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*J. Walter Thompson*

news

# From the Desk of...Don Johnston

## **JWT's chairman offers a new perspective on creative awards.**

For years the word "creativity" has produced an odd schizophrenia in our business, seeming to sort out those who were in favor of it from those who wanted to sell things.

David Ogilvy in his "Confessions of an Advertising Man" confessed, among other things, that he would not permit his creative department to use the word creative in describing themselves.

A major competitor has sought to bridge the gap by announcing: "It isn't creative unless it sells."

Our own Jeremy Bullmore, in a previous issue of this publication, has said, "I define creativity...as an ability to communicate to the people most likely to be interested in your brand or your service...most quickly and persuasively, most accurately and economically...advertising must work. It is not an end in itself."

I think that in those last two sentences Jeremy has put his finger on the root cause of the persistent schizophrenia that afflicts advertising whenever it gets onto the subject of its own creativity. "Advertising must work. It is not an end in itself."

Art is an end in itself. It has no obligations except to itself—to be beautiful, or wonderful, or awe-inspiring, even terrifying. Its only purpose is to be what it is.

Advertising, on the other hand, is a craft. While it may be wonderful or beautiful, its basic purpose is to sell, to persuade, in short, to work. In

that respect it is like other crafts. A silver pitcher, no matter how beautiful, is designed to pour something. The American Indian blankets we now treasure in our craft museums because of their intrinsic beauty were originally designed to keep an American Indian warm.

Now all of this may seem too obvious to need repeating; however, Burt Manning reports that whenever he addresses one of our creative departments and points out that effectiveness is our basic criteria of success, someone will almost inevitably respond: "Oh, then you don't want to be creative."

Schizophrenia, it seems, still lives—and not too far from home.

The answer, of course, is that the whole purpose of advertising creativity is to produce sales effectiveness—just as the purpose of a silver pitcher, no matter how beautiful, is to pour something. Neither is an end in itself.

There is a very real danger in this assumption of some inherent opposition between creativity and sales effectiveness. If you assume that "creativity" is our sole goal, you may indeed produce advertising that attracts attention, the admiration of your peers, a quantity of golden statuary, and no sales. On the other hand, if you assume that a goal of sales effectiveness is an invitation to the use of stale ideas and dull or strident executions, you will probably wind up with neither sales nor statuary.

Helen Lansdowne Resor was frequently described as the greatest copywriter of her generation. It was said of her that she was "tortured by the commonplace." That is still a useful affliction for a creative department.

Effective advertising can only be maintained, again in Jeremy's words, by "original solutions to commonplace problems."

In the real world in which we

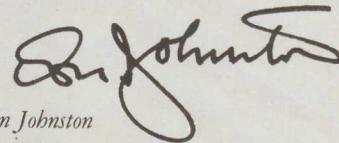
operate, there is no room for the either/or implied in the debate between creativity and sales effectiveness. You cannot have one without the other.

But even though we ourselves set our own standards of effectiveness, there has always been a certain ambivalence in our corporate attitude toward contests and awards. In some years we sought them because the creative people liked them, and we were not above being flattered by them ourselves. And then there were the years we tended to dismiss them, because the contest judges were in no position to evaluate sales effectiveness and tended to vote for advertising principally on the basis of its entertainment value.

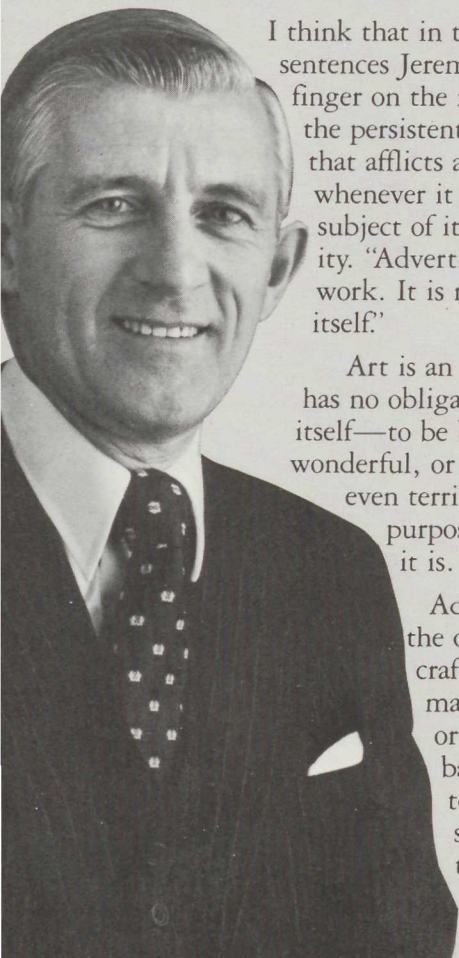
We have now recovered from our own ambivalence and are officially delighted to win all the awards we can. Our reasoning is quite simple: we are assuming that the advertising we submit to the various contests will already have met our own criteria of effectiveness. Any praise it wins above and beyond the approval of the marketplace is all to the good, particularly insofar as it produces public recognition for the people involved in making it.

The U.S. company has already announced its own internal awards modelled on a program in place in Chicago. I support this enterprise heartily, and would be pleased to see similar undertakings in other regions of our company.

Overall, we have a very clear but not so simple goal—to produce the most effective advertising in every market in which we operate. Advertising that works. Advertising that is, in every real sense, creative.



Don Johnston  
Chairman  
J. Walter Thompson Company



# J. Walter Thompson

## J. Walter Thompson News

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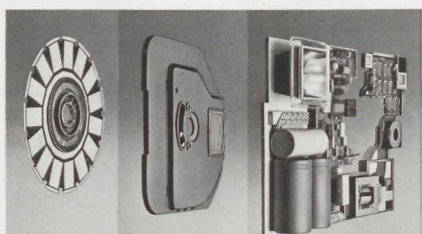


# Thompson and Kodak Launch "The Disc"

Sometimes there is a tendency to overuse superlatives in advertising, but in the case of the Kodak Disc camera launch, it is hard to avoid them. Disc photography represents Kodak's biggest achievement to date, and the television-launch package for the new camera was the biggest production assignment J. Walter Thompson has ever handled.

In every sense of the word, Disc photography is a "big deal." In terms of technology, it is the pho-

*An insider's view of The Disc camera's array of precision electronics.*



tographic equivalent of the automatic transmission in driving. It's a "big deal" in terms of dollars and time invested by Kodak—hundreds of millions of dollars and four years of intensive effort.

From the Agency's point of view, the assignment included two years of involvement in product development, marketing strategy formulation, and the creation of a domestic and international advertising campaign for print and television—for consumers and dealers—to run in more than 40 countries. All of this was accomplished on a highly confidential basis to protect Kodak's investment in the new product.

Rarely is an agency given the opportunity to participate in the development of a new product at such an early stage, but, as Wally O'Brien, president of J. Walter Thompson U.S.A., put it, "The sooner an agency is brought into the process of new product development, the more it can contribute to shaping the product and its consumer benefits. We have been fortunate in that Kodak understands this about an agency." Thompson has previously partici-

Instamatic cameras, Pocket cameras and Instant cameras.

Early on, Kodak knew it had made a technological breakthrough in designing a camera that would perform almost flawlessly in whatever way consumers took their pictures. Kodak also knew it had done a good job in selling consumers previous cameras, and that most people already had a camera that worked satisfactorily. Some families had several. There was no conscious need on the part of the consumer to go out and purchase yet another one.

To help determine what its new camera technology might mean to consumers, Kodak and the Agency team embarked upon a series of strategic T-plans, drawing on consumer research for this new camera that was, at that point, little more than a mathematical theory and a block of wood.

In order for this new product to succeed, Kodak and Thompson would demonstrate that the Kodak Disc camera made their present camera obsolete. "It's a precision instrument that you don't have to be an expert to use," commented Burt Manning, chairman, J. Walter Thompson U.S.A. "Too much emphasis on technology might frighten Kodak's primary market—the amateur photographer."

"In developing the creative, it was difficult not to get carried away with the technological

achievement the camera represents," Andy Romano, New York creative director on Kodak added. Kodak had found a new way to mass produce a four-element glass lens as theoretically close to perfect as possible. In addition, the development of high-quality, high-speed film in disc form enabled Kodak to reduce the focal length of the camera (the distance between film and lens) and build in an array of electronic technology, all of which resulted in photographic advantages.

While these features certainly said something new had been developed, the consumer was primarily interested in the kind of pictures the camera would take. So Thompson demonstrated the camera's features via pictures conveying a promise that the Kodak Disc camera would give you "pictures you may have been missing."

The decision-free world of Disc photography from Kodak.

**Good times happen fast. This camera won't lose a second capturing them.**

The Kodak Disc camera automates film advance means you can actually take a picture, in bright light, as fast as every half second. Yes it's just one of the ways the Disc camera helps you capture the moments you may have been missing. This camera has a unique built-in flash too. It can flash (even flash again, faster than any other built-in flash camera) imagine being able to take a flash picture every one and a third second! On top of that, its computer reads the light. Automatically flashes whenever you need more light. Even the film is unique. A disc of film so thin—Kodak could fit all these electronic features in a camera that fits in the palm of your hand. The Kodak Disc camera has a brand new world of picture-taking.

**disc**  
Photography from Kodak.  
Picture a brand new world.

## KODAK INTRODUCES disc PHOTOGRAPHY.

### A WHOLE NEW WAY TO MAKE PICTURES.

It's the brand new system that really simplifies picture-taking. And it took a brand-new kind of film to make disc photography possible. The heart of Kodak's new disc camera.

Imagine. A disc of high-quality Kodak color film so thin—Kodak could fold it all the disc camera's advanced electronics around it. Yet the camera is small enough to fit in the palm of your hand. A camera that looks as unique as it really is. Now, just slip the handy film disc into the camera. Press a single button. And start capturing a brand new world of photography, in full-size pictures. Ten-Frame-Print.

advances the film disc so quickly you can take picture after picture. With that

any time, where other built-in flash cameras could leave you in the dark. Its computer reads the light. Automatically flashes whenever you need more light. Then it can flash again, one and a third second! Even turns itself off.

Combine all that with the disc camera's lens and fast disc film—and you'll know why it captures so many of the moments you may have been missing.

It all adds up to a brand-new world of picture-taking ease.



**Flash-Flash-Flash.** Test the disc camera indoors or out. Any place or any time. It's a whole new way of picture-taking.

**disc**

*Print ads announce a brand-new way of taking pictures.*





- Rapidwind, to capture those action shots that are so much a part of an active lifestyle;
- Autoflash, which means that the flash is automatically activated ... you never have to worry about turning it on or off.

The television spot dramatically illustrates how the Disc's "slice of technology" enables you to "Picture a Brand-New World." The finger-thin, palm-sized camera is right for today's active lifestyle: capturing baby's first steps; your daughter's gymnastics competition; your son's skateboarding skills, or the fun of a backyard pool party.

Hill and Knowlton worked with Kodak on the press conference that announced the product introduction in February. Public reception has been very enthusiastic.

"Everyone is proud of the way Thompson handled this very difficult assignment," volunteers Burt Manning. "Very few agencies could take on an assignment of this scope and complexity—spanning two years and directly involving more than 100 people—

## Thompson Helps Kodak Keep a Secret

*Ensuring that more than 100 Agency people and all outside suppliers maintained the secrecy of the Kodak Disc camera for more than two years, until it was officially announced, was more than a full-time job. So, Ernest Emerling, Jr., management supervisor, enlisted Henry Turner, a retired Kodak account executive, to help.*

*Security procedures for the new Disc camera even included a Kodak audit of suppliers' bills to Thompson to make sure the secret was maintained, the shredding of all negatives and printed materials, and periodic office checks to make sure no one had carelessly left confidential material lying around in their absence. Even a hidden file closet was built!*

yet without springing a leak on the new product.

"It was a big job. But your job is made simpler as an agency if you have an exciting product innovation. The real hero is the Kodak Disc camera."

*TV spots show how to capture those wonderful moments you may have been missing.*



The advertising campaign focuses on only three of the technologically advanced features of the camera:

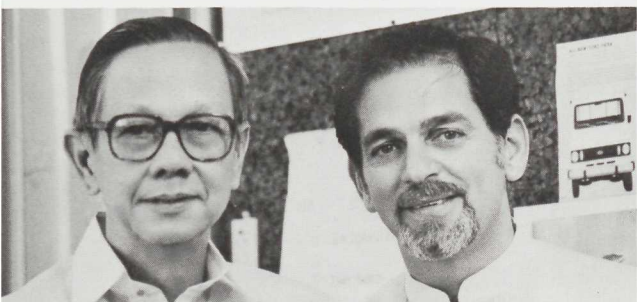
- Rapidflash—one flash photo every 1 1/3 seconds—which means the consumer no longer has to worry about missing a shot because the flash didn't go off;



# J. Walter Thompson-Philippines: At 35, #1 and Still Growing

J. Walter Thompson-Philippines marks its 35th anniversary this year, and a quick look at their past shows a steady upward climb to the leadership position they hold today.

In 1981, for example, they topped 100 million pesos (about \$12 million) in billings, the first agency in the country to do so. And they had been the industry leader for almost 20 years before that.



Group Chairman  
Leon P.  
Hontiveros (left)  
with Javier J.  
Calero, President  
& General  
Manager.

Lenny Hontiveros, chairman, describes this continuous growth as simply taking advantage of the opportunities inherent in a developing economy. The record shows there's much more than this to the Manila story.

Though Thompson-Philippines officially opened in 1947, the agency's history actually begins in 1945, amid the rubble of battle-scarred Manila. It was then that an enterprising advertising man named D. L. Brodt opened shop as a space buyer representing Thompson in the U.S. An audacious move, considering that "business as usual" meant pushcart pitches and sidewalk sales—in a hustler's market where it was easier and more profitable to sell almost anything but ad space.

Yet Brodt persisted, and soon acquired enough accounts from U.S.-export ad agencies to open a full-service organization.

Illness forced Brodt's return to the States in 1947; the business then passed to two wartime friends, Nicholas Cline and Harry Lee, formerly with Thompson in San Francisco.

Like Brodt, Lee and Cline were risk-takers. Acting on the strong hunch that the Pacific area was a goldmine of advertising opportunity, they set out to mine every prospect.

Their two-man, one-room operation grew steadily in size and reputation, despite some tough obstacles: the relative youth of the industry, lack of trained personnel, standards of practice and competition from other shops. But their timing was to prove fortuitous. By the end of 1947, most businesses and newspapers had resumed operations. Those in the market for an ad agency didn't have far to look: PhilAds by then had a well-established reputation for excellence.

The client list grew rapidly. And, largely due to Harry Lee's training with Thompson, the agency was quickly developing a personality and working system structured along our lines. Cline left Manila to set up Japan Advertising Associates, the next step in their "conquest of the Pacific." In 1956, we bought PhilAds and Japan Advertising Associates, forming J. Walter Thompson Company (Philippines), Inc.

Between 1969 and 1974 another major shift took place. The company transformed itself from a single, full-service advertising agency into a group of four related companies: J. Walter Thompson Company (Philippines), Inc., Lexington International Public Relations, Inc., and The Studio Communication Arts Corporation, and Lineshot Photoprint Corporation, specialist groups for the finalization/reproduction of artwork and typography.



Today, the client list reads like a who's who in business: Ford, Lever, Pepsi-Cola, Richardson-Vicks, Scott Paper, S.C. Johnson, Wrigley, Kodak, Kraft, and others. Of its 54 clients, 15 are leaders in their fields and five are among the country's biggest advertisers. But more important, most have been clients for over 15 years.

The list of advertising "firsts" also is a lengthy one: first to use radio as a primary advertising vehicle, first to produce full-color ads, first television contract sale and development of the first live TV show.

Surely these achievements qualify our company in the Philippines for status as an institution. But top management has no intention of resting on laurels. They're set on keeping alive the spirit of those postwar years—the flair for innovation and creative leadership—that brought so much success.

"This 35th anniversary is dedi-



Some of the print ads that help keep J. Walter Thompson at the forefront of the Philippine advertising industry.

cated to our company in the Philippines in the year 2017," says Javier J. Calero, president. "What we do today will put us where we will be 35 years hence."

Lenny Hontiveros and J.J. Calero head a staff 154 strong and 100% Filipino. "The fact that we are 100% Filipino is a source of pride to us. We are at once an outstanding international agency and a strong local one... deeply involved in the community," says Hontiveros.

Youth provides another "plus." "Our staff is young—the average age is 28—creative, innovative... always able to inject what's happening in the streets into advertising," states Calero.

They are equally proud of its human resource development programs. "We take management

very seriously here," says Joly Villanuevo-Ong, vice president for creative. "In fact, similar to many Thompson offices, we've been called the 'University of Advertising.' For example, we were the first agency in the country to train people in marketing techniques."

Another reason why our company is reputed to be a good place to work is its commitment to public service. Among its award-winning programs are: a nationwide campaign to promote reading habits, a university reach-out program that offers lectures, seminars and in-office training to students interested in advertising careers, and a major effort for Masagana 99, a government program to develop rice self-sufficiency. Masagana 99 was an extremely comprehensive and well-coordinated rural communications operation. Reaching deep into the interior of the country, it helped translate technology into

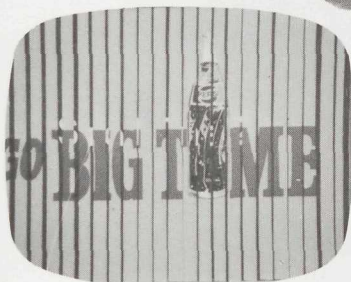
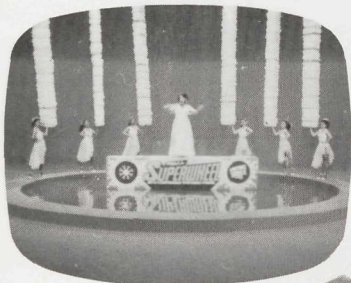
skits, radio spots, jingles, billboards, and other devices meaningful to the Filipino farmer. The program became a prototype for "development communications," and prompted Thompson to conduct a similar campaign for Masagana 99 designed to do for corn what Masagana 99 did for rice. Both were obviously important contributions in a pre-eminently agricultural country.

Don Thompson, president of the Asia-Pacific division, characterizes these efforts as "sophisticated methodology wedded to social conscience. These people are good citizens."

And what does Chairman Hontiveros see in the future?

"We face a future with no limiting horizons. Building on the rich experience of our past and present, we will continue to innovate... continue to render important public service, whether helping to market our clients' products or donating time and talent to civic causes."

*Taking the chore out of detergent commercials for Unilever.*



*Introducing Pepsi's big bottle: "Go Bigtime! Go Pepsi!"*

*The agency's biggest asset—its 154-strong staff.*

# Rewards, Awards and More Pats on the Back

"When you've put time, energy, sweat and tears into producing what you believe is sales-effective advertising, there is nothing like positive recognition of that effort to boost the spirit!" according to Wally O'Brien, president and chief operating officer, J. Walter Thompson U.S.A. Our



*When you've got an Oscar Mayer, you've got a wiener roast.*



*Nutri-Grain. A whole grain different.*



*Kodak. America's Storyteller.*



*Aunt Jemima French Toast, just like mommy makes.*

offices around the world have been experiencing much of that recognition lately—from both the advertising community and through public opinion.

J. Walter Thompson had these commercials in the "100 Best" selected by *Advertising Age's* Harry Wayne McMahan:

**Burger King Corporation—**  
Fast Foods

**Ford Motor Company—**  
EXP

**Goodyear Tire & Rubber Company—**

Goodyear Corporate  
(Brouillard Communications)

**Kellogg Company—**  
Nutri-Grain

**Kraft, Inc.—**  
Philadelphia Cream Cheese

**Kraft, Inc.—**  
Kraft Corporate

**Oscar Mayer & Company—**  
Wieners

**The Quaker Oats Company—**  
Aunt Jemima French Toast

**The Quaker Oats Company—**  
Kibbles 'n Bits

**Warner-Lambert Company—**  
Listerine



*At Kraft we stand behind our name, just as you do.*



*Behind every Schlitz is a man who knows his beer.*

Video Storyboard Tests, an advertising research firm, recently asked the public: "What's the most outstanding TV commercial you've seen in the past four weeks?" The responses included these excellent Thompson U.S.A. commercials among the top 25:

**The R.T. French Company—**  
French's Mustard

**Oscar Mayer & Company—**  
Wieners/Bologna

**The Quaker Oats Company—**  
Kibbles 'n Bits

**Ford Motor Company—**  
Cars

**Jos. Schlitz Brewing Co.—**  
Schlitz Beer

**Eastman Kodak Company—**  
Kodak Cameras & Film



*Aren't you hungry for Burger King now?*

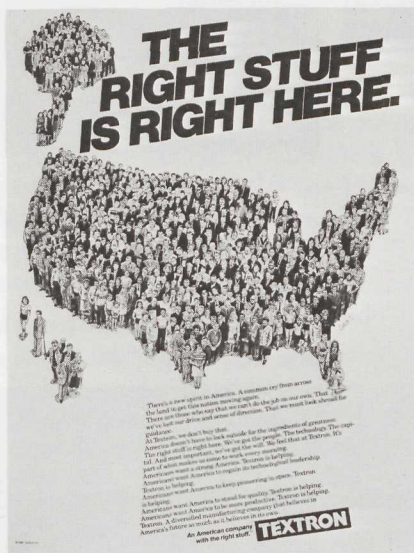


*Look out world, here comes Ford.*



*Everyone loves French's, the one and only sunshine mustard.*

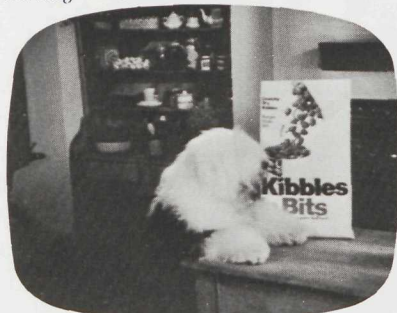
The Freedoms Foundation, a U.S.-based non-political and non-sectarian educational organization, has selected Textron, Inc. as recipient of its principal award of excellence in advertising in 1981 for the Brouillard Communications-produced ad headlined: "The Right Stuff Is Right Here." The ad was the kickoff for a print and television campaign with the theme: "Textron, an American Company with the Right Stuff."



Textron. An American company with the right stuff.



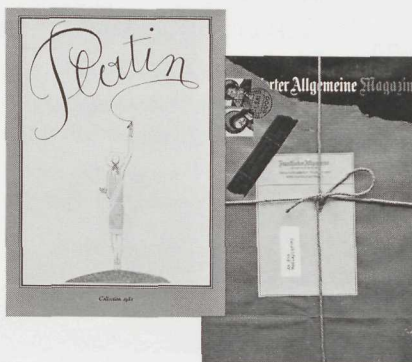
Listerine. Is there any nicer way to say good morning? Uh, Uh, Uh!



I'm going to get me more Kibbles 'n Bits!

J. Walter Thompson U.S.A.'s office in Atlanta won "best of show" in the 71st Annual ADDY Awards (sponsored by the Atlanta Advertising Club) for its print, radio and television campaign for Orkin Exterminating Company. In addition, the Atlanta office won an award for its own ad which proclaimed the agency as "Atlanta's best-kept secret."

Thompson/Frankfurt produced a brochure for Platinum, which recently won the Gold Medal and the "Special Honors Award For Excellency of the Senate of the City of Berlin" at the annual contest for print advertising. It was selected as the best over 1,000 entries. The office also received a



JWT/Frankfurt goes for the Gold, the Bronze...and the Platinum.

From left to right:  
Ford dealers Juan Antonio Garduño (NASA),  
Carlos Rivera (Puebla) and JWT's  
Luis Castañeda and John Florida  
celebrate the best advertising  
in Mexico.



Bronze Medal for a brochure for *Frankfurter Allgemeine Zeitung*.

And in Mexico, the results of the 1981 Teponaxtli national advertising awards are in, and Walter Thompson de Mexico won a record 14 prizes, including the Grand National Prize for best advertising campaign of the year for Ford Motor Company.

The 13 other Teponaxtli prizes? Six more for the office's work for Ford; two for B.F. Goodrich's Euzkadi Radial Tires, and the remaining five for Kodak, Rémy Martin, Parker Mexicana and DeBeers Consolidated Mines.

Many awards have been and are being won by our offices worldwide. We'll be reporting on many of the most important in future issues.



Get the blimp behind you. Come up to Goodyear.

# News Briefs



## An intense study of J. Walter Thompson creative ... worldwide

"Three hardworking days dedicated to three core creative subjects: People, Production and Philosophy." Such was the description of the International Creative Forum held this past November in Bermuda.

The Forum's planning group, consisting of Bob Byron, Toronto; Jean-Manuel Guyader, Paris; David Holmes, London; Klaus Isnenghi, São Paulo; Charles Martell, Chicago and now JWT/West; and Frank Nicolo, New York, designed the Forum with an ambitious fourfold purpose in mind:

- to have our creative people come to know each other better;
- to have them learn from each other;
- to explore the ways and means of achieving the finest possible creative product worldwide;

- to update creative people on research, new media and new business.

## Horacio Diez elected Advertising Man of the Year in Argentina



Journalists specializing in advertising and marketing in Argentina unanimously elected Horacio Diez, managing director of J. Walter Thompson/Argentina, Advertising Man of the Year, an unusual accolade for a first-year manager.

Horacio took over the Buenos Aires office in 1981 and has made significant impact on our office and the advertising community.

## Madrid: Success in an instant

Last June, our Madrid office helped Nestlé launch a new instant coffee in Spain—SOLO. It was an instant success.

The foundation for the introduction was a TV:45 spot shot in Spain's "Old World" cafés where intellectuals once met to share ideas; lovers to share romance—often over a cup of coffee.



Also part of the campaign were four-color pages and spreads, as well as outdoor advertisements and point-of-purchase materials.

A follow-up effort in October and November featured a new TV commercial, along with fresh print, outdoor and point-of-purchase executions.



## Kudos for Thompson in Venezuela

Thompson in Venezuela was the recipient of the 1981 Agency of the Year Award, the Golden Guaicaipuro, given by a group of distinguished Venezuelan publishers.

Mr. Porfiro Rodriguez, president of the Association of the Golden Guaicaipuro (left), presented the award to Bill Peniche, managing director of Thompson/Venezuela (center), and Lee Preschel, president of J. Walter Thompson/Latin America. In presenting the award, Mr. Rodriguez said, "We give this award to your agency in recognition of the excellent work done during 1981."

*Pictured here are the attendees of the Asia/Pacific Managers Meeting, held February 28-March 4, 1982 in Pinang, Malaysia. Don Thompson, newly appointed president of the region, chaired the first meeting of the region.*



## Media directors convene to share ideas and discuss the future

Media directors from each Thompson office in the U.S. and Canada and media directors from Brouillard Communications and Lord, Geller, Federico, Einstein, Inc. met recently in the New York office for a major conference. The purpose of the semiannual meeting is to provide a forum for the media directors to exchange ideas.

This year's session included two guest speakers: George Taber, senior editor business and economy, *Time Magazine*; and Dick Vermeil, head coach of the Philadelphia Eagles, a U.S. professional football team. George Taber predicted that the U.S. economy will bottom out and begin its long grind back up

*Getting a few motivating words from Dick Vermeil (center) are Richard Kostyra, (left), senior vice president/ media director, New York office and Bill Campbell, vice president/ account supervisor, Timex Computers.*



starting late July of this year. But it won't be easy.

Dick Vermeil (a self-confirmed "workaholic") warned that there is no easy road to victory on the football field or in the office. "Hard, dedicated workers guided by honesty, integrity and fairness with people are the keys."

## JWT sees Nestea as a natural

Thompson's first advertising campaign for Nestea in the United States features Dan Haggerty, the mountainous bear-loving actor and star of TV's "Grizzly Adams." The new campaign replaces the long-running "Nestea plunge" campaign from the previous agency.

*Celebrating the new Nestea campaign are: (from left to right) Steve Bowen, account director; Kevin Jeter, account supervisor; Tony Silano, producer; Gerry Killeen, writer; Dan Haggerty; and Herb Kemp, management supervisor.*

According to Steve Bowen, senior vice president/group account director, the Nestea commercial hones in on the actual pluses of Nestea and is designed to demonstrate, through imagery and copy, that this iced tea is "as clear and fresh as the outdoors." He added, as a result of slower brewing, "it is a clearer-looking, crisper-tasting" product.

## J. Walter Thompson opens new offices

J. Walter Thompson Company has opened an office in Colombo, Sri Lanka, known as HTA Thompson Lanka Limited (HTL). HTL is a joint venture with J. Walter Thompson Company, Hindustan Thompson Associates (Thompson's associate in India) and two Sri Lanka partners, Business Investments Limited and B. Kaytee Management, Limited. The agency, which opened April 1, 1981, is managed by Niko Nair.

In addition, two offices have been reopened: The Jakarta office, known as UMM-Thompson, with Jason Soediono, managing director, and Grace Atkinson, general manager, on January 1, 1982; and in Lisbon on October 1, 1981, with Joao Paulo Castel-Branco, manager.



## "Dunlop and McEnroe—The Match of the '80s"

Our Atlanta office has developed a new advertising campaign for Dunlop Sports Company featuring tennis pro John McEnroe, with the theme "Dunlop and McEnroe—The Match of the '80s."

The campaign features a teasing TV:30 spot showing a serious McEnroe playing tennis in slow motion with an invisible racquet. The voiceover cites all the games the tennis pro has won since switching to this unnamed and invisible racquet, and it is only at the end of the spot that the racquet magically appears in McEnroe's hands and the voiceover says, "And he has also won the number one racquet."

"Our consumer research has clearly determined that Dunlop has an awareness problem with the masses," according to Dean Lukehart, account supervisor. This awareness-oriented rather than product-oriented campaign marks a change in Dunlop's marketing strategy.



# News Briefs—Europe

## The Business We're in First and Foremost Is Advertising

At the 1982 European Managers Meeting (EMM), held in Madrid on March 31, Jack Cronin, president, J. Walter Thompson/Europe, congratulated representatives of J. Walter Thompson's 16 European offices



on their fiscal performance in 1981, then redirected their attention to another, more elusive criterion for success: an appraisal of the quality of their creative product.

Noting that the agencies had increased their earnings in local terms by almost 50 percent over 1980—"It is a remarkable achievement"—he reminded the 32 participants that economic goals are still only the by-products of competitive leadership. "The real business we are in is creating advertising which effectively helps to sell our clients' products or services." Therefore, he urged managers not to lose sight of the external perspective of what constitutes a "good job" in advertising at the expense of their managerial and administrative concerns of a job well done.

"The Thompson brand in each of our national markets is not judged by numbers, but by the competitive superiority of the work produced," Cronin said.

Then, to demonstrate the kind of appraisal he had in mind, Cronin prepared an overview presentation of Thompson's creative product in Europe, enlisting the assistance of the creative director or manager of each office to provide the following materials:

1) The best single television commercial (in each office's opin-

ion) produced by that office in the past 12 months;

2) Samples from three of the most recent campaigns developed in each Thompson office represented;

3) Work from three of each

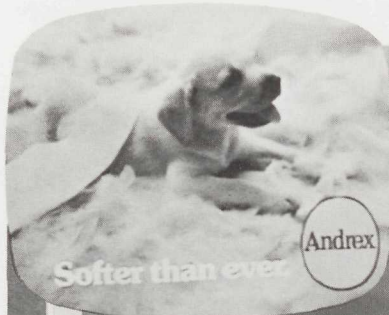
it, "Video is increasingly the medium by which we are judged and will be judged in the future by clients and prospects."

Each creative director was also asked for his frank evaluation of how the Thompson material rated versus the competition in terms of originality of concept, strategic relevance, and sheer executional impact.

After viewing reels from Spain, Germany, Italy, The Netherlands, France, Austria, Switzerland, Belgium, Greece, and the London, Manchester and Deltakos offices in the U.K. (Denmark and Sweden abstained because they do no TV advertising), Cronin offered his overall appraisal:

"In general, my view is that at our best we are as good as most of the other top creative agencies represented here." But he warned, "Those few competitors in certain markets who are better than us are significantly better than us. In other words," he continued, "there is much to be proud of; but we must not be complacent."

"We are well positioned to build our creative reputation, and only by doing that, will we also continue to produce the best financial results. Without constantly striving for creative excellence no amount of financial planning will position us for real growth."



Two of Europe's best:

"There's Baruffa in the air!" A top spot from Italy.

Andrex. The U.K. toilet tissue that's "softer than ever."

Jack Cronin leading a review of JWT/Europe.



## European Media Directors Talk New Media

The emphasis in the 1982 European Media Directors Conference was on maximizing media resources through greater awareness of what was currently available and being developed in Europe. The group was also interested in establishing better coordination internally and internationally among J. Walter Thompson offices to help them to take advantage of worthwhile media opportunities for clients.

The meeting, chaired by Roy Langridge, media director, J. Walter Thompson/London, was held in London, April 5-8, with 14 offices represented. J. Walter Thompson/Canada, Australia, and

U.S.A. joined in for the first time.

In the face of the increasing importance and complexity of the new media, participants appealed to Thompson management for more support and additional media resources. Then, as a first step toward organizing a New Media Group similar to that formed by J. Walter Thompson U.S.A., the London office agreed to produce a European New Media overview report.

To address the special problems pertaining to multinational media plans, a committee was established to work toward creating a common terminology, to track

the prolific growth of independents throughout Europe, and to produce a handbook of methods and techniques for structuring media departments within agencies.

"Nothing compares with regular meetings like this to exchange knowledge and experience to help J. Walter Thompson build a commitment to Media in Europe," Chairman Langridge commented at the conclusion of the three-and-a-half-day session. "This meeting was especially valuable in terms of facilitating research and developing a consistent philosophy for Thompson offices in Europe."

## New Business Flourishes in London

**Challengers Win:** Thompson recently won the Pepsi-Cola account in London—to the tune of £1.5 million in billings—by persuading the ITCA, the broadcasting authority, to approve use of the Pepsi Challenge Campaign. It debuted on the BBC Sunday, May 9.

**The Sweet Smell of Success:** After a year of working closely with Elida Gibbs, a division of Unilever, on new product development, Thompson's London office will help launch Vivas, a new body spray, in four sophisticated fragrances. Advertising for Elida's first major launch in two-and-a-half years breaks on June 7, and billings for the last half of 1982 should be about £1 million.

**Votes of Confidence:** Gallagher Tobacco Limited, which had been represented by its

Kensitas and Sobranie brands in Thompson's London office, has added four more brands to the agency roster: Old Holborn, Manikin, Winston, and Berkeley. Total Gallagher billings should now exceed £3.5 million... Meanwhile, in another corner of the office, Thompson's Golden Wonder Snacks business has been augmented with Golden Wonder Potato Crisps—to the tune of approximately £1.8 million more in billings.

**British Football:** Great Britain's going to start marketing British-style football, and our London office will be the Football League's kick-off advertising agency. It's been two years since the idea was first planted during a BBC "Grandstand" interview.

**And There's More:** Bridgestone

Tyres, the Japanese company that's the fourth-largest tire manufacturer in the world, appointed JWT London's Corporate and Community Communications Group to undertake a public relations program for them last January 1... and Hyatt Hotels chose Thompson in London to advertise its first London venture, the re-named Hyatt Carlton Tower Hotel. It's part of a planned major European expansion program.

**Multinational Endeavor:** As of January 1, Flymo Limited, a U.K. lawnmower manufacturer, appointed Thompson's London office to handle its British account. Thompson assignments followed to Frankfurt and Paris, and Flymo has indicated that still more Thompson appointments in other countries may come.

# Turbulent Times for Branded Products

This speech was delivered in March, 1982, at the annual conference of The Advertising Research Foundation in New York City.

**Sonia Yuspeh is senior vice president in charge of Research & Planning, a member of The New York Office Management Committee, and The Strategy Review Board. Last year she was elected to the Board of Directors of J. Walter Thompson U.S.A.**

Compared to today, 1978 was a relatively untroubled time in advertising. We had not yet entered the era of double digit inflation, generic products and box stores were just a trickle, and

the explosive changes in what we call the new media had barely begun.

Then one day we were a bit shaken up by what turned out to be a portent of things to come: a report from J. Walter Thompson's London office, "CRISIS IN BRANDING."

The British study identified a situation in which high inflation and soaring commodity prices had resulted in severe cutbacks in advertising expenditures, erosion in branded products' share of market, a decline in manufacturers' profits and a swing from a manufacturer-driven market to a retailer-driven market.

In the belief that forewarned is forearmed, Thompson initiated a program of research that has continued to the present. It has three parts:

- The Jewel Supermarket Generics Studies;
- Food Retailers Survey;
- BUY (Brand Utility Yardstick) Studies.

Jewel was the first supermarket chain to introduce generics in a big way—and, more significantly, to set high standards for its generic line. So, since 1978, Thompson has tracked Jewel Supermarket shoppers in three markets—Chicago, Milwaukee, and Rockford, Illinois. By the fall of 1980, generics had made dramatic inroads in Jewel stores:

- *In trial*: nearly all Jewel shoppers had tried at least one generic product;
- *In regularity of use*: nearly half were buying generics as their regular brand in three or more categories;
- *In widespread appeal*: the rate of heavy generic use was about the same in high-income families as in low—the same in white-collar households as in blue collar;
- *In perceived quality*: in the eyes of Jewel shoppers, the quality of

Jewel generics was at virtual parity with not only store brands but also national brands as well;

- *In value for the money*: the vast majority viewed Jewel generics to be a better value than either national brands or store brands.

Admittedly the Jewel situation is not representative of generic performance throughout the country. Few chains have matched Jewel in its strong support and careful monitoring of generics.

So, to supplement the Jewel studies and gauge the threat to national brands in other supermarket chains, in 1981 we conducted a survey of 99 chief executive officers and marketing executives. They made the following projections for the next five years:

- Declining shelf space to national brands with increased allocation to store brands and generics;
- Erosion of retailers' profit margins because of anticipated pricing competition on generic items;
- A price differential of about 10% for private label and 15% to 20% for generics, in order to compete effectively with national brands.

Given the prospect of diminished profits, most retailers are not happy about the growth of the non-branded part of their business. But the retailer is not in competition with national brands. His competition is other retailers.

Ironically, with Jewel and a few other chains, their generic line has taken on the status of a brand—via the halo of the chains' quality image. So national brands are not only competing with each other, but also with increasingly aggressive retailers who are adopting the same communications skills as national brands.

To counterbalance the Jewel and Food Retailers surveys, Thompson also undertook a series of seven BUY studies over the last four years, in an attempt to



measure the perceived value of branded products.

Of the three, the BUY studies are by far the most comprehensive in their coverage and frequency. Each wave of the study covers an independent sample of 2,500 adults drawn on a national probability base. All interviews were conducted in person in respondents' homes. To date, a total of 73 product categories has been covered—of which 64 have been packaged goods.

BUY studies measure consumers' commitment to the brands they regularly use vs. the attraction of generic, no-name brands by posing a series of hypothetical price differentials. "Would you buy a no-name brand instead of your regular brand if it were lower in price by 10%—by 20%—by 33%—by 50%? Would you buy another branded product if its price were unchanged and your regular brand was raised in price by 5%—by 10%—by 20%?"

To recap the principal conclusions of the BUY studies:

- The nearer a product is to a commodity, the lower the degree of loyalty;
- The higher the degree of perceived risk, the more reluctant consumers are to switch brands;
- Brands within a category vary widely in loyalty;

- Share leaders are highly vulnerable to switching;
- Smaller, differentiated brands enjoy more intense loyalty from consumers.

Three more recent measurements in BUY studies relate specifically to how consumers see the leading brands in the categories they use. Do they see them as superior to the others? Do they perceive the brand's advertising as relevant to their interests? Do they like the brand's advertising?

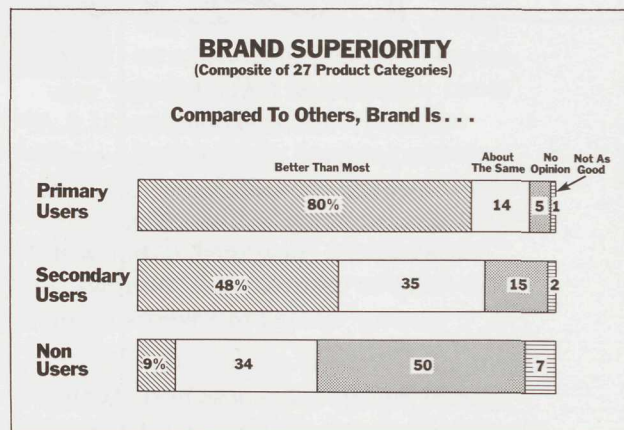
Thus far, we've obtained these measurements for 27 product categories—nine food products, seven beverages, six drugs and toiletries, three photography products, and two household products. These give us a good base for drawing some preliminary conclusions:

- Primary users—that is, those who use a given brand on a regular basis—are likely to view that brand as better than most.
- Among secondary users—or those who use products only occasionally—chances are about 50/50 that they consider the brands they use occasionally to be superior.
- Among non-users, only one out of 10 rate the brands they do not use as superior.

- Looking across all three groups—primary users, secondary users, and non-users—it's striking that negative perceptions of brands are extremely low.

It can be viewed as a credit to American industry that few people perceive leading brands as inferior. The challenge to brands, therefore, is to move consumers along a continuum from indifference to neutrality to perceived superiority. And, in fact, it is not until a brand is perceived as superior that a strong link is made with primary use.

The need for superior products is, of course, widely recognized by manufacturers of national brands. In evaluating their established brands and testing new ones, their aim is generally superiority



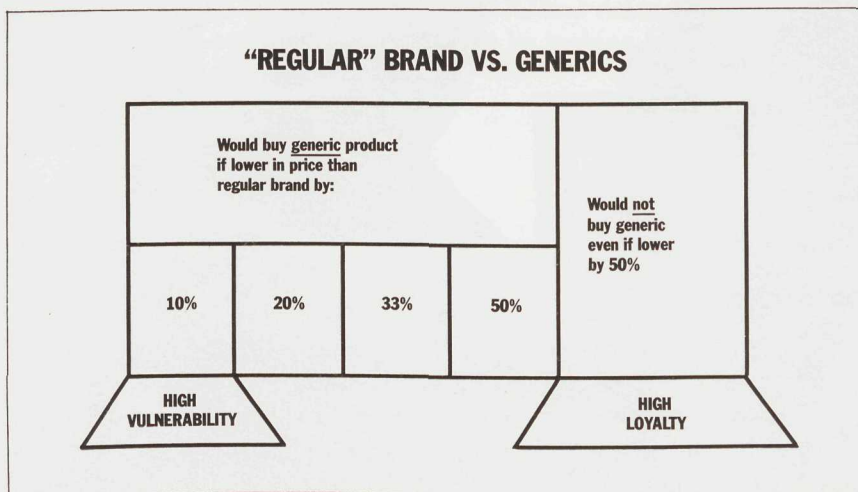
—not parity.

What about advertising relevance? As with brand superiority, almost no one in any user group perceives the advertising for leading brands to be irrelevant.

As with perceived brand superiority, most advertisers recognize the importance of addressing relevant benefits in their advertising. They invest substantial funds in strategic research and concept testing in an effort to determine which appeals are most meaningful, most relevant, to their target consumers.

There is also a strong relationship between primary use of a

(Continued on page 17)



# The CABLESHOP—Another Thompson “First”



request, three- to seven-minute advertising messages about products, services, and local retail-shopping opportunities.

To use the service, a cable subscriber consults a viewing guide, picks up the phone and dials his assigned personal-user number and the code number of a specific advertising message, then watches the requested commercial on one of the cable-system channels. The same message is also available—24 hours a day—to other households hooked up to the cable. The possibility also exists of a response mechanism being introduced into messages, allowing viewers to order or obtain more information about the products.

Fifteen national and four local advertisers are participating, including Scott Paper, Campbell Soup, Ford, Kraft, and Eastman Kodak. Their 50 messages, totaling more than four hours, represent the largest assemblage of this type of advertising ever produced.

The CABLESHOP experiment was backed by an extensive advertising and promotion campaign which included direct mail, TV, and newspaper coverage.

In its new CABLESHOP venture, J. Walter Thompson U.S.A. has initiated an advertising experiment in the broadest sense—one that not only will teach more about the “new media,” but will help to unravel what “narrow-casting” means to advertising in general.

Jointly sponsored by J. Walter Thompson U.S.A. and Adams-Russell, an electronics and

telecommunications firm, The CABLESHOP is an interactive shopping-information service.

Launched last month in the test market of Peabody, Massachusetts, The CABLESHOP is based on the premise that the real consumer benefit of “new media” is increased in-home access to information. It provides, on



*The CABLESHOP's Tom Hall (center) and Garth Hallberg (right) prepare to go "on-the-air" with host Lisa Palmer (left).*



A Peabody family Cablesshops.

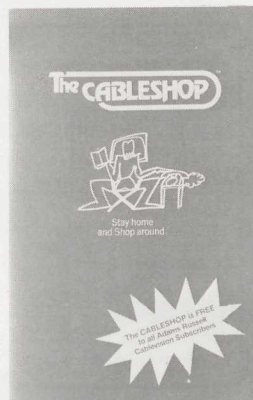
Burt Manning, chairman of J. Walter Thompson U.S.A., considers CABLESHOP a unique opportunity. "Though much has been said about the 'new media' and its potential impact on our business and our clients, virtually nothing is known about how best to communicate via the new technologies. The form, length, and content of advertising, all of these must change when narrowcasting to smaller, more selective target audiences."

The CABLESHOP, by establishing a one-on-one dialogue between consumer and advertiser, embodies principles critical to narrowcasting—selectivity, utility, and interest value, and provides the chance to experiment with a wide range of creative approaches.

Garth Hallberg, head of Thompson's Home Video Information and Entertainment Task Force, and Tom Hall, The CABLESHOP's creative director, believe that CABLESHOP partic-

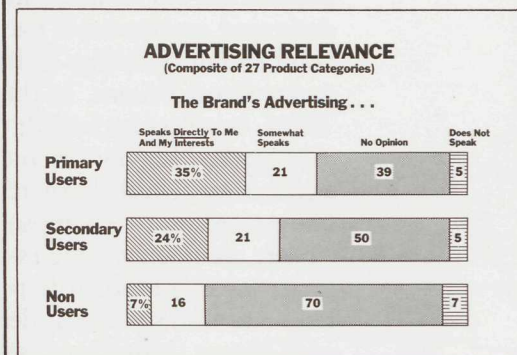
ipants will have a competitive edge in their respective markets as the role of the new media expands, as what they learn from the experience will enable them to formulate strategies both for coping with, and profiting from, new technologies.

The CABLESHOP will operate in Peabody for 10 months, after which a research report will be available to participating advertisers. But if initial response is any indicator, J. Walter Thompson U.S.A. and Adams-Russell will soon be looking beyond Peabody.



("Turbulent Times"...continued from page 15)

brand and liking a brand's advertising. It holds up across all categories. If consumers say they like the brand's advertising, they're far more likely than others to be primary users of a brand.



This is not to say that likeable advertising is a substitute for all the other factors that contribute to brand use—a superior differentiated product, appropriate pricing, good distribution, strong merchandising, and on, and on, and on. But in turbulent times such as these, with national brands under intense pressures, why should an advertiser overlook any tool in his arsenal—particularly one which is so strongly linked to primary usage as advertising likeability?

In looking back over the massive amount of data we've accumulated in the past four years, we see a ringing affirmation of a fundamental marketing concept: meeting consumer needs. It's clear to us that the brands that will do best in weathering these troubled times are those that offer:

- *Brand superiority*—that is, the product can truly deliver a meaningful, relevant benefit more effectively than competitive brands;
- *Advertising relevance*—that is, the meaningful benefits are reinforced through communications;
- And finally, *advertising likeability*—it's not enough by itself but it's an added value that should not be ignored.

# Don Thompson: Advertising Architect

Don Thompson, president of J. Walter Thompson's Asia/Pacific region, could certainly qualify as a "Renaissance Man" of the '80s.

Thompson spent his early professional life as an architect, designing replacements for bombed-out buildings in his native Great Britain. In the late 1950s, business beckoned; the '60s marked his transition to advertising. Unlikely switches? Not according to Thompson. "There are many analogies—the patient search to identify problems and find solutions, dealing with clients, providing a service."

## **Why the move to advertising?**

"I was brought up in the entrepreneurial system. The business of advertising is the most visible example of how the system works. I wanted to be a part of it."

## **What do you enjoy most about your job?**

"All of it—particularly the creative process, client contact, new business...and the creative utilization of the income we get."

## **You joined J. Walter Thompson in 1962. What changes have you seen since then?**

"Obviously, the industry has grown, the world economy has shifted dramatically. Yet our company has adapted very well, not easy for a long-established brand. More important, we've never lost sight of the fact that we are in the advertising business, continually adding value to our own product."

## **What's the most important initiative that Thompson must take for growth?**

"It's been stated by more than one of our management that we must maintain our leadership by striving for excellence in advertising. Though we are not number one in size, we must be in terms of

quality. With that objective set, there is much to do to realize this goal and get our target groups to respond the way we wish. Given the slow economy, dynamic growth depends on using the resource base we have and using it more effectively than ever before to achieve a demonstrably better product. We need to mold our resources to create a balance between investment, client service, product, and sufficient reward for our shareholders."

## **Your responsibilities entail constant contact with offices around the world. Do you see many differences between U.S. and international advertising?**

"Generally, in the '70s, most new advertising ideas and executions flowed from the U.S. to international markets. Now these same markets have developed their talent, and there is little reliance on the U.S. In my opinion, advertisements from international markets now are fresh and bold and even more stimulating than much U.S. work—particularly print advertising. Of course, there is a higher incidence of TV advertising in the U.S. compared to, say, Germany or France, where there are only about 18 minutes a day. Maybe it's the risk factor in the U.S....with so much at stake—quarterly performance, high research input—it's inevitable that U.S. advertisements reflect this caution."

## **Why do you think this situation exists?**

"As I said, Americans have a reluctance, faced with short-term results, to take high risks. So much has been written about Japan. But they are strategists (as

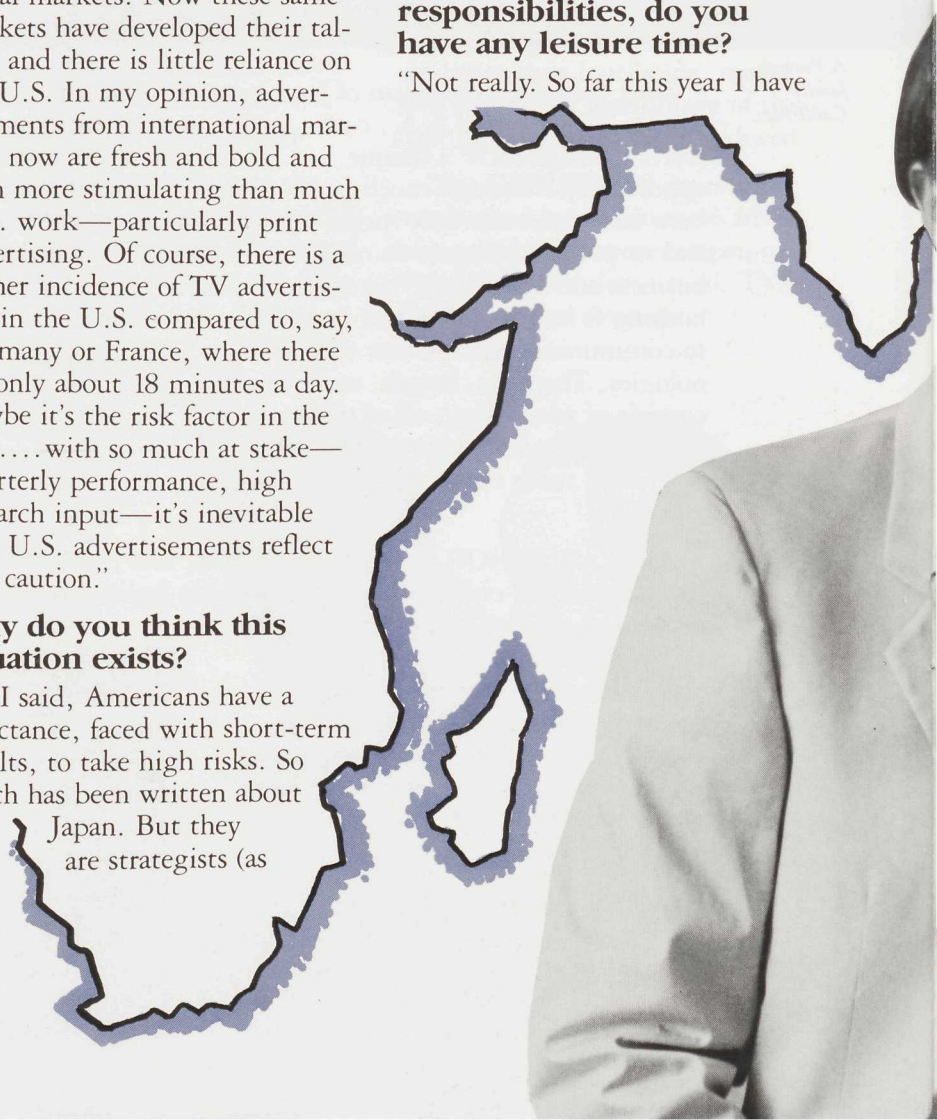
are the French). They plan long-term and are not obsessed with quarterly results in an economy which doesn't move as fast as it once did. We need to change our thinking in business to longer-term, if we are to remain competitive."

## **Do you see much opportunity for change?**

"Definitely. Business is changing, or maybe I should say that managers are changing their attitudes; they are looking beyond classic solutions to problems and devising new ones. To advertisers and agencies 'new media' presents enormous opportunities—cable, satellite TV—technological change will force changes in advertising, in communications in general."

## **With so many professional responsibilities, do you have any leisure time?**

"Not really. So far this year I have



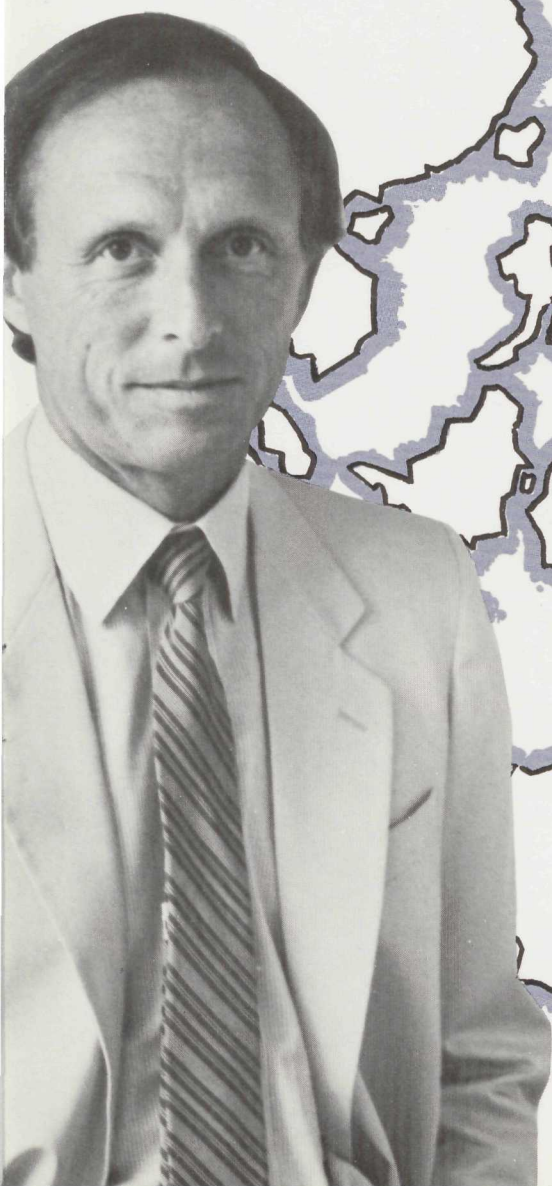
travelled about 80% of the time, but this will decline. I make a point of taking a sketch pad with me...I draw. My first job in advertising was as an art director, actually, on the Ford account. I also do watercolors whenever I have the time—very relaxing."

**So leaving architecture was the right choice?**

"Absolutely."

And we certainly agree.

*Don Thompson*



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