipline the firm wants to emphasise. The reputation of individual partners is deliberately grown to attract interest and business. Often there is a highly targeted PR plan requiring the partner concerned to speak at conferences, write books, publish articles and speak to the press in order to gain attention for that field of expertise.

Leading firms link these communication activities in a management structure with common budgets. This is often a virtual team with common leadership or, more rarely, in a unitary organisation under a CMO. Properly integrated, this enables the firm to generate income more cost-effectively, because the activities are mutually supportive.

For example, a well-constructed corporate marketing programme will explain the brand to the market, while effective capability marketing will promote industry expertise to the target client group. Both of these will save costs when the firm's professionals are proposing work to clients, because they will have no need to explain these two issues. A telecoms partner from McKinsey, or a strategy consultant from Bain, or an outsourcing leader from Accenture, will therefore have a huge advantage over competing firms who have not got their marketing act together.

AN OXYMORON AND AN IRONY

Ironically, many professionals do not regard these revenue-generating activities as the province of their ('support') marketing team. Marketers are rarely given substantial accountability unless they are partners. Marketing professional service has therefore been an oxymoron. As a result the majority of people who carry a marketing title in professional service firms are not career marketers. From the administrator who arranges client events to the extrovert partner doing their development stint in marketing management, there is a good number of people trying to interpret marketing jargon and practice for the benefit of their firm without the depth of knowledge and experience found in other businesses.

Yet much of the industry is grappling with the rigours of dramatic market turmoil. That, in turn, is challenging assumptions built on years of easy growth or near monopoly domination of certain niches. This will stimulate different attitudes to both markets and marketing. It will cause the leaders of successful survivors to focus on more systematic marketing. Some of which will mean making explicit and emphasising these specific professional services marketing strategies.

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Is Sustainable Marketing the Route to the Boardroom?

Brett Sadler
The Transformer Partnership Change Management and Marketing Sustainability Consultancy

The current economic model is unsustainable in the long term.

This is because it is predicated on maximising shareholder value, resulting in a redistribution of wealth towards the owners of commercial resources and the externalisation of many of the costs associated with their operations.

There are signs that this is changing as businesses increasingly recognise the relative importance of intellectual capital, and now the concept of customer capital is starting to gain currency. The presumption of shareholder supremacy is beginning to be called into question, and there is increasing pressure for equitable returns to all stakeholders to become the norm in an age of increasing transparency.

The publication last March of the UN-sponsored Millennium Ecosystem Analysis (MEA) leaves us in no doubt that the earth is poised on the brink. Compiled by more than 1,300 leading scientists over a four-year period, it confirms all our worst fears and calls for urgent action before we reach the point where the damage to our environment becomes irreversible.

As the key driver of economic growth, marketing is ideally placed to respond to this challenge and reposition itself as a driver of responsible growth. In other words, marketers should be looking for ways of creating new wealth while at the same time reducing their operation's impact on the planet's systems.

More than ever, this calls for joined-up thinking from the marketing profession. Product development, for example, can no longer take place in a vacuum. It is not good enough to use innovation to drive up profits at the expense of other stakeholders and society in general.

NIKE: CORPORATIONS UNDER FIRE

Let's take a look at the experiences of Nike. As market leader in its sector it was a prime target when the anti-globalisation lobby wanted to focus attention on the sporting goods industry. For some years the business suffered as protesters campaigned for consumers to boycott the brand on the basis of the violation of human rights and use of child labour in some Far Eastern factories

Now Nike founder Phil Knight is fighting back and leading the sector's efforts to clean up its act. In stepping back from his CEO role earlier this year, he appointed Bill Perez to succeed him, based largely on his record of promoting corporate responsibility. Their corporate responsibility report for 2004 set new standards of transparency by disclosing details of the compliance procedures put in place for all 731 of the factories it uses globally. The aim is 'to build trust and enable stakeholders to judge us not on perception, but fact. Transparency is an essential tool in this process,' says the company.

Contrast this with the fortunes of Shell in the PR wars. Following the *Brent Spar* debacle and the alleged involvement in the Ken Saro Wiwa affair in the 1990s there was an urgent need for a change in approach. Shell ultimately responded by head-hunting Raoul Pinnell to oversee its branding and image. However, changing the culture of such a vast organisation is proving a much more difficult task and it continues to be blighted by new revelations. One delegate at a Business in the Community conference this year even went so far as to characterise it as a culture of 'corporate mendacity'.

Clearly, then, this issue goes a lot deeper than brand image. For marketing to make a significant difference it needs real influence at board level and, as highlighted by the Shell example, the biggest challenge often lies within the organisation itself.

REPUTATION: THE VITAL LINK

Marketers understand only too well the strong link between corporate reputation and customer trust, which in turn feeds through into brand strength and drives the valuation of the business. That is why it is important for marketing to grasp the nettle and include CSR and other sustainability issues within its remit. Then it can leverage the corporate responsibility agenda throughout the organisation by means of a concerted internal marketing programme, to build brand and corporate reputation from the inside out.

A Chartered Institute of Marketing research report, *Paradox in Marketing*, highlighted that marketers were strongly driven to act in a more ethical and sustainable way. What was stopping them from doing so was the belief that they had a commercial obligation to generate maximum short-term profits and did not consider that top management would expect them to deliver on non-financial returns, the implications for corporate reputation notwithstanding. This perception – and its tacit acceptance by the profession – of marketing as a tactical rather than strategic activity, is entirely consistent with its lack of representation at board level.

This situation could well be set to change. For example, at last February's World Economic Forum in Davos, the annual meeting of the most influential international business leaders – not generally noted for their altruism – selected as the top three agenda items poverty, equitable globalisation and climate change.

The dual effects of the MEA and other research creating pressure for legislation, together with a realisation by business that its reputation will rest on its actions is likely to lead to a change in the way corporations operate.

SUSTAINABILITY WILL BE DEMAND DRIVEN

This phenomenon is also being driven by consumers who are increasingly demanding to know about the ethics of the companies and brands they buy into. According to Mori, 82% of consumers want companies to make more effort to show in what social, environmental and fairtrade activities they are engaged. Indeed, Fairtrade has also become big business, with the UK market expanding at more than 40% year on year to the point where it is now the leading Fairtrade market in the world, accounting for 25% of total global demand for the mark.

So there is increasing pressure from consumers for marketers to introduce products and processes to embrace the sustainable future. And now the government has waded in by adding the weight of its procurement policies, and will in future be scrutinising the ability of suppliers to meet the required ethical, social and environmental standards.

There is also a growing realisation among retailers and big consumer brands of the increasing influence of a small but significant number of consumer activists. As Nike found, this vociferous minority has the power to sway opinion, adversely affecting sales and profits. The IMD Forum for Corporate Sustainability Management's research revealed that 60% of businesses had experienced attacks on their brands' reputation.

Major brands are therefore responding by pushing these issues back up the supply chain.

For B2B companies in particular, these and many of the other factors already discussed will result in businesses finding themselves marginalised in their markets if they do not get up to speed, as business customers increasingly insist on sustainable credentials.

So, the drive towards sustainable business is coming from the demand side. It is therefore very much a marketing issue, and as such represents a real opportunity for marketers to take a lead in building the sustainable future.

But what does all this mean for marketers on a practical level?

For it to deliver maximum returns a holistic approach is essential and sustainability needs to be adopted as a fundamental principle of the organisation. Even without this, many of the concepts below will make a significant contribution to improving a company's reputation and will therefore have a positive impact on marketing effectiveness. However, potential PR benefits may well be lost as bolt-on ethics and sustainability will tend to be transparent to the consumer.

PRODUCT LIFETIME COSTS

It is second nature for marketers to think in terms of customer lifetime value, but increasingly they will be expected to look at the lifetime environmental and social costs of their products and services.

This will become very real for electrical goods companies when the WEEE (Waste Electrical Electronic and Equipment) Directive finally comes into effect in 2006, forcing companies to take back the goods they have produced at the end of their working lives and recycle or dispose of them.

It is also important to be aware that product lifetime starts the moment raw materials are produced. How and where are they produced? Is it done using fair labour practices? How is it transported, is this the best way to minimise pollution, has a valuable natural habitat been damaged in its production or transportation?

It also extends to the point of disposal/dismantling/recycling. This has important implications for design. Can all components be recycled (and made from recycled rather than virgin material where possible)? If not, are there alternative recyclable materials?

Mercedes cars are now made with a minimum recyclability of 85%. But consideration should also be given to how fuel efficient the car is and how much pollution it will generate. Also, how much effort is being put into alternative fuel technologies?

Design can also have an influence on production. How much energy is consumed in the manufacturing process and are there ways of redesigning the product to make manufacture more energy efficient? Can a renewable source of energy be used?

And it's not only the product that needs to be considered. What about packaging? Ethical retailer Body Shop is currently offering gift sets, but half the packaging is superfluous. What sort of message does that send out to its ethically aware customer base?

WHAT IS A SUSTAINABLE PRICE?

Sustainability can lead to increased profit. This does not mean that margins can simply be increased on the premise that customers will be glad to pay the extra as they are getting an ethical product. Margins may be expected to improve in the longer term as reputation grows, but significant damage can be done if there is perceived to be an unfair relationship between costs and price.

For example, some retailers view organic as a great opportunity for premium pricing. While consumers are still prepared to buy, there is growing resentment with some supermarkets that treat it as an opportunity to push margins. They do so at the risk of long-term damage to their brands.

Likewise, petrol companies rush to raise pump prices when the price of crude increases, but tend to be tardier when prices fall. New research carried out by pricing consultancy Sans Prix in association with Managing Change (www.ethicalpricing.info) highlights this as being one of the biggest perceived ethical pricing issues.

And what about everyday low pricing? In their headlong rush to compete on price, supermarkets and other retailers have driven real-terms prices down to previously unheard levels. But these price wars are not consumer driven and are more frequently the result of retailers using their buying power to squeeze suppliers in their quest for market share. Sainsbury's is currently grappling with this issue and is coming under pressure from the small firms lobby group, the Forum for Private Business.

Remember that suppliers also need to be paid on time and in accordance with their contracts. Marketing is rarely consulted when procurement or finance decides to squeeze an extra 14 days out of their suppliers, and yet it can result in considerable damage to the brand if it leads to interruptions to the supply chain and consequent stock-outs and empty shelves.

PLACE: HOW TO MAKE DISTRIBUTION SUSTAINABLE

Distance to consumer – as epitomised by food miles – is now becoming an issue as awareness grows of the vast distances from the point of production. Some retailers, such as Somerfield, are responding by promoting an expanded range of local produce.

There can be other advantages to reducing distance from factory to store in terms of the improved response times that can be obtained. Fashion retailers such as Zara and H&M have increased their sourcing from Europe in a bid to shorten lead times. It also means reduced waste as products are less prone to being over-ordered and this has a positive impact on margins as well as the environment.

Given the rhetoric about sustainability, how much longer will government continue to sanction further expansion of edge-of-town retail developments? It is currently becoming increasingly difficult to shop without a car. According to DEFRA, in 2004 the average consumer travelled 898 miles to do grocery shopping.

In many ways, the ideal solution is to shop from home. However, this presents a dilemma as shopping is actually an important social activity, especially for older people who may live alone, for whom it represents an opportunity for social interaction.

It is probable that a return to the old paradigm of communal shopping areas within easy reach of most centres of population is something that will increasingly be considered in future civic planning.

PROMOTION: THE MARKETER'S DILEMMA

This is a very difficult area for marketing. Are we creating demand for products that are not really necessary, other than to benefit our shareholders? Or do our products positively enrich the lives of our customers?

Given the need to communicate product or service benefits, it should be done in the most environmentally friendly way possible. The more targeted the better, both in terms of maximising response and minimising waste.

For example, many companies continue to send prospects direct mail even where they may have registered a preference for email communications. Reducing print runs and the carbon emissions associated with unnecessary distribution ought to make sense all round.

Consideration also needs to be given to print. Is it on recycled paper or stock sourced from sustainable forests? Are vegetable-based inks used? And what chemicals are used to clean the presses?

Conferences and exhibitions are another area notorious for waste. It is common practice for contractors to send everything to landfill once an exhibition has finished. Fortunately, there is a growing number of sustainable exhibition contractors who are finding it is no more costly to do things better – it just takes a little more thought and ingenuity at the planning stage.

FOOD FOR THOUGHT

This article is intended merely to give an insight into the kind of thinking that needs to be deployed to make sustainable issues central both to marketing and to business, and to use them to drive long-term profitability.

But having the right questions is the key that will ultimately lead to the best possible solutions.

There is likely to be unprecedented change in the way business is conducted as the twenty-first century unfolds; marketing has the necessary culture of innovation and creativity to lead that change and really make marketing matter in the boardroom.

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'Treating Customers Fairly': Another Catch-22 Idea from the Regulators

Lucian Camp
CCHM:PING

Heaven knows the world of advertising and marketing has become increasingly heavily regulated in recent years, but no other sector has seen an initiative quite like the 'Treating Customers Fairly' (TCF) initiative launched in financial services last year by the Financial Services Authority.

TCF is an example of the FSA's big new idea: so-called 'principles-based' regulation. It means introducing regulation based around abstract and high-level concepts, refusing as a matter of policy to offer any clear guidance or explanation, and then punishing the industry if it doesn't agree with its interpretation of them.

It's also an example of the FSA's greatest weakness, which is the way that its ability to define undeniably admirable goals is counterbalanced by a complete inability to define appropriate ways of achieving them.

TCF is a principle that is supposed to extend across the whole lifespan of financial companies' relations with their customers, from product development right through marketing, sales and post-sale communication.

To someone like me, interested mainly in the earlier stages of this journey, it raises some very serious and difficult conceptual and even ethical issues. As the financial services industry has all too plainly demonstrated on all too many occasions, activities like product development, marketing and selling can certainly be very, very unfair. But you don't need Vance Packard-like paranoia to find yourself wondering whether, in the context of commercial relationships, they can ever truly be absolutely 'fair'.

Sadly, questions like this were never seriously debated during the consultation period before the introduction of TCF, or indeed since. In its own pronouncements on the subject, the FSA itself wastes no time on difficult questions of definition and meaning. And the industry – which could and should have interrogated those pronouncements much more rigorously – instead just rolled over without even a flicker of resistance and accepted this enigmatic new regime without question.

Some people say this was because, in the light of its less-than-perfect track record over the last few years, the industry simply didn't dare to be seen quibbling with an initiative with a title as obviously right-minded as 'Treating Customers Fairly'. But most people believe that the lack of resistance resulted from a more pragmatic motive: a widespread view among the industry's senior figures that it would be best to offer no resistance to the FSA's assaults on marketing and communication, in order to keep their powder dry for more important battles. Which, in itself, says some depressing and sobering things about the perceived importance of marketing and communication in financial services today.

In the absence of any real debate on the deeper implications of TCF, it's becoming clear that, at least for the time being, both the FSA and the industry have tacitly agreed on an approach to implementation that depends largely on box-ticking. Companies need to be able to demonstrate, for example, that their new product development teams took TCF issues into account in their process. Or that their marketing communications people tested the customer literature among consumers to make sure they could understand it.

If the whole initiative simply degenerates into a lot of bureaucratic form-filling, I suppose we should be grateful. But the underlying issues – about the extent to which marketing and communications can ever be really fair – don't go away.

And, of course, they don't only apply to financial services. Not least because there are plenty of other regulators who may, at this very moment, be considering the case for migrating TCF into their own spheres of influence, I can't help thinking they're issues that all marketers should be pondering just now.

You can easily find things the FSA wouldn't like in other market sectors. It's become apparent, for example, that Treating Customers Fairly involves providing them with comprehensive risk warnings in communications of all kinds – not just at the point of sale, but in all marketing communications.

As a result, the FSA believes in a concept it calls 'balanced advertising', an idea which a lot of us think of as an oxymoron on a par with 'cold heat' or 'German comedian'. The FSA's idea, broadly speaking, is that for every positive thing you say about a product in an advertisement, you should give equal prominence to something negative. This means that a headline for an investment, which might once have read 'An investment with outstanding growth potential', now has to read 'An investment with outstanding growth potential and the risk of losing most of your money.'

Many investment providers aren't brilliant advertising strategists, but even so most can see that running ads like this isn't a great way to use their budgets. The result is that investment ads making any kind of performance claims have pretty much disappeared.

In other sectors, they remain commonplace. Just think about all those automotive ads that say nothing about the risk of accident and injury, let alone the threat of depreciation and high maintenance costs. I've never seen an ad for a food or drink product that highlights the risks to health, or an ad for an OTC pharmaceutical that gives equal prominence to the side-effects. ('Nothing acts faster than Anadin, but watch out for the gastric bleeding.')

The TCF requirement for 'balanced advertising' doesn't just deal with risk warnings. The FSA has also made it clear that it's very uncomfortable with selective claims, particularly around investment performance.

In truth, the FSA's stance on this issue is a bit nonsensical. Originally, it argued that there is no statistical evidence that the past performance of an investment says anything at all about its future performance, and therefore that no past performance claims at all should be permitted. This position stirred up an atypical hornet's nest of protest from the industry, and also, no less surprisingly, from consumers. The FSA made a partial retreat, finishing up in a strange and intellectually untenable position, allowing the use of past performance claims provided that large quantities of data are provided, not just a bit.

It's a strange idea, and, again, a pretty scary one when applied to other segments. Car ads would have to show figures for all other speed increments alongside their 0–60 times. Washing machine manufacturers couldn't just make claims about their spin speeds. And shouldn't holiday advertisers show average monthly hours of sunshine statistics beside their blue-skied photos of their destinations?

Of course this is all ridiculous, but then so is the very notion of 'balanced advertising'. There is no such thing, and I confidently predict there never will be. It makes no sense for commercial organisations to buy advertising spaces twice as big as they need in order to fill half of them with messages that discourage consumers from wanting their products. In real life, 'balanced advertising' is synonymous with 'no advertising'.

But the issues raised by TCF are much more fundamental than these. Ultimately, it's an approach that gives the regulator the power to punish any behaviour that it believes treats customers unfairly.

Our job is to encourage people to want our products and services. In an increasingly marketing and communications-literate world, the methods we use to do so are becoming gradually more and more sophisticated. The patter of the 19th-century Wild West snake-oil salesman, peddling a magical substance that can do anything from curing baldness to removing warts, would seem laughable today. But the principles aren't so different. It would be very interesting to see what effect a rigorous TCF regime would have on the product development, marketing and sales practices of the cosmetics industry.

It may never happen. But remarks about the thin ends of wedges may well apply. For the first time, a major regulator is now demanding 'fairness' in the communications, marketing and sales practices of a very large sector of the UK consumer economy. So far, admittedly, that demand has been made without any serious interrogation of what 'fairness' actually means. Even so, despite the fact that so far we're seeing much more box-ticking than ethical debate, you can't help thinking that a Rubicon has been crossed.

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Bertrand Russell May Not have Invented the Internet, but He Certainly Wrote the Brief For It

Bertrand Russell
George Allen & Unwin Ltd

'There are two ways of writing about the future,' wrote Bertrand Russell in the 1920s,[1] 'the scientific and the Utopian. The scientific way tries to discover what is probable; the Utopian way sets out what the writer would like. Perhaps people will find out how to go to Mars or Venus. Perhaps almost all our food will be manufactured in chemical laboratories instead of being grown in the fields. To such possibilities there is no end. I shall ignore them, and consider only tendencies which are already well developed.

'In addition to the introduction of machinery, and largely as a result of it, there has been another change: society has become far more organised than it was formerly. Printing, railways, the telegraph and (now) broadcasting have provided the technical means for large organisations such as a modern state or an international financial business.'

With only about 15 years to go before his 100 are up, many of Russell's admittedly tentative predictions look unlikely to be realised: 'The daily press, presumably, will be killed by broadcasting. Reading may become a rare practice, its place being taken by listening to the gramophone, or to whatever better invention takes its place. Similarly, writing will be replaced, in ordinary life, by the dictaphone.'

But his underlying belief was this: that, even in the 1920s, all existing tendencies favoured the creation and growth of bigger geographical units, bigger companies and bigger organisations; and in this he has undoubtedly been proved right. And it was this development that caused Russell the most disquiet because he found it inimical to his belief in the need for individual enterprise. 'There must be scope for constructive initiative . . . There must be no barrier to intellectual or artistic creation, nor to human relations of a constructive kind, nor to the suggestion of ways in which human life might be improved.

'This is, I must confess, the matter upon which I feel that our civilisation is most likely to go wrong. There is need for much organisation, and where there must be so much, there is almost sure to be more than there ought to be.

The harm that this will do will be the diminution of opportunities for individual effort. Vast organisations produce a sense of impotence in the individual, leading to a decay of effort. The danger can be averted if it is realised by administrators, but it is of a kind that most administrators are constitutionally incapable of realising. Into every tidy scheme for arranging the pattern of human life it is necessary to inject a certain dose of anarchism, enough to prevent immobility leading to decay, but not enough to bring about disruption. This is a delicate problem, not theoretically insoluble, but hardly likely to be solved in the rough-and-tumble of practical affairs.'

THE POWERS THAT BE

It's interesting that Russell, having perceptively identified the problem, took it for granted that any solution could come only from the administrators. It was they, after all, who held the power; and the bigger their organisations grew, increasingly aided by the new technologies, the greater that power became.

The reasoning is close to that which says, of civil wars, that the faction that controls the media controls the country. And for 80-something of Bertrand Russell's 100 years, in countries and companies, power has been exercised from the top down. Every so many years, in democratic countries, citizens have the opportunity to eject an unpopular leader. But between elections, leaders lead and the rest of us follow. Not even opposition parties find it possible to 'inject [our lives with] a certain dose of anarchy'.

We, the people, have accepted this subservient role uncomplainingly. We accept it in hugely important matters such as the colour of our government; and we accept it in a million trivial ways such as in our meek acceptance of the validity of lists. A magazine publishes a feature on 'The 100 Most Influential People in the Universe'. There they all are, in strict rank order, as though based on some objectively derived set of bombproof metrics. We may be surprised that Madonna should outrank Kofi Annan but we sort of accept it; what else can we do?

Ever since the age of the town crier, only a fortunate minority has had access to media; and those with access to media can be challenged only by those with access to competitive media. Individuals may bitch about it all in the pub – but that, until now, has been the extent of their influence. The views of a newspaper reaching 15 million people are never going to be seriously challenged by those of a dozen saloon bar sages.

When large organisations need access to media, they buy it. They can afford to. It's called advertising or public relations. When individuals need access to media, they have to resort to stunts. Suffragettes threw themselves in front of racehorses and others dug up the cricket pitch at Headingley. But these examples simply confirm the sovereignty of existing media; they offer them no threat. You can buy your way into them; or at considerable risk, you can hijack them for a single crusade; but the media remain masters of you, not the other way round.

It's no surprise, back in the 1920s, that Bertrand Russell could see no solution to this problem. Identifying, as he did, those 'tendencies already well developed', it was clear that the costs of producing, publishing and distributing any form of mass media could only escalate – putting them further and further out of the reach of the humble citizen. How, therefore, could it be possible for individual effort to be recognised and broadcast? How could it be possible for the small and the unorganised to exercise influence?

Well, now we know. And the case of the *Michelin Guide* provides an illuminating example.

STARS AND SITES

For the best part of 100 years, the *Michelin Guide* has bestowed stars on selected restaurants. Its methods and criteria were never disclosed. Its authority (which was entirely self-created) went unchallenged. Excluded chefs might bleed and whinge; but that which *Michelin* said was good was held to be good and the honoured restaurants prospered.

Recently, the *Michelin* went to New York City. There are 23,000 restaurants in New York City – and the *Guide* has granted 39 of them stars. Even 10 years ago, those 39 might have been deferentially accepted as some kind of definitive judgement; just as we are prepared to accept that Madonna is a more influential person than Kofi Annan. But *Michelin* is not the first foodie guide to cover New

York. It already has *Hardens* and particularly *Zagats* – to which 30,000 food-loving New Yorkers contribute by email and which 650,000 New Yorkers buy. There are also hugely popular online foodie sites on which anyone with an internet connection can post an opinion, at almost no cost in money or effort and often within hours of a new restaurant opening up for business.

These sites are studied as avidly as any menu and exert increasing influence.

This is not to say that New Yorkers will dismiss the *Michelin Guide*. The chosen 39 will undoubtedly prosper. But *Michelin* will not go unchallenged. Never again will its lofty presumptions be accepted on their own terms. Power, far from becoming even more remote and unassailable, is becoming more vulnerable.

Media experts argue whether blogs count as media. Of course they do. The fact that media buyers cannot buy them is irrelevant. A medium is any carrier of messages – and against all probability and all prediction, anyone who can afford to subscribe to an ISP (or can piggyback on their office computer) now has instant access to a medium that can spread their experiences, opinions and prejudices around the world with the speed and virulence of an epidemic, while collecting 100,000 supporting voices as it goes. The round robin goes galactic.

Bertrand Russell would have loved the internet. 'Into every tidy scheme for arranging the pattern of human life it is necessary to inject a certain dose of anarchism, enough to prevent immobility leading to decay, but not enough to bring about disruption.'

That is exactly what the internet invites us all to do. And we have hardly begun to grasp its implications.

ENDNOTES

1. Russell, B. (2004) *Sceptical Essays*, Routledge Classics.