

inter national ist

inside issue 2005.4

EMBRACING GLOBAL RESEARCH

Consistency
Of Brand
Is Focus
Of Hyatt's
Tom O'Toole

Grey Japan's
Beaumont Asks
Whether Brand
Roots Are
Important

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FOR ADVERTISING, MARKETING + MEDIA PROFESSIONALS

early summer 2005

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EMBRACING GLOBAL RESEARCH

25/Commentary

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GREY GLOBAL'S CHRIS BEAUMONT says the role of the country-of-origin of global brands has many considerations beyond "think global, act local"

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2005.

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COMING

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

THE LURE OF UKRAINE

Always intrigued by the exotic, I have often imagined traveling as in the 1920s to places before they became homogenized by the sameness of life on the road. (I'm not complaining about the welcome aspects of modernity—from air conditioning to great hotel showers, but the romantic in me longs to see a Casablanca with ceiling fans and gin & tonics, despite knowing that the Hollywood version was never reality.)

Earlier this month, I altered my views about '20s' travel nostalgia after going to Kiev. For me now, there's no question that experiencing the excitement of a new democracy is far more exhilarating than trying to rediscover images of the past. Although not yet a truly modern city, Kiev is nonetheless a fashionable, gem with its elaborate mix of architectural styles, tree-lined streets and numerous parks, outdoor cafes, elegant restaurants, and magnificent gold-domed Russian Orthodox churches—visible in every direction. However, what is most impressive and unforgettable, especially when set against such a charming locale, is the energy of the people and their great interest in Western ways of business and Western brands. After demanding to re-run a presidential election, taking to the streets to support Victor Yushchenko's "Orange Revolution" and seeing him win despite an actual political poisoning that continues to disfigure his face, this country has created a thriving new generation that believes it can make positive change happen now. And this is a people who have come to understand the power of marketing and media first-hand in a very short time. Not only is this new breed of Ukrainian often fluent in English with strong computer skills, he and she also want to work hard to make a great country great: I have no doubt they will, and quickly.

With 50 million people, 10 million more than neighboring Poland, Eastern Europe's current powerhouse, there is great potential for a thriving marketplace.

So I've replaced my dreams of '20s' allure with a recognition that today's world can provide for some unparalleled incidences in politics, in economics, in business, and in the breadth of human experience.



deborah malone
PUBLISHER



nancy s. giges
EDITOR

AN (ALMOST) ABUNDANCE OF GLOBAL DATA... FINALLY

As a journalist covering international advertising and marketing for a number of years, I have frequently needed data for stories comparing what's happening globally, pan-regionally, and even one country to another. And while there have been over the years companies giving lip service to such offerings, the end result was generally the same:

No such data was really available. Within any given country, there was a selection to choose from, but cross a national border, and the pickings were slim at best.

Finally though, those days seem to be behind us. In the past couple of months, a number of studies and surveys covering broad regions have come across our desks. We were so struck by the growing number that we decided to showcase bits from them in a different type of Cover Story in this issue. They range from media audience surveys expanding their scope to lifestyle information, and they are all fascinating to examine.

In addition, you'll find in the pages that follow Hyatt's Tom O'Toole explaining why he believes so strongly in global brand consistency and what Hyatt is doing to refocus on brand again after several years of loosening its standards. And Chris Beaumont, president-CEO of Grey Global Group Japan, writes about whether brand roots, or origin, are important.

In our regular departments, "Hub Culture" gives you some insight into the non-tourist side of London, and "Doing Business In..." puts Vietnam in the spotlight.

We hope you find the reading as interesting as we found the work in bringing it to you.



flower power

Four years ago, Robert/Boisen & Like-Minded was asked to revitalize the Interflora florist brand in Denmark. The agency's solution was a print campaign, called the "Power of Flowers," elaborating on the fundamental consumer insight that people give flowers to get something in return, in particular that men are convinced to buy flowers for their ladies because of resulting unexpected benefits and rewards.

"We have been making posters and ads ever since...based on this insight," explains Rikke Hove, account manager.

They achieve the objective by showing different situations in which a man—by giving flowers to his lady—gets something in return. "All the situations are the realization of a man's dream come true, though pushed to extremes in some cases (like the seat with the nametag in the stadium)," Hove says.

Each year, the campaign evolves a bit, and this year's executions are no exception. Sixteen new ones are planned.

"We have attempted to make the ads simpler," says Hove, removing the people and just showing the result of having given a woman flowers. "Hence, the ads have grown more intelligent thus also a bit more demanding."

One year, the ads showed no people and used plain speech balloons with expressions, such as "Of course you can go out and have a beer with your friends" to last year's situations of women doing something nice for a man. The ads have brought home creative awards but more important, they have contributed to a sales increase of 51% since the campaign began. "We have a strong feeling that consumers enjoy seeing new funny Interflora executions," Hove says.

He believes the campaign works because "it builds on human insights that we can all relate to—no matter age or gender. The fact that people give to get something in return will always be true, and I believe that we were the first to put words to it and actually make executions illustrating it. I think people found it refreshing because it is a universal truth executed in a sympathetic manner. It transcends geographic borders, and the insight holds true even in distant countries with completely different cultures.

Besides the 'game' between man and woman in their "everyday life is a major pivotal point in our lives."

Media is handled by MediaCom Denmark. •



new on the bookshelf

"ACCORDING TO KOTLER: THE WORLD'S FOREMOST AUTHORITY ON MARKETING ANSWERS YOUR QUESTIONS"

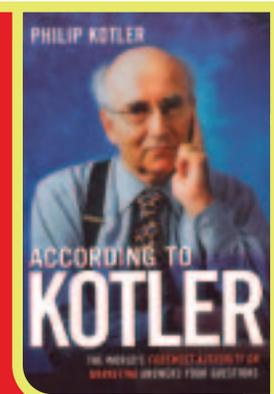
In his latest book, Philip Kotler, professor of international marketing at Northwestern University's Kellogg School of Management, answers questions posed to him over the years by clients, students, business audiences, and journalists, including his responses about globalization and international marketing.

Regarding whether the role of marketing is changing today in light of globalization and new technology, he says marketing must be reconceptualized.

"Many of the concepts still apply, but we must translate their meaning in the new economy."

He notes, "In the 1980s, we would say: 'Ready, aim, fire.' In the 1990s, we would say: 'Ready, fire, aim.' Today we are saying, 'Fire, fire, fire.'"

The 192-page paperback is published by Amacom, the publishing division of the American Management Assn. •



COMING EVENTS

ALL PRICES ARE IN LOCAL CURRENCY UNLESS OTHERWISE STATED

JULY 7
IAA UK'S 3RD EUROPEAN ADVERTISING SUMMIT
 PLACE: *Riverbank Park Plaza, London*
 RESERVATIONS: *www.iaauk.com; office@iaauk.com*
 PRICE: *Member £380 (plus VAT); non-member £475 (plus VAT)*

JULY 14
IAA UK SUMMER BALL "MOULIN ROUGE"
 PLACE: *Hilton Park Lane*
 RESERVATIONS: *www.iaauk.com; office@iaauk.com*
 PRICE: *£135 (plus 17.5% VAT)*

JULY 21
IAA FLORIDA CHAPTER "MEET THE BRANDS" BREAKFAST SERIES
 SPEAKER: *ROBERT A. BRITTON, MANAGING DIRECTOR, BRAND DEVELOPMENT & ADVERTISING, AMERICAN AIRLINES*
 PLACE: *The Miami Herald Publishing Co., Miami*
 RESERVATIONS: *Muriel Sommers, msommassoc@aol.com*
 PRICE: *IAA members free; non-members \$35; at the door \$45*

JULY 21-22
CREATIVITY WITH CONSUMERS/ CUSTOMERS/EXPERTS SYNECTICS CREATIVITY WORKSHOP
 PLACE: *London*
 RESERVATIONS: *rneill@synecticsworld.com; 44-207-616-9797*
 PRICE: *£1,450 plus VAT*

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

industry meets

U.K.'S ADVERTISING ASSN. PRESIDENTIAL INAUGURAL ADDRESS

When Penny Hughes assumed the presidency of the U.K.'s Advertising Assn., she said that she hopes to encourage continued healthy dialogue within and across the industry on common issues of public interest; pledges to act as an advocate to promote and protect the rights, responsibilities, and role of advertising; and hopes to guide responsible outcomes on the higher profile issues. She also promised to "bring independent judgment and the experience of being independent."

Hughes has spent nearly 25 years in marketing, including ten years at Coca-Cola, where she was president, U.K. and Ireland, and for the past ten years has been a non-executive with The Body Shop, Vodafone, Reuters, Swedish bank Skandinaviska Enskilda Banken, and Gap among others.

She says she has never forgotten her early experience working on the launch of Procter & Gamble's Pampers. The launch campaign, she noted, centered on the product benefit of one-way absorption leading to wet nappies but dry bottoms. It included a product demo showing colored water poured on the nappy, which fully absorbed the liquid, resulting in a dry layer on baby. "Inevitably, there was the salesman's product demo to go with it. And so I found myself calling on chemists using a syringe to squirt colored water onto the new nappies and marveling at the absorption process that left the top layer dry. I did find myself thinking just what use was I putting my first-class education to as I squirted away." ●



FIPP WORLD MAGAZINE CONFERENCE

The International Federation of the Periodical Press held its World Magazine Conference in New York for the first time and attracted nearly 1,000 delegates from six continents and 51 countries.

Speeches ran the gamut from William Lauder, president-CEO, Estee Lauder Cos., discussing how his company has used magazines to build the Lauder brand, to Renetta McCann, CEO, Publicis Groupe's Starcom MediaVest Group, discussing challenges, including having content that can be adapted for delivery via new technologies. ●

good health: priceless

MasterCard continues its "Priceless" campaign, this time in a print execution by McCann Erickson Japan, with this copy:

- Cavity treatment: ¥2,300
- A complete physical: ¥9,000
- Bone fracture treatment: ¥3,000
- Being able to work in good health: Priceless ●



NEW YORK IAA'S GLOBAL MARKETING SUMMIT
 —Edited comments from “Global or Local—Can You Balance Your Brand's Yin and Yang?”

JUDY HU

global executive director of advertising & branding, General Electric

“For GE, [global branding] is a question of establishing the brand in the world. We probably have 98% awareness of GE here. Our big challenge is to build the brand outside the States. We manage the global brand at corporate because we believe that there is one essential message that needs to be said about brands worldwide.

“[The company's marketing] is highly matrixed and has a very flat organization. We have a strong corporate, but small, staff in Fairfield, Conn. Most of my team have global responsibilities. So we actually oversee not just the work from business units, but also the work from countries around the world. That said, each of our business units also has a global component as well as a product unit component. And we tend to work in teams that are matrixed both globally as well as product and orientation.

“We tend to manage the brand from a global perspective. But when it comes to marketing our products and services, that's done very much on a local perspective.” ●

JULIA MEE

director of global brand advertising & corporate Hewlett-Packard

“We're similarly complicated. And one of our challenges is we do everything from self-printers and cameras and PCs for consumers [to] selling multi-million dollar service contracts to enterprise customers. In the technology space the way you need to operate when you have those vast differences globally are very different. Consumers are very different when it comes to technology country to country. At an enterprise level, not so different. So we have to tune the model. We tune it depending on who the target audience is and what that business dynamic is.

“We operate in about 140 countries. We advertise in around 70, and about 15 of those are funded with worldwide, more strategic level, if you will, campaigns. So local companies being very promotional have to move fast; they've got to sell. The long-term campaign's meant to position the brand to a consumer or enterprise.” ●

GUILLERMO MORRONE

regional director, international marketing communications, Delta Air Lines, and chairman of SkyTeam Alliance [a global airline alliance of nine airlines including Delta]

Morrone says he lives in two different worlds, one centralized and driven from the global perspective; the other very local.

“As the chairman of SkyTeam, we have a very centralized way of managing advertising. We run our campaigns out of Buenos Aires. That is 100% centralized. We manage everything through globally and pan-regional advertising. We run campaigns mostly in English. On the Delta side, we are 100% 'glocal.' We try to use the worldwide template, but regionalize or localize the advertising in every single country. For us, the most important thing is to be relevant in the markets where we are. At the end of the day if you're not relevant, it doesn't matter if it's local or global, if your ad doesn't work.

“When we talk about Delta, the challenge is in the U.S. Eighty percent of our revenue comes out of the U.S. [Outside the U.S. accounts for 20% of revenue even though international departures account for only 4% daily.] So for us international is very important.” ●

COMING EVENTS

AUGUST 27–28
 HUB CULTURE'S POOLPALOOZA
 IN ASSOCIATION
 WITH HOTEL SEMELI

PLACE: Mykonos
 RESERVATIONS:
www.hubculture.com
 PRICE: £135/€190/US\$245
 (Proceeds to benefit
 North Korean famine relief)

SEPTEMBER 8
 NEW YORK IAA LUNCHEON
 JAMES SPEROS, CMO,
 ERNST & YOUNG SPEAKING ON
 MANAGING GLOBAL BRANDS
 PLACE: Princeton Club, New York
 RESERVATIONS: jill.henry@iaany.org;
www.iaany.org; 1-212-338-0222
 PRICE: member \$85;
 member's guest \$95;
 non-member \$115

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

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

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

COMING EVENTS

OCTOBER 16–19

AMERICAN MAGAZINE
CONFERENCE

MAGAZINE PUBLISHERS
OF AMERICA

PLACE: Wyndham El Conquistador
Resort & Club, Puerto Rico

RESERVATIONS:

mpaevents@magazine.org

PRICE: NA

OCTOBER 20–21

ICCO SUMMIT 2005

INTERNATIONAL
COMMUNICATIONS

CONSULTANCY ORGANIZATION

PLACE: The Hilton, Prague

RESERVATIONS: www.iccopr.com

PRICE: £1130.50/€ 1636.25/\$2017.05

(all include VAT); 15% discounts
for ICCO and IPRA members

OCTOBER 27–28

FIPP WORLDWIDE MAGAZINE
MARKETPLACE 2005

PLACE: London Hilton Metropole

RESERVATIONS:

www.magazinemarketplace.com;

Claire Jones, claire@fipp.com,

44 (0)20 7404 4169

PRICE: Member £440;

non-member £500 (plus VAT)

NOVEMBER 20–23

ADASIA 2005 SINGAPORE—
WINNING IN ASIA

PLACE: Suntec City

RESERVATIONS:

adasia@tegworld.com;

www.adasia2005.org.sg

PRICE: US \$1,100

MARCH 16–18, 2006

DUBAI 2006:

CHALLENGES OF CHANGE

40TH IAA WORLD

ADVERTISING CONGRESS

PLACE: The Dubai International

Convention Center, U.A.E.

RESERVATIONS: Joseph Ghossoub

j.ghossoub@thgrp.com

PRICE: NA

regulations

- ITALY has enacted a law which allows the country's antitrust authority to fine advertisers for misleading advertising for as much as €100,000, according to Adlaw.com. Previously, the authority could order the cessation of misleading advertising but could not impose fines. In the law, misleading advertising is defined broadly as "every form of advertising that in some way, including through its presentation, misleads or could mislead...[persons to whom it is directed or reaches], and which, because of its misleading character, could influence their economic behavior or harms or could harm a competitor." Adlaw.com says this matters because European countries are actively passing marketing-related initiatives to comply with European Union directives as well as to address many of the same public policy concerns brewing in the U.S. However, advertisers in the EU have no First Amendment-type protections, and these "seemingly draconian restraints reflect much more willingness to accept limits on speech about legal products than would be acceptable in the U.S.," according to the newsletter. •



These ads for Sony PlayStation, titled "Adultery" (left) and "Moulds" by TBWA\Paris, appear throughout Europe.

trendspotters

- And now even the luxury market is getting segmented into "new luxury" and "old luxury," according to Brandchannel.com. So "new luxury" is defined as better goods, priced at 20% to 200% above average goods, consumed by middle class consumers with incomes of US\$50,000 to US\$150,000. So what is old luxury? It's about aristocracy, the top 1% of the population, and simply high price points. Examples: New luxury is Starbucks and BMW. Old luxury: Rolls-Royce and Chanel.
- Trendwatching.com is so bullish on the "customer-made" phenomenon that it is revisiting the trend that it named just six months ago. The term refers to the way corporations are creating goods, services, and experiences in close cooperation with consumers. "They are tapping into consumers' intellectual capital, and in exchange giving them a direct say in what actually gets produced, manufactured, developed, designed, serviced, or processed." •

point of view

It strikes me that things are cyclical and that we are heavily into a decentralization cycle. Currently there is a massive shift by U.S. and European clients taking back control of their marketing dollars and euros and for multinational advertising agencies and media agencies to book locally rather than through centers, such as London.

Is this the best solution in all situations? I would suggest not. Why does it have to be all one way or the other? It's rarely the sensible middle course that benefits the client's business as a whole. Protectionism and vested ad agency and media agency interests are at play.

As a company that preaches and practices the centralized approach, we could be criticized for approaching this subject from our vested interest point. Having worked in both scenarios, I make no pretence to be right for every situation. I would suggest that our multinational competitors are not so transparent.

While striving to achieve the highest standards in media planning and buying, working practices, and expertise, it is impossible to guarantee consistency across all offices of a multinational network at any one time.

I have worked for multinationals because certain local offices did not respond to their domestic market brief. I still hear of cases where local offices do not get out of bed for a budget of less than a certain minimum. I do not think there are definitive parameters in budget size nor in the media brief requirements when centralization makes sense. Unfortunately for the client, each network ad agency or media agency office is concerned about its own profitability. What would you do if you had briefs from key local clients with sizeable budgets and one from New York, London, or Paris headquarters for part of the US\$1.5 million budget across six markets? Presumably you would set priorities, and there are no prizes for guessing where the US\$250,000 budget falls.

The U.S. and U.K. remain the most sophisticated media markets, and I would argue that London is No. 1. I am still surprised by how the status of the media person in the U.S. remains much lower than that of his or her counterpart in the U.K. But I am encouraged by how many bright young media people from all over Europe choose to live and work in London. I think that it is an indication of the caliber of the London training and experience, which they know can further a serious career in media communications.

As an independent medium-sized player operating out of London, I am encouraged by the inaugural speech of David Pattison, founder of PHD, when he was elected president of the Institute of Practitioners in Advertising.

In it, he calls for more transparency, for charging realistic prices, for educating the industry in a new business-based language, and for all to become advocates of what we do. The ultimate benefit of his four points of change would be that London already acknowledged as the center of international advertising could rightly position itself as the European center of marketing excellence across all measures. ●

items...

- **HAKUHODO** is the first Japanese agency to join the United Nations Global Compact, an international initiative begun in 2000 that brings together companies with United Nation agencies, labor, and civil society to support universal environmental and social principles. The Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalization.
- **DOW JONES** has expanded its Interest-Based Targeting ad offering to include MarketWatch along with Barron's Online, The Wall Street Journal Online and its vertical sites (CareerJournal.com, OpinionJournal.com, StartupJournal.com, RealEstateJournal.com and CollegeJournal.com). The sites attract close to 10 million unduplicated unique visitors per month, and advertisers can target visitors who have shown an interest in a particular area of news coverage, such as business, travel, health, autos, or other topics, over time. Separately, the company has launched a series of advertising-sponsored, industry-specific sections and personal finance areas on MarketWatch.
- **DISCOVERY NETWORKS ASIA AND NOKIA** are collaborating in a multi-million dollar regional partnership covering Southeast Asia, Australia/New Zealand, and India that the two say will revolutionize filmmaking and give consumers the ability to create personal documentaries with their Nokia phones. The collaboration kicks off with Nokia's sponsorship of "First Time Filmmakers: China 21" on Discovery Channel in June, the first of six documentaries showcasing the work of up-and-coming filmmakers in China. Later this year, Nokia will launch a campaign in conjunction with its new 3G smart-imaging devices. Pasi Jarvenpaa, director of mobile phones marketing, Nokia Asia Pacific, said the collaboration enables Nokia to demonstrate the technological leadership of its smart imaging device. ●





embracing global research

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Whether it's bags, sweaters, computers, magazines, TV shows, or other wares, for those wanting comparable marketing information from all around the world, it's been a long time in coming. Now, there are encouraging signs of research being conducted, if not globally, at least pan regionally. Even as the pendulum swings back from "global" toward "multinational," or if you will "multi-local," the research is decidedly broader in geographic scope. The pages that follow offer just a taste.

research topic:
CONSUMER INSIGHT
geography: ASIA
study by: MINDSHARE

"It's OK to be naked now (when dressing in China)."

For five years, WPP's 3D research project has been collecting data about the purchases, media habits, attitudes, and lifestyles of consumers in Asia. The goal is to achieve the insights into behavior that help planning, for both media and creative. Successive surveys have probed the thoughts and feelings of 80,000 people, 6,000 brands, and more than 150 media across Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand, and Vietnam.

The work has revealed trends such as the growing confidence of consumers in the region, a new-found Asian pride, and in an apparent contradiction a yen for Western-conferred credibility.

"We have been quietly compiling this data over the past five years and discovered some surprising and rewarding trends," said Annette Nazaroff, regional director of insights at MindShare.

For example, the data showed Muslim women in Malaysia wanted to feel good about themselves while wearing head dresses for religious reasons. "This enabled a shampoo manufacturer to develop a special shampoo and marketing campaign to appeal to Muslim women," said Ms. Nazaroff.

The data have revealed fascinating snapshots of consumer attitudes across Asia.

For instance, Malaysians are smart shoppers with 75% looking for the best quality at the best price. They are among the leading "foodies" of the region and food brands are among the most important there, but the trend is towards the global interest in seeking healthier alternatives. Nevertheless, as healthy as their thinking might be, taste is the ultimate deciding factor.

Singaporeans are becoming brand switchers. They are more experimental with brands and more willing to take risks. They are also becoming bargain hunters, who at the same time are willing to pay for quality and reputation. Confident people in Singapore are the ones who are more adventurous with brands; non-confident Singaporeans remain very brand loyal.

Thai society is mired in contradictions. The

country has been slow to hop aboard global bandwagons due to a conservative Buddhist culture that resists change. However, modern Thai consumers have no problems balancing true Thai values with those brought in via globalization. Thailand sees itself as the most fashionable country in Asia, with significant influences from Japan on Thai youth. Since many still believe that Thai brands may be inferior, due to lack of quality and accountability, the use of famous brands is important. Male metrosexuals are on the rise in Thailand and are increasingly careful in their choice of brand names.

In Indonesia, women are far more brand loyal than men. There is growing confidence among young Indonesians, and they are particularly looking for brands to reflect their increasing socio-economic status. Indonesian men reckon they are better at spotting fakes than women but are the most influenced by others.

A "no-frills chic" has emerged in Australia in the last few years across categories such as fashion, banking, airlines, and supermarket brands. Consumers are turning away from their former favorites in a search for lower costs but with better design, high quality elements, and the exceptional customer service that creates a quality experience at lower prices.

Filipinos prefer brands endorsed by famous personalities and believe it is possible to be abducted by aliens.

Chinese women are more comfortable now to be naked than only two years ago. Both men and women are increasingly interested in looking stylish so they are viewed as successful.

Two very significant changes in Vietnamese attitudes to brands over the last few years are the growth in the belief that it is worth paying more for quality and that more people will buy brands that are advertised. Combined with the increasing awareness of the problems with fake brands, this indicates that advertising has the power to inform and educate consumers about quality brands. Young Vietnamese consumers are among the highest users of SMS, sending and receiving up to 50 messages a day in some cases. The Internet has also captured the young with a significant number hooked up daily. In the under 30 group, 28% are online daily and a further

Source: AdForum.com

hot spots

Internationalist asked AdForum.com which countries had the most viewed ads in a recent three-month period and then within each country which ad attracted the most views.

(number of ads viewed in the U.S. in that time period)

18



Brand U.S.
Buick
Client
General Motors
Agency
McCann Erickson Detroit

58% at least several times a week.

In India, the premium aura of foreign products is fading—fewer customers now believe foreign goods are of better quality than Indian products.

In Japan, people desire personal enjoyment and development. However, they accept the fact that there could now be lesser societal support for individuals.

Ms. Nazaroff said, “We know that the region is going through dynamic and rapid change.

Technological innovation combined with the proliferation of media choices are having a dramatic impact on the way communications are received, digested, and acted upon. In addition, brands have transformed. People don’t select brands only on brand performance anymore but make their choices increasingly on the basis of affinity, meaning, and experience.”

She continued, “To communicate effectively, we need deep insights into what makes people tick, what brands mean to them, their personal and social behavior, and which channels can really touch their hearts and minds in different circumstances and need states.” ●

—By David Kilburn

research topic: RELATIONSHIPS WITH BRANDS
 geography: GLOBAL
 study by: RESEARCH INTERNATIONAL

A major worldwide study finds that people are increasingly seeking intense product experiences from their favorite brands, and almost 40% of those relationships are with mass marketed brands.

After interviewing over 1,200 people in 43 countries, Research International says that creating high intensity private relationships with customers will be a key strategy for the survival of many mainstream brands. As a result, the focus is shifting from image to experience.

During the interviews, descriptions of more than 3,000 high-intensity brand relationships were collected. The most frequently mentioned brands were those distributed globally and positioned around strong universal psychological propositions, like Nike’s call to action. Those most frequently mentioned were Nokia, Sony, Nike, Coca-Cola, Adidas, Levi’s, and Samsung.

According to the research, customer-brand

research topic: MEDIA CONSUMPTION geography: WESTERN EUROPE study by: INTERVIEW-NSS

% AVERAGE ISSUE READERSHIP	EMS REGULAR		EMS SELECT		% VIEWED IN PAST 30 DAYS	EMS REGULAR		EMS SELECT	
	2005 (4-1/4-2)	2004 (3-1/3-2)	2005 (4-1/4-2)	2004 (3-1/3-2)		2005 (4-1/4-2)	2004 (3-1/3-2)	2005 (4-1/4-2)	2004 (3-1/3-2)
National Geographic*	13.5	12.0	17.8	14.2	Eurosport	45.9	42.9	50.7	48.5
Reader’s Digest*	6.9	6.1	8.0	6.2	MTV	42.3	38.5	44.8	42.9
Time	3.1	2.6	5.3	4.5	CNN	34.7	34.7	47.5	47.0
The Economist	1.7	2.0	4.0	4.3	Euronews	28.7	27.1	34.1	31.2
Financial Times	1.6	1.5	4.5	3.9	Discovery	26.4	23.8	31.8	30.0
Newsweek	1.4	1.3	2.7	2.7	Sky News	23.6	20.4	33.4	30.5
Scientific American	1.4	1.3	2.0	2.3	BBC World	23.0	20.1	32.9	29.1
Harvard Business Review	1.0	0.8	3.0	2.3	National Geographic	22.5	20.2	27.8	25.8
BusinessWeek	0.8	0.6	1.9	1.7	CNBC	14.6	13.0	21.2	19.2
Institutional Investor	0.6	0.3	1.1	0.7	Travel Channel	12.3	-	13.7	-
Euromoney	0.5	0.5	1.2	1.2	TV5	12.2	12.2	15.9	15.2
Fortune	0.5	0.6	1.1	1.3	Bloomberg	10.0	9.5	16.2	14.4
Forbes	0.4	0.5	1.2	1.1					
International Herald Tribune	0.4	0.4	1.0	0.7					
USA Today	0.4	0.3	0.7	0.7					
The Business	0.4	0.3	0.7	0.7					
Wall Street Journal Europe	0.3	0.3	0.7	0.8					

Sample size: For EMS, 12,000 representing a universe of 40 million Europeans, or top 13% of the most affluent and influential; for EMS Select, 7,000 representing 8 million, or 3%.

*includes all language versions in EMS countries.

Source: EMS 2005 and EMS Select, Interview-NSS.

relationships fall into four groupings, each fulfilling a different need. Three of them—brand as security, social affiliation, or as a means of expression and identity—are based on rational motives or social behavior. A customer in Singapore, for example, says, “Oxford tailored shirts make me feel really special..., that I belong to a group of people with discerning taste.”

In the fourth grouping, the brand fulfills the consumer’s need for an intense experience. In this case, the brand-consumer relationship is based on an intensified experience, amplified by brand communications and by the personal meaning a consumer brings to the brand. A Canadian consumer speaks about Starbucks, saying, “I love my Starbucks. They are not just selling me coffee, they are giving me a whole experience.” Shopping at Ikea is also described in terms of the experience by a Swede: “There is a deeper thought behind Ikea [than shopping]. It is not only furniture; it is belonging and caring.”

A respondent in Chile describes a relationship with Patagonia, saying, “I think the most important thing is that Patagonia promotes a healthy life..., an outdoor life in which one can live in harmony with nature. I feel that Patagonia looks after me.” In Asia Pacific, excluding Australia, affiliation and the expression of relationships are most important. A Dutch consumer talks about a powerful connection with Gillette: “It’s a brand to be proud of. It’s part of my life or even better: It is my life.”

A key characteristic of the intense relationship is a sense of transformation. Illustrations of the transformative power of the brand experience cover a broad range of goods and shopping experiences. “When listening to music with Sony products, I forget about everything outside,” says a survey participant from Austria. “When I’ve had a bad day, I go to FNAC. When I leave, I’m in a good mood again,” says a French consumer. The ice cream brand, Ben & Jerry’s, is described in a similar way by an American: “...it makes the bad go away with just one bite.” And a Hungarian speaks about what Old Spice provides him; “If you want to lead a successful and balanced life, it is essential to make peace with yourself first. It is Old Spice that gives me this balance. It helps me get my act together in the morning.”

Relationships with brands differ according to

age and life stage, the study found. For teens, brands are most important as a means of expression. They form close, but unstable, relationships with brands, often in fashion, sports, mobile phone, Internet, soft drinks, and fast food categories. A reputation for innovation is most important to the young.

For pre-family adults, the relationship is chiefly about affiliation and expression. For family adults, the categories they tend to form high-intensity connections with include food, alcohol, automotive, financial, consumer electronic, retail, and household care. Seniors tend to form relationships with brands that offer security and expression, most often in categories like household and personal care, retail, travel, food, alcohol, and cosmetics. ●

Source: Research International

ten factors that can kill a relationship with a brand

- 1 DECLINE IN PRODUCT OR SERVICE QUALITY
- 2 POOR RESPONSE TO CRISIS IN PRODUCT OR SERVICE QUALITY
- 3 STAGNATION
- 4 POOR ADVERTISING AND COMMUNICATIONS
- 5 BRAND HAS MOVED AWAY FROM CUSTOMER
- 6 CUSTOMER HAS MOVED AWAY FROM BRAND
- 7 LOSS OF CONTROL
- 8 INAUTHENTICITY
- 9 ETHICAL ISSUES
- 10 CULTURAL ISSUES

research topic: PERSONALITY OF INTERNATIONAL READERS
 geography: EUROPE AND ASIA
 study by: FORTUNE

A new study by *Fortune* assesses the personality of its international readers, and, according to Publishing Director Andy Bush, can help advertisers and agencies better understand media consumption and behavior.

He says advertisers have long been looking for a new way to assess media value, and this new approach fits their needs by exploring the personality and psyche of readers. The research was created for *Fortune* by marketing consultants Style-Vision.

Based on an online questionnaire, 41% of *Fortune* readers are classified in the “innovation

9



U.K.

Brand
Smirnoff
 Client
Diageo
 Agency
JWT Co.

Brand
Hansaplast
 Client
Beiersdorf
 Agency
BWA|PARIS

7



FRANCE

Brand
Mercedes-Benz
 Client
DaimlerChrysler
 Agency
Springer & Jacoby

6



GERMANY

Source: AdForum.com

measuring mood

MOOD AND GENDER: Women are slightly less logical (innovation 35%) than males (innovation 43%).

MOOD AND CULTURE: Asians are slightly more logical (innovation 43%) than Europeans (innovation 39%).

MOOD AND AGE: Innovation is in general the main mood segment until readers reach 65 when perfection takes over with 44% of readers.

MOOD AND JOB RANK: The higher the job position the more readers fall into the innovation mood group. CEOs score 45%. However, board directors are more pleasure-oriented, with 30% in the satisfaction mood.

INNOVATION MOOD >

Seeking experience

41% of readers • 23% of ads

Ads for this mood:

accenture: High performers create their own opportunities.

degussa: No night is complete without specialty chemicals.

hp: How to light up a supply chain.

ibm: Middlewhere is Everywhere.

toyota: With two seasons of F1 racing behind us, we're preparing for the future.



> INTUITION MOOD

Seeking compassion

24% of readers • 25% of ads

Examples:

abn amro: "I want a bank rooted in the community. Not implanted."

capgemini: "My first priority? Enhancing his phenomenal capabilities"

malaysia: Truly rewarding. Truly Asia.

ubs: You and us. Is this the world's most powerful two-person financial firm?

PERFECTION MOOD

Seeking efficiency

21% of readers • 34% of ads

Examples:

dassault falcon: Why generals have always ridden best steeds into battle.

ibm: How to tell anyone anything without telling everyone everything.

siemens: Higher productivity—complete transparency and controlled quality.

ubs: Is this the most powerful two-person financial firm? You and us.

mood" (conceptual and logical); 24% in the "intuition mood" (conceptual and emotional); 21% in the "perfection mood" (material and organized); and 14% in the "satisfaction mood" (material and spontaneous). The online questionnaire, which consisted of asking readers questions about 100 visual images and word expressions, was completed by 1,633 readers and 701 non-readers.

When the magazine's ads were classified into the mood categories, only 23% were in the "innovation" group, 25% intuition, 34% perfection, and 18% satisfaction.

Style-Vision's Mood Consumption theory says that people's reactions can be explained and anticipated based upon their mood and situational need. Although mood can change, the

company says its research indicates that 80%-90% of people stay within the same major mood segment.

As a group, 65% of *Fortune* readers are conceptual rather than material in their vision of

the world. They appreciate innovative concepts to meet their visionary mood. They are as likely to be organized (50%) as spontaneous (50%). Some 67% are more logical and facts-driven than emotional and people-driven in their thought processes. And 62% are more introverted than extraverted in their relationships with others.

Their visual preferences were described as visionary concepts and multi-cultural icons, cutting-edge product ideas, unlimited horizons, and refreshing and energizing colors. They were attracted to word expressions, such as outgoing, imagination exchange, endless experiments, and dynamic.

Fortune and Style-Vision say that the results indicate that more ads should appeal to the "innovation" group. "We are convinced that understanding, measuring, and getting inspired by the emotions and personality of the audience is a winning concept for future media businesses," says Mette Kristine Oustrup, Style-Vision managing partner. ●

SATISFACTION MOOD ^

Seeking pleasure

14% of readers • 18% of ads

Examples:

orbis: I used to lead.

Now I follow.

make a wish:

That's my wish!

philips: Technology

should be as simple

as the box it comes in.

tourism malaysia:

Business first. Pleasure always.



research topic: AD SPENDING geography: GLOBAL study by: ZENITHOPTIMEDIA

SEVEN MAJOR MEDIA¹ IN MILLIONS OF US\$*

	2004	2005	2006
North America	158,383	167,869	175,014
Europe	89,544	94,971	99,122
Asia/Pacific	69,651	75,052	80,392
Latin America	13,748	16,065	16,875
Africa/Middle East/ Rest of World	14,182	17,395	20,014
WORLD	345,508	371,352	391,417

¹Newspapers, magazines, television, radio, cinema, outdoor, Internet.

*Currency conversion at 2003 average rates.

SEVEN MAJOR MEDIA YEARLY % CHANGE

	2004 vs. 2003	2005 vs. 2004	2006 vs. 2005
North America	6.0	4.3	6.0
(of which U.S.)	6.0	4.3	6.1
Europe	6.1	4.4	4.8
Asia/Pacific	7.8	7.1	6.8
Latin America	16.9	5.0	7.3
Africa/Middle East/ Rest of World	22.6	15.1	16.3
WORLD	7.5	5.4	6.5

¹Newspapers, magazines, television, radio, cinema, outdoor, Internet.

% REGIONAL SHARES OF DISPLAY ADVERTISING REVENUE

	2004	2005	2006
North America	45.2	44.7	44.5
Europe	25.6	25.3	24.9
Asia/Pacific	20.2	20.5	20.6
Latin America	4.3	4.3	4.3
Africa/Middle East/ Rest of World	4.7	5.1	5.6

% GLOBAL SHARES¹ OF DISPLAY ADVERTISING REVENUE BY MEDIUM

	2004	2005	2006
Newspapers	30.1	29.8	29.6
Magazines	13.4	13.3	13.2
TV	37.6	37.7	37.9
Radio	8.7	8.6	8.4
Cinema	0.4	0.4	0.4
Out-of-home	5.3	5.3	5.3
Internet	3.6	3.8	4.1

¹Shares total 99% because a few countries have a category for "other" advertising.research topic:
NATIONS AS BRANDS
geography: GLOBAL
study by:
ANHOLT-GMI NATION BRANDS INDEX

In the first analytical ranking of the world's nations as brands, rated by consumer perceptions for their cultural, political, commercial and human assets, investment potential and tourist appeal, Sweden, the U.K., and Italy took the top three spots.

The index has been introduced by Simon Anholt, nation brand expert, and Global Market Insite. The index measures the power and appeal of a nation's brand image. It is the sum of people's perceptions of a country across six areas of national competence: tourism, export, people, governance, culture and heritage, investment and immigration.

To create the index, consumers in Canada, China, Denmark, France, Germany, India, Japan, South Korea, U.K., and U.S were polled about their opinion about 11 nations as brands. Representative samples of 1,000 consumers were collected in each country for a total of 10,000 consumers surveyed. Consumers were not asked questions about their own country.

Ranking fourth were Germany and the U.S. in a tie, followed by Japan, China, India, South Korea, Russia, and Turkey. The index, which will be updated quarterly, will be expanded to 25 countries starting with the second edition.

Anholt says nation brands are far bigger brands than Nike or Nestlé. "Globalization means that countries compete with each other for the attention, respect and trust of investors, tourists, consumers, donors, immigrants, the media, and the governments of other nations: So a powerful and positive nation brand provides a crucial competitive advantage."

He adds: "When we express a preference for French holidays, German cars, or Italian opera; when we instinctively trust the policies of the Swedish government, comment on the ambition of the Japanese, the bluntness of the Americans, or the courtesy of the British; when we avoid investing in Russia, favor Turkey's entry into Europe, or admire the heritage of China and

Source: AdForum.com
Source: Anholt-GMI Nation's Brand Index

Brand
Telecom Italia
Client
Telecom Italia
Agency
Y&R Italia

4



ITALY



4

Brand
Telenor
Client
Telenor
Agency
DDB Oslo

NORWAY

a nation's image

TOURISM
italy

BRANDS & PRODUCTS/EXPORT
u.s.

PEOPLE
u.k.

GOVERNANCE
sweden

CULTURE AND HERITAGE
italy

INVESTMENT AND IMMIGRATION
u.s.

research topic:
CHARACTERISTICS AND MEDIA HABITS
OF INTERNATIONAL AIR TRAVELERS
geography: GLOBAL
study by: EDR/INTERNATIONAL
AIR TRAVEL SURVEYS

Brand
Ford Ranger Opencab
Client
Ford Motor Co.
Agency
JWT Co.

4



THAILAND

International travelers have always been of interest to marketers because of their income levels and propensity to spend.
In the most recent edition of the International Air Travel Survey, a redesign presents information to better reflect a global traveler (excluding the U.S.). Previous surveys conducted between 1987 and 2002 were by region: Europe, Asia, Middle East, and Latin America.

As might be expected international travelers are wealthier, mostly male, and Western European.
For the IATS Global Media Survey 2005, approximately 1,000 international passengers were surveyed in each of 25 international airports. This included residents of over 190 countries. The findings were subsequently weighted to correct for the over-weighting of business travelers and to reflect the total annual international passenger traffic at each airport. Some 18% of international travelers were ex-pats, a group that is important to international media.

who travels internationally

The survey shows that the average personal income of international air travelers, excluding non-earners and those working only part-time, was US\$74,000, with 18% over \$100,000. Almost half are residents of Western Europe, one in five residents of the Asia/Pacific region, one in 20 residents of the Middle East, and one in 25 residents of Latin America. North American residents represented 13% of the total even though no North American airports were included in the survey.

The survey universe, particularly the business segment, is predominantly male although women are increasing, especially as business travelers. Some 71% are between the ages of 25 and 54.

The survey shows how dominant English has become internationally. Almost nine out of ten international air travelers claim to understand the language well enough to read a newspaper or follow a TV news program. French and German are a long way behind with only one in four and Spanish with one in six. No other language is understood by more than one in ten.

According to the survey, the average international air trip lasts as long as ten days, with business trips lasting seven days and vacation trips 12 days.

The average international business air traveler spends 77 minutes at the airport, and the average flight lasts over six hours. At the airport 17% of travelers read a newspaper, 12% a magazine, and 5% watch TV.

The most common medium to which travelers are exposed on the aircraft are the airline magazines and in-flight films: these reach 36% of

AVERAGE ISSUE READERSHIP (% OF UNIVERSE)

REGION OF RESIDENCE	ALL REGIONS	ASIA/PACIFIC	EUROPE	LATIN AMERICA	MIDDLE EAST/AFRICA	NORTH AMERICA
D A I L I E S						
USA Today	2.8	2.0	1.3	1.5	2.0	11.6
Financial Times	2.7	2.3	2.7	1.0	2.0	4.4
New York Times	2.0	1.6	1.1	1.6	1.8	6.6
International Herald Tribune	1.7	1.8	1.2	0.2	1.5	3.9
Wall Street Journal (all editions)	1.1	1.6	0.6	1.0	1.2	2.3
W E E K L I E S						
Time	3.7	5.5	2.1	2.5	3.9	7.3
The Economist	3.2	3.6	2.7	1.5	3.8	5.0
Newsweek	2.9	4.1	1.7	3.6	4.0	5.4
BusinessWeek	2.0	3.5	0.9	2.1	2.1	3.7
F O R T N I G H T L I E S						
Fortune	1.4	1.8	0.7	1.0	2.0	3.8
Forbes	1.0	1.5	0.5	0.6	1.0	2.4
M O N T H L I E S						
National Geographic	6.5	5.5	6.0	8.1	4.9	10.7
Harvard Business Review	1.2	1.2	0.9	1.9	2.4	1.8
Business Traveller	1.0	1.6	0.8	0.5	1.0	1.2

VIEWING OF INTERNATIONAL TV CHANNELS (CHANNELS WATCHED IN THE LAST MONTH) (% OF UNIVERSE)

REGION OF RESIDENCE	ALL REGIONS	ASIA/PACIFIC	EUROPE	LATIN AMERICA	MIDDLE EAST/AFRICA	NORTH AMERICA
CNN International	30.9	30.9	29.1	33.5	37.9	32.5
BBC World	25.8	28.1	21.8	17.8	38.3	34.4
Discovery Channel	24.0	27.7	18.3	41.1	26.1	32.6
National Geographic	17.9	22.7	14.3	33.5	21.7	16.3
CNBC	10.2	11.1	5.5	5.2	11.3	28.9
TV5	9.0	5.0	10.1	9.5	13.7	7.5
Bloomberg TV	4.4	4.6	3.8	5.1	5.8	6.4

travelers. This compares with 27% who read a paid-for magazine, 26% who read a newspaper, and 20% who listen to audio programs.

readership of international publications

Overall, *National Geographic* achieved the highest average issue readership, at 6.5%. Among frequent international business travelers, defined as those who make ten-plus trips on business in the last 12 months, the leading publications were the *Financial Times*

(9.7%), *The Economist* (8.8%), *Time* (5.8%), *Newsweek* (5.7%) and *International Herald Tribune* (5.2%).

International newspapers were more commonly read outside the home country, while magazines, with the exception of *Business Traveller*, were more commonly read within the home country. Newspapers with a particularly out-of-country readership were *International Herald Tribune*, *USA Today*, and the *Wall Street Journal*, each with over 50% of reading occasions outside the traveler's home country. ●

Source: EDR/International Air Travel Surveys

thomas f. o'toole

Leading Hyatt to greater consistency in what the brand delivers to its customers all around the world

No company is more aware of the importance of brand consistency globally than Global Hyatt Corp. In the past 15 months, the company, which operates 213 hotels and resorts in 43 countries around the world under the Hyatt, Hyatt Regency, Grand Hyatt, and Park Hyatt brands, has been highly focused on brand consistency, in a number of ways.

“Everything from going on television with the biggest TV campaign we have had in the past 10 years to brand standardization efforts,” says Thomas F. O’Toole, senior VP–strategy & systems.

There has always been the recognition that brand was important, but when the hotel industry hit tough times starting in 2001, “we had four really, really difficult business years,” O’Toole says, and the company had to concentrate on producing business under extremely difficult business conditions. “Out of practical necessity we allowed for greater variation between our hotels in different markets. That has taken a toll so now that business is strong again, we are focusing very intently on the brand and are now reducing the brand variation of our hotels between markets.”

So why is brand consistency so important?

It matters for a global product or service because more and more, the marketplace is truly global. “In our case, it is not far-fetched at all that we have a person stay with us in Toyko one night, San Francisco the next, and Berlin the next. If we are not consistent in our brand standards, it is going to be very evident [to that] person experiencing the brand Monday night in one place and Tuesday night in another.”

Increasingly, Hyatt’s business is becoming more and more reliant on international travelers. “It’s growing significantly,” notes O’Toole. “We know that travelers are experiencing the brand at different points around the world.”

Another reason it matters, he adds, is because one can’t create a differentiated brand position without consistency, and without differentiation, “to put it in the most commercial terms, you

can’t” charge a premium rate.

O’Toole says that many people think about brand standards in terms of graphic standards and that all the advertising look alike, but notes that it’s much more than that. “It extends right to the operating standards level to things as simple as having services, amenities, and features across hotels the same.”

When O’Toole began looking at brand consistency, he compared point-by-point the standards for the company’s concierge club, the Regency Club, both inside North America and internationally to make sure a customer could expect a similar experience.

Not that it’s as easy in practice as on paper because of the challenges of responding to local culture and market conditions. That, he says, is one of the toughest challenges that Hyatt faces today.

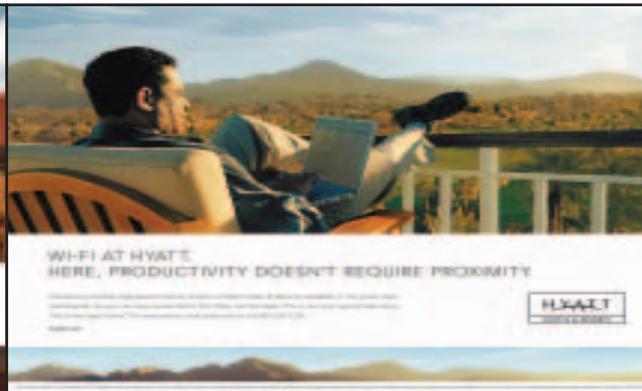
For example, should the brand standards for the Hyatt Regency Hong Kong be the same as the Hyatt Regency Cleveland? he asks, responding, “That’s a real tough one. The rates are so different and so we try to strike the right balance.”

He admits, “[We aren’t] perfect...by any stretch of the imagination. We haven’t figured it out yet. I would say over time we had gone relatively far in the direction of setting the hotel standards to be most appropriate for the local market. Right now we are coming back to what I consider a more balanced position to insure we aren’t compromising our brand consistency while at the same time doing what is economic for the local market.”

Hyatt is also paying close attention to its

Brand consistency goes far beyond advertising and graphic standards, Tom O’Toole maintains.





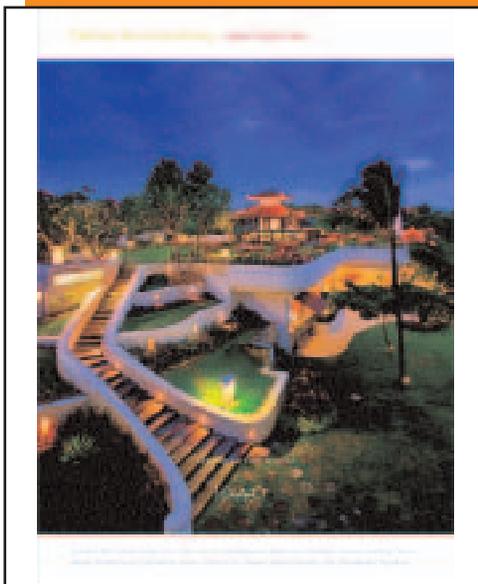
In North America, Hyatt works with Cramer-Krasselt, Chicago, on both creative and media. The agency created these three ads (above) for the hotel chain.

presence on the Internet. “When you talk about a global audience, the Internet by definition is global, and [it’s important] that the brand presence one experiences on hyatt.com is the same whether you come at it from Germany, China, or the U.S.,” O’Toole says. The company is now consolidating all of its country sites to be the same, and by the end of the year will have the same site in seven languages with more to come. “We are headed toward different language versions of the same site rather than different country versions,” he says.

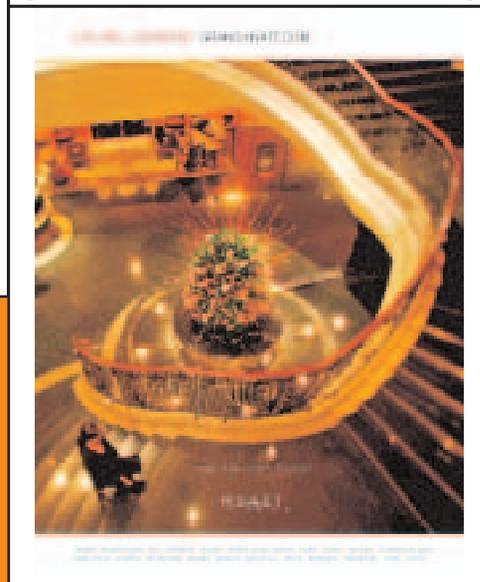
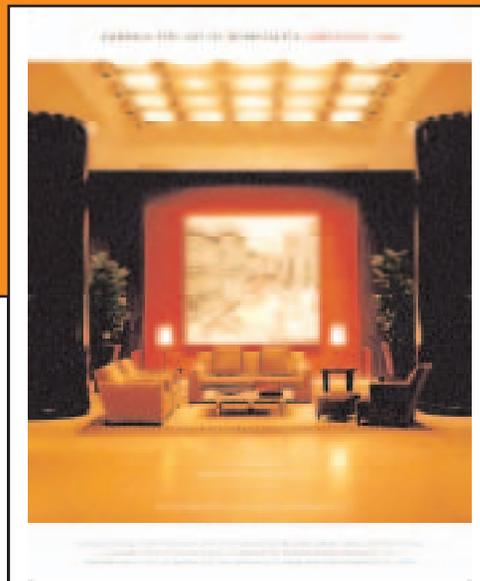
Similarly with advertising, television now looks and feels the same everywhere, and “print is coming together,” he says. “It looks like it’s in the same family.” In North America, Hyatt works with Cramer-Krasselt and for database direct marketing Rapp Collins-Dallas. Outside North America, agencies are used on a project basis, particularly in Asia. Media in North America is placed through Cramer-Krasselt and direct elsewhere.

“On subject of global advertising management, we are looking at even greater integration,” he says, noting it is a current topic of discussion. “Now it’s coordinated, and we’re looking to coordinate it even more, setting policies out of a central place but allowing for local decision-making.”

Is the plan working? “Right now every index—occupancy rate, revenue index relative to our competitors, market share, and customer satisfaction—is going up. It’s the best of all worlds. If one can increase [all of those] simultaneously, it suggests that we are on the right track,” he says. ●



For international ads, Hyatt works with agencies on a project basis. These three ads (above and right) were created by Louey/Rubino Design Group, Los Angeles.



This direct mail piece encourages groups to hold their meetings at the Hyatt Regency Aruba Resort & Casino. It was created by Edel Partners, Chicago.



brand roots: is origin important?

“Made in ????”
—CONSUMER, 2005

“I am a citizen, not of Athens or Greece, but of the world?”
—SOCRATES, BC469–399

Two irrefutable trends characterize this new millennium; the increasing importance of, and demand for, (1) brands and (2) globalization. These raise issues of cultural diversity and convergence in brand management. Any brand does something very simple—simplify choice; a global brand simply simplifies choice in more geographies. The economic benefits of globalization are clear and undeniable, yet criticisms are founded on social, even literary, theories. Deconstructionists, post-Modernists, and Marxists assert that “values” rather than economics should provide the foundation for human society.

Such feelings against uniformity have often been targeted against brand owners, specifically American icons, such as Coca-Cola, or encapsulated in a critical term, such as “McWorld.” That said, both of these brand owners increasingly go out of their way to respond to local cultural needs, both in terms of brand offerings and communications, something that is increasingly necessary as brand communications become less advertising-centric.

With greater economic integration globally, a brand’s culture needs to reflect multicultural awareness. As a consequence, the role of the country-of-origin of global brands has many considerations beyond “think global, act local.”

A key question concerns nationality. To what extent can and should an international brand capitalize on its “parentage,” which can be genuine or invented. With increased outsourcing, does it matter that Sony now comes from Malaysia, that call centers for European customers are run by Indians in India; or that not all BMWs are made in Germany?

Governments are increasingly

“With greater economic integration globally, a brand’s culture needs to reflect multicultural awareness.”

aware they are brands that attract resources, tourists, and now potential threats. In uncertain times, managing the brands of nations is a task that moves from being an interesting concept to one of vital interest to national security (perhaps the most visible, recent example is the request of Madison Ave. post-9-11 to help sell America) and of keen economic interest to nations that want to move from survival to prosperity.

All local markets will increasingly become a battleground not only for local brands, but also for European, U.S., Japanese, Korean, and other countries’ brands. Consumers of the world have strong images of other countries; their peoples,

their cultures, compared to their own, and, as a consequence, of the products they are making and the services they are offering. These images have themselves developed from historical strengths. For example, with regard to product quality and trustworthiness, for the Japanese consumer, Japan has a lock on the production of highest quality products. Moreover, Japanese women are more positive toward French products than are men. For originality and uniqueness, America is the country most closely associated with both originality and unique products and services, but this is beginning to show a decline.

Trust is crucial for any



consumer. Products and services from the developing countries of Asia are viewed simply as inexpensive, for example, the Malaysian Proton and clothes from China. Such stereotypical caricatures of the country-of-origin may be superficial or prejudiced in the absence of knowledge, but significantly in many categories from tourism to cars to fashion, they can be motivating points of difference and can help define the essence of a brand. As such, for developing countries, one may hypothesize the increasing role of nation-building through nation-branding.

Few countries can match the explosive economic development that Taiwan has enjoyed over the past three decades with its ongoing branding of “Taiwan-your source for innovalue.” The word, “innovalue,” a hybrid of innovation and value, was coined to describe Taiwan’s unique ability to use innovation to create value in design and the manufacture of leading-edge products. Through “innovalue,” Taiwan claims that its firms consistently deliver on a number of points.

Samsung has successfully implemented a “world best” strategy and embraced the idea that only No.1 survives. In so doing the company lays claim to being the world’s most profitable electronics company. At the same time Sony’s perceived leadership has disappeared, leading to the recent replacement of Chairman-CEO Nobuyuki Idei with the company’s first foreign top executive, Sir Howard Stringer, formerly president of CBS Inc. Sony’s choice of Stringer is a move to a content leader (who believes in strategy and direction by declaration) from the traditional Japanese context leader (who focuses on values, culture, relationships, and team) and is another example of the global weakness of the Japanese management system in this new millennium.

With globalization, industries are increasing consolidation. The commercial realities are confirmed by the recent sale of IBM’s personal computer business to China’s the Lenovo Group: (1) the increasing commoditization of technology; and (2) the emergence of Chinese companies as global players. How will such commercial integration affect the “low-cost product” notion of developing countries in Asia, as more Asian brands move themselves to becoming global icons?

“
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Travel naturally brings into sharp focus national stereotypes, especially as tourist destinations. “Visit Britain” is now taking a more practical and personal approach to attract visitors than the stylized “Cool Britannica” campaign it replaces. This contrasts culturally with how Tourism Australia is suggesting that one might experience (Australian) life differently since it is “not a place where you stand on the sidelines and simply watch.”

The European Union’s much-hyped single market concept involving economic and monetary union in 1992 naturally attenuated local nationalities. Last year the European Commission was thinking of creating a new brand mark to label goods as “Made in the EU,” especially to fend off cheap goods from Asia. The idea is unlikely, however, to get past the EU consultation stage now underway. Some industry leaders, afraid of losing valued national brand marks, have been quick to reject a binding EU mark which might add to industry’s costs.

If Gucci or Chanel or Parmesan cheese simply said “Made in Europe,” would these brands be devalued? The EU has yet to achieve the resonance of the word “Europe” or of country names.

HSBC has taken an explicitly “glocal” approach as the world’s local bank, leveraging in its communications its commitment to understanding local culture and nuance beyond the clear benefits for customers of a global reach footprint. However, the bank has in its name, at least implicitly, minimized its roots, also the case when Mitsui and Sumitomo banks merged to form SMBC and tried to hide the Japanese origin.

Our personal identity is inextricably linked to our citizenship. We jealously try to hold onto our roots, and they have become more important as the world continues to get faster and smaller in communications terms. This has not been the case as brands have traveled the world. More attention needs to be explicitly given to the role of the origin of brands going global as it affects the brand character and can provide a potent and enduring element of authenticity for the brand story. •

*Chris Beaumont is president-CEO
of Grey Global Group Japan.*

HAKUHODO SIZES UP JAPANESE BOOMER SPENDING ON ENTERTAINMENT

- Boomer women in Japan spend more than men on entertainment (¥178,000 annually for men vs. ¥194,000 for women)
- For both men and women, the top entertainment categories enjoyed were movies, books/comics, and music. They spent most on music, theme parks, and stage/theater.
- Men tend to spend most on buying and renting CDs and DVDs enjoyed at home; women prefer concerts, movies, and other out-of-home entertainment. Women spent more than double the amount on concerts as they did on CDs. They indulged themselves with lavish meals and paid closer attention to fashion when enjoying out-of-home entertainment.
- By category, music is top for both men and women. Men spent more than women on music and books/comics, while women spent more on stage/theater, art, theme parks, and sports. Women and men spent roughly the same on movies and drama/animation.
- Although women spent more on sports, men enjoyed them more.
- Men and women's preferred partners for entertainment differed: men prefer their wives, and women their friends.

Source: Hakuhodo's Elder Business Development Division. Responses of 584 baby boomers living in metropolitan Tokyo and Kansai areas to survey conducted by Internet in January 2005.

RECMA'S RANKING OF NETWORK GROUPS 2004

2004 RANK	OWNER GROUP	2004 PROJECTED BILLINGS U.S. \$ in billions
1	P u b l i c i s G r o u p e	34.6
2	W P P / G r o u p M	34.1*
3	I n t e r p u b l i c	27.9
4	O m n i c o m	25.2
5	A e g i s M e d i a	20.4
6	G r e y	14.0*
7	H a v a s	8.8

*Prior to acquisition; would be No. 1 at \$48.1 billion when combined.

RECMA'S RANKING OF TOP MEDIA MARKETS

RANK	MARKET	2004 PROJECTED BILLINGS U.S. \$ in billions	SHARE	LARGEST AGENCY NETWORK
R E G I O N S				
1	North America	87.3	38.3	Starcom SMG
2	EMEA	76.3	33.4	Carat
3	Asia Pacific	61.3	26.9	MindShare
C O U N T R I E S				
1	U.S.	83.6	36.6	MindShare
2	Japan	40.0	17.5	Dentsu
3	Germany	17.4	7.6	MediaCom
4	France	14.4	6.3	Carat
5	U.K.	13.7	6.0	MediaCom
6	China	9.6	4.2	MindShare
7	Italy	7.5	3.3	Mediaedge:cia
8	Spain	5.5	2.4	MPG
9	Canada	3.7	1.6	MediaCom
10	Australia	3.6	1.6	Mitchell & Partners
	Total of 38 countries worldwide*	228.2	100	Starcom SMG

*Does not include about US\$20 billion in media activity from Brazil, Chile, Colombia, Middle East, South Korea, and several other countries.

recognition for excellence in creativity in advertising and design

Selected gold and silver winners of this year's D&D Awards. Entries came from 58 countries.



Category
Consumer magazines
Client
Honda
Agency
Wieden & Kennedy U.K.
Country
U.K.



Category
Consumer magazines
Client
Berlitz
Agency
Scholz & Friends
Country
Germany



Category
TV commercials
Client
Uni President
Agency
BBDO Bangkok
Country
Thailand



Category
Cinema commercials
Client
Time Warner-TBS
Agency
Publicis NY
Country
U.S.

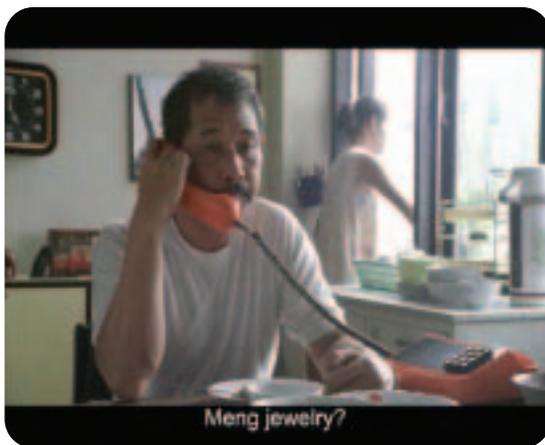




Category
TV commercials
Client
Nextel
Agency
TBWA\Chiat\Day
Country
U.S.



Category
Consumer magazines
Client
Buenos Aires Zoo
Agency
Del Campo Nazca
Saatchi & Saatchi
Country
Argentina



Category
TV commercials
Client
Thailand Yellow Pages
Agency
Creative Juice\G1
Country
Thailand



Category
Editing
Client
Adidas International
Agency
180 Amsterdam
Country
Netherlands



Category
Posters
Client
Nikon Sdn Bhd
Agency
Naga DDB Malaysia
Country
Malaysia

audience data

Developments in the way media are consumed and the explosion of options have increased calls for changes in measuring audiences.

BY
NIGEL
JACKLIN

Audience measurement currencies often come in for a degree of criticism about their lack of responsiveness to change and the fact that they are not completely measuring what media buyers are looking for. And some regard the silo approach of separate measurement of each medium as antiquated in a modern channel-neutral environment. For these and other reasons, there are increasing calls to action.

a slow transformation

As a result of new measurement technologies which have been tested over the last few years, a slow transformation in audience measurement is taking place which may result in fundamental changes in the way data are collected for most of the major media. I expect that TV and radio will introduce new techniques to provide the same measures of exposure and that online will agree which technique works best. My view is that separate measurement of the four main media is currently the best means of creating a level playing field within each medium (providing an effective marketplace for buying and selling), but for the most part agencies and advertisers feel

more information is needed above-and-beyond these to allow effective multi-channel planning.

organizing the currencies

Before looking at individual media, it is worth discussing how the measurement data are provided. The use of joint industry contracts favored in Europe are often something those used to the open market approach in the U.S. find difficult to understand. In many European markets, audience measurement is often funded jointly by media owners, agencies, and in many cases advertisers after agreeing on requirements. In the U.S. competing services tend to exist side by side. The smaller size of most European markets means that two or more competing services would not receive sufficient funding to make them viable or large enough.

The industry approach is often seen as antiquated and slow to respond to change. To be fair, some projects are slowed by the need to compromise and by caution about change given the sensitivity of the data they provide, but in my view they are the best way to concentrate resources and establish agreement among all parties. More important, given the smaller size of most European media markets in

relation to the U.S. means smaller budgets, which Europeans choose not to spend on competing services: A tender process is used to ensure the service is provided on a competitive basis.

technical consensus

Regardless of which method is used to organize the services, the techniques tend to be fairly similar around the world, with a fair degree of consensus emerging. Similarly the challenges each medium faces in terms of consumer behavioral changes they have to cope with are fairly similar. So sitting listening to conference papers about new meter tests in ten countries around the world can be a little tedious. To save you the pain...here is a brief summary of where the action is.

where's the action

For television, the challenges for both advertisers and measurement systems are keeping track of changes in the way the medium is consumed. More sets, more channels, and more viewing at times other than when programs are telecast make planning and measurement more complex.

While not all homes will take up all the new technologies, some being happy with just a few channels, the most important homes will be those which are the most difficult to measure and plan against. Potential solutions include more complex

measurement software and establishing a panel using the actual set top box, where one is required to receive a digital signal. For most advertisers measurement of in-home viewing is likely to be key, but some channels will regard out-of-home as more important. Larger sample sizes and better demographic/target data would also be appreciated by some. While personal meters have been championed as the solution by some, my view is that better set-based recording is the immediate priority.

For radio, while there have been similar developments in distribution and the number of channels, the challenge here is the accurate measurement of basic listening. Here the likely shift will be from recall systems to recording of listening by personal meters. Such a passive system would reduce the suspected variability in ratings caused by the respondent's difficulty of recalling the name of the station he or she is listening to. While such systems have been tested for both TV and radio, it is radio where they are likely to be most useful.

For print, the increase in the size of publications and the availability of newspaper sections have led to calls for more page level data. Variations in copy sales have also led to calls for better issue-specific data. It is difficult to meet either of these demands within the constraints of the existing research, and print clients may therefore feel least well served by their audience measurement currencies.

Add-on or supplementary surveys can, however, provide page traffic, and circulation data can be provided at a more detailed level, meaning that solutions can be provided.

Finally, online is at an earlier stage in its audience measurement evolution, with a range of sources currently being used. Here the challenge is to reach agreement on the requirements of the industry and to work together to reach the best solutions to the industry's needs. This represents a significant opportunity for

the medium, with a range of possibilities including use of passive measurement techniques.

the future— separate but linked

I believe that in five to ten years' time we will still have separate services to measure each medium but that we will have developed better means of linking the data to allow multi-channel planning and more accepted means of assessing the contribution each medium provides. Many agencies have already conducted their own survey work in this area, with

the Touchpoints survey launched by the IPA in the U.K. being eagerly awaited. Alternatively, various data sets can be fused together, but opinions vary about acceptance.

While there may be a little more global convergence in the methodologies used, most countries will continue to run national audience measurement services, with additional research for international media. My bet is that three out of the four media above will have changed significantly in the way they measure audiences

in five or so years' time, with print being least likely to change.

Finally, there are two other facts we can be fairly certain about in terms of the future of audience measurement: Users will still be frustrated by how little leverage they have over the techniques used, and data providers will still get more media owners questioning why their results went down, than querying why their results went up! ●

Nigel Jacklin is managing director, Objective Research.

how do the audience measurement systems work?

TV meter panels provide a measure of the number of people in the room who may be viewing when the set is switched on (the detailed requirements regarding registering viewing vary). From a purely measurement point of view, this makes the assumption that they are paying attention to the screen or that their attention might be caught if they are in the room. Because they typically need to press a button to register their presence, it also requires compliance which may not always be adhered to, for example, if they briefly leave the room. These issues are probably less important, however, than which sets are measured and the changes in viewing patterns resulting from greater choice and new technology. Viewing out-of-home is typically not included, which can be important for some channels or specific events. Most important, as the number of sets per household increases, channel choice proliferates, and the viewing of programs at times other than when telecast grows, it is the nature of what is being measured which presents researchers with the greatest challenge.



While radio is seeing many of the changes in distribution and patterns of consumption that TV is going through, albeit to a different degree, the main issue is the reliance on older recall methods of interviewing, such as diaries or telephone recall surveys. Tests suggest that recall of some stations is poor and that these methods may lead to bias across stations. While individual meters, which record listening over a period of a week, are seen as the future by many, consensus has yet to be reached as to which measurement technology works best.

The methods used to measure print readership vary little around the world, with few new methodologies in sight. The standard unit of measurement is Average Issue Readership, the number of people who read or look at a typical issue. Although readers are now presented with more pages, calls to provide page-specific readership data have produced limited results. For some buyers circulation data provide an important guide. Here the demand is for more frequent or issue-specific data and more details about the breakdown between paid for and other copies.



Internet advertisers are able to draw on planning data based on user panels as well as data based on site-centric measurement. As the number of potential solutions to online audience measurement increases, progress is being made on reaching a consensus about the industry requirements. This is an area to keep watching. ●

BY

mike segrue

GROUP CHIEF CLIENT OFFICER
KINETIC

Like many of us, I spend too much time on planes. I have the bag pretty much down, with a slim Europe version, and a few essential extras for long haul.



FAMILY PHOTOS

Dependent on time away—I wouldn't bother taking a frame with me for a day trip to Frankfurt—but anything that makes travel and time at a destination more enjoyable is valuable. This does.



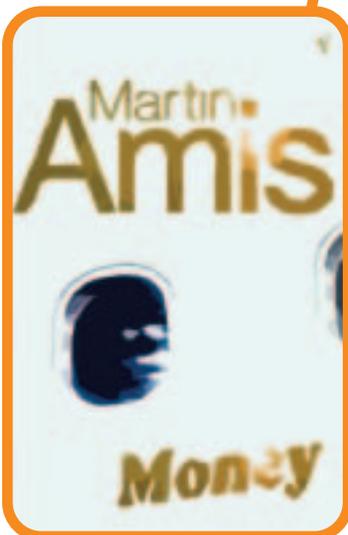
SHOE TREES

I know this sounds weird, but since traveling light is all about being efficient, it works for me. If you take only one pair of shoes, these shoe trees refresh shoes overnight. Only downside is that they invariably invite security to rummage through your bag as they look odd when seen on the security scanner.



BOOKS

Down time is even more important when you're travelling as it de-stresses. It is a rare chance to read a grownup book rather than a bedtime story so buy something good—not always possible at an airport bookshop. My last book was "Money" by Martin Amis—laughing out loud always clears a few seats nearby.



TRAVEL TIPS
To be prepared if someone asks what you'd like to do, there are so many good Websites telling what's hot and what's not. Any city-focused Website is good or Condé Nast Traveller (www.cntraveller.com), independent and with useful country blogging info too.

MUSIC

The iPod is my staple, but for long haul (battery issue), I take the Sony CD Walkman. My long haul extra is my Bose noise-excluder earphones—fantastic and deeply calming. I avoid cheesy inflight music. Current favorites are Amy Winehouse, Rickie Lee Jones, and Bebel Gilberto.



tell us what's in your bag. send submissions to editorial@inter-national-ist.com.

Laurie



B E N S O N London Time EMEA, Publishing Director
 1984 NEW YORK Grey Advertising
 1985 ATLANTA Turner Broadcasting Sales
 1988 ATLANTA Coldwell Banker Commercial Real Estate
 1994 NEW YORK Scripps Howard
 1999 NEW YORK Oxygen Media
 2003 NEW YORK Hotel Television Networks
 2005 LONDON Time EMEA

Mike



A M L U R Singapore Grey Global Group, Chairman-CEO-Asia Pacific
 1982 LONDON Hotel Management International
 1985 NEW YORK Ted Bates Advertising
 1989 NEW YORK McCann Erickson
 1991 TOKYO McCann Erickson
 1995 PORTLAND, ORE. Wieden & Kennedy
 1997 PARIS TBWA Europe
 2001 PARIS/LOS ANGELES The O Partnership
 2003 PARIS/LONDON Grey Global Group
 2004 SINGAPORE Grey Global Group Asia Pacific

Simon



D A V I S New York CNBC International, VP-Sales & Marketing

1994 LONDON Haymarket Publications
 1997 LONDON Express Newspapers
 1999 LONDON Sunday Business & Scotsman Publications
 2001 NEW YORK CNBC International
 2002 LONDON CNBC Europe
 2003 NEW YORK CNBC International

Anne



P A P P A S Singapore CNBC Asia Pacific, Director of Marketing

1989 MELBOURNE Business Review Weekly
 1990 HONG KONG BRW Publications
 1994 HONG KONG Asiaweek Magazine
 1997 LONDON EMAP
 1999 LONDON Express Newspapers
 2001 HONG KONG Time Magazine
 2002 LONDON Time Magazine
 2003 SINGAPORE CNBC Asia Pacific

Annie



R O G E R S London Discovery Networks Europe, Senior VP-Advertising Sales

1994 LONDON CNBC
 1997 LONDON Dow Jones
 2001 LONDON Thornburn Associates
 2005 LONDON Discovery Networks Europe

NEW YORK

More than 200 international advertising and marketing execs spent a day discussing global marketing issues at the 2005 Global Marketing Summit, organized by the New York chapter of the International Advertising Assn. (All photo identifications from left.)

1 Giovanni Fabris, McDonald's International.

2 Judy Hu, General Electric Co.;
Dave Clark, MTV: Music Television.

3 Dirk Miller, Siemens AG.

4 Marty Shapiro, CNN;
Jeff Adler, Dow Jones & Co.;
Mike Paradiso, Computer Associates.

5 Julia Mee, Mary Bermel,
both Hewlett-Packard.

6 Guillermo Morrone, Delta Airlines;
Erik Fidel, CNN.

7 Peter Connolly, Tommy Hilfiger Corp.

8 Steve Gatfield, Interpublic Group.

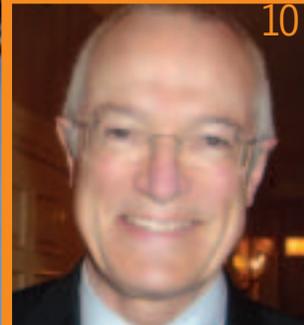
9 Andy Berlin, Red Cell Network;
Rob Norman, Mediaedge: cia;
Jon Harlow, Naked Communications.

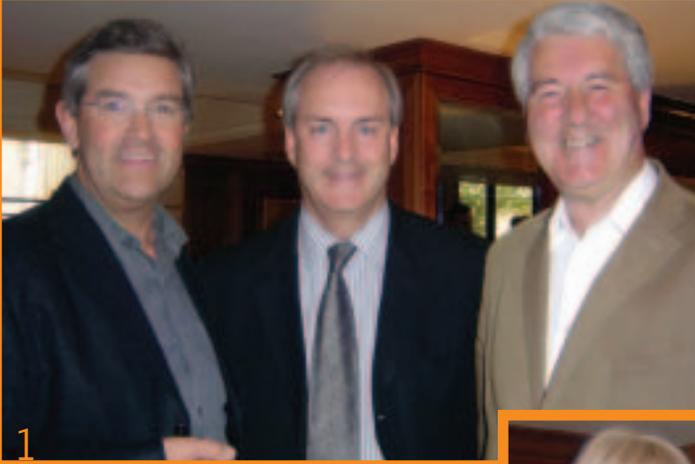
10 Chris Ingram, Ingram Partnership.

11 Steve King, ZenithOptimedia; Jill Goldring,
Discovery Channels International.

12 John McMenemy, Dow Jones & Co.

13 Taylor Gray, Time;
Sean Connolly, Intel Corp.





1



2



3



4

LONDON

This city played host to this year's European Association of Communications Agencies' annual meeting. In addition to business sessions, evening festivities included a double-decker bus tour to dinner at London's Design Museum on the South Bank. (All photo identifications from left.)

- 1 Simon Goode, Saatchi & Saatchi EMEA; Hamish Pringle, Institute of Practitioners in Advertising-U.K.; Steve Shanahan, Institute of Advertising Practitioners in Ireland.
- 2 Christina Paschalides, Hellenic Association of Communications Agencies; Henning Von Vieregge, German Communications Agencies.
- 3 Sol Olving, Association for Creative, Commercial Communication, Norway; Walter Merz, BSW Leading Swiss Agencies.
- 4 Sinikka Virkkunen, Finnish Ad Association; Mariana Brashnarova, Association of Advertising Agencies-Bulgaria.



1



2



4



3



5

NEW YORK

Time hosted a star-studded event at Jazz at Lincoln Center's new home in New York to celebrate the annual Time100 issue that names the 100 most influential men and women during the year. (All photo identifications from left.)

- 1 Nasreen Madhany, OgilvyOne Worldwide; Stephen Schlachter, American Airlines; Matt Turck, Time.
- 2 Ruby Anik, Best Buy.
- 3 Ed McCarrick, Suzy Wagner, both Time; Don Apruzzese, Astra Zeneca; Michelle Apruzzese.
- 4 Eileen Naughton, Julie Lonergan, both Time.
- 5 Taylor Gray, Time; Priya Narang Elliott, Mark Ingall, both Citigroup; Penny Scott, Time.

LONDON

Members and guests of IAA U.K. came to hear Judy Torrance, head of international marketing, Scottish Enterprise, the country's main economic development agency. (All photo identifications from left.)

- 1 Julian Boulding, Simon Tilden, both The Network One.
- 2 David Hardy, Gruner & Jahr.
- 3 Brendan Halpin, Gerard Sharkey, both Irish Development Board.
- 4 Steve Middleton, National Geographic.
- 5 Danilo Chiono, Maya Biltoo, both Il Sole 24 Ore.
- 6 Judy Torrance, Scottish Development International; Alison Turner, Invest UK.
- 7 Peter Minett, Leadermedia London; Anne Renton, Businessweek



PEOPLE AND PLACES

TOKYO

Kazufumi Nagai, president and creative director of Hakuholdo subsidiary Hakuholdo Design, was named 2004 Creator of the Year by the Japan Advertising Agencies Association for his contribution to client branding.

His design-based brand integration and strategic branding ideas have been used by a number of major companies including Suntory, Nissan, and Apple Computer.



Nagai (2nd from left) with Hakuholdo colleagues at the award ceremony. From left: Teruhiko Ando, (Nagai), Junji Narita, Susumu Miyazaki.

Nagai is presented the award by Yutaka Narita, association president.



1

NEW YORK

The Financial Communications Society celebrated its 11th Annual Portfolio Awards, showcasing the best of financial advertising and marketing, with over 600 industry professionals attending a gala.

(All photo identifications from left.)



2

1 Marilyn Harvey, Vanguard; Terri Chido, Investor's Business Daily.

2 Courtney McGrory, Citigroup Private Banking; Evan Blank, Wall St. Journal; Catherine Merchant-Jones, Prudential; Marie Mason, USA Today.



3

3 Ari Brandt, Yahoo; Bruce Rekant, formerly Cigna; Randy Kilgore, WSJ.com.

4 Dan Cohen, Worth; Suzanne Crocker, International Securities Exchange.



4



5

5 Ray Warhola, Investor's Business Daily; Steve Cone, Citibank.

vietnam



Opportunities for international brands in a market growing at lightning speed

San Miguel beer, wildly popular throughout Asia, is branded in Vietnam as the beer of friendship and a positive future with the slogan "Together moving forward" in ads by McCann Erickson/Vietnam.



In the early 1990s, when the Vietnamese government announced it welcomed international business, the market was flooded with multinationals eager for a chunk of a promising market.

The bubble burst quickly when many foreign investors became frustrated with government red tape and slow licensing processes. Fast forward to 2005 and find a new Vietnam with a thriving economy, a sophisticated urban middle class, and a broad market for international marketers.

In urban centers, economic growth is 14% by unofficial figures and countrywide 9%, the second highest in Asia, following China.

"There's a sense of optimism about the future here that is truly remarkable," says Cecile Gabutina, managing director for McCann Erickson in Ho Chi Minh. "Yes, there are still lots of restrictions on business, but not as many as a few years ago," Gabutina continues. "A lot of policies have been liberalized."

Rob Graham, CEO of Bates Indochina Group, says he's "bullish" about foreign investment. "Vietnam is becoming more and more important in the Asian trading theater, and as it does, it will have to come to grips with balancing a rush toward a market economy and very traditional Vietnamese values," says Graham.

There's no question that it's still a developing market, he adds. "To some extent, particularly in

rural areas, it is a Third World backwater, but it is rapidly developing into...a great potential market for brand growth."

Vietnam still has dividing lines—North and South, separated by language barriers that present challenges to marketers, and urban and rural areas, separated by a large economic gap.

With a \$500 per capita income, Vietnam is far from wealthy, but that income increased almost ten-fold in recent years. And there is a growing urban middle class, with monthly incomes double per capita income. Marketers target urban consumers and their comparatively large disposable incomes, spent on cars, fashion, travel, electronics, even premium beers.

Graham sees the success of premium beers, like Bates' client Heineken, as an example of the aspirational thinking that drives much marketing in urban Vietnam.

"Vietnamese love good beer. They love the idea of an international brand, whether it is European, like Heineken, or Asian, like Tiger brand," says Graham.

Heineken stuck to its guns in Vietnam, presenting a consistent message for ten years. It is marketed as a premium beer, with a premium price and premium image. "The result has been phenomenal growth," Graham says.

Ad messages have become increasingly sophisticated. "Goods have actually expanded from fast-moving consumer products to big ticket items like automobiles to service-oriented products like banking institutions," explains Gabutina. "It's a young market, too, with 65% of the population aged 35 and below."

Socioeconomic targeting is now common, but it was unheard of ten years ago.

"In a lot of consumer studies, there is a growing diversity of consumer groups diverging from the traditional 'mom' as the purchaser," says Gabutina.

Marketers are now targeting teens, kids, and even young women as emerging and distinct segments, she explains.

Marketers approaching the Vietnamese market need to stay on their toes, cautions Gabutina. "The evolution of consumers in Vietnam is so fast that what worked six months ago may not work today. Aspirations change very, very quickly here," she concludes. ●

● Vast regional language differences often require different taglines for the same products.

● There are dozens of television channels, but all are owned and controlled by the government.

● Regulations are solidly enforced and every media vehicle has to conform to regulations.

● Billboards are effective means of communication, but even they are highly regulated.

Let's be frank: London will stiff you faster than you can say "upper lip." But the world's most expensive city will do it with an ironic sense of style and leave you feeling like the fleece was a favor. It's just the British way. Only in London could a hodgepodge of 189 nationalities debate the relative value of back row polo tickets vs. a clean subway seat. It's that upper-lower thing, so just remember no one can afford it, which is why it's so damn fun!

spruced up city

Despite worrying signs of a property meltdown and a political establishment that continually finds new ways to mix sexual pleasure with the media, ye olde Britannia retains a certain sheen of global statesmanship. Her neighbors have moved in and spruced up the place, banishing a sense of entitlement. This, in turn, has made the place much more beautiful. As most Europeans would quietly say the gene pool needed a shot of new blood.

arrival

Upon arrival at any of the five major airports surrounding greater London, visitors will encounter a prevailing sense of vague depression: long lines at immigration, everything squeaks, and dim hallways with low ceilings. In general, a country that provides 45% of its total income to the national pot might figure out how to pot a plant somewhere, but perhaps that will happen when Heathrow's Terminal 5 opens in the distant future. If possible, take a train from Heathrow or Gatwick. It is pleasant and much faster than a car, though watch out for gum on the seats.

hotels

The pound is strong, and the hotels are fantastic, but together that means you need to allocate at least 250 euros a night for anything other than a futon. Flavor of the month is definitely

the Soho Hotel—big rooms and beautiful furnishings. Check out the beige sitting room near the elevators and the pink translucent tables in the library—it's all whimsy, as if Alice barfed in Wonderland and everything that came out was neon. For that important breakfast meeting, head toward the river to the Aldwych Hotel—still one of the city's premier power spots.

If you prefer the west side of town near Hyde Park and Kensington, try the Baglioni. It's so swishy Italian! All gold and gilt, rich but not overly indulgent, opulent without being rude. The club at the Baglioni is very hot, so all you have to do is take the elevator upstairs. The rooms could be bigger, but with all that puffy drapery you'll still feel indulgent.

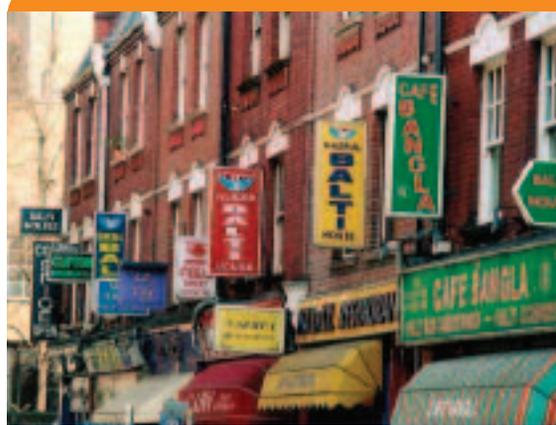
ciao! chow!

The food. The rule in London remains: If you can afford it, you don't want it. But if you are willing to pay the pound, London is probably the best eating city in Europe: Yauatcha, Zuma, and Sumosan for panfusion, Sketch for video theatrics, and Carpaccio for the ultimate Italian experience. On Sundays, the in-crowd parks at PJ's in Chelsea or The Electric in Notting Hill for a long leisurely lunch with bloody marys and gossip de rigueur.

A few words about Carpaccio, a hip hangout off Fulham Road in the west end. It's a bit like the old Va Bene in Hong Kong—a

local institution full of Italian flair and crazy nights. You have to bring your sense of humor, but it's a real London moment.

One of the classic London cuisines remains the Indian masalas and curries for which the country's immigrants are famous. Red Fort is a good stop



Brick Lane, the center of brick and tile manufacturing in the Middle Ages, is now home to London's most authentic Indian restaurants.

for an impressive business lunch, but for the authentic deal, head east to Brick Lane and pop into one of the many area restaurants.

activities

Tea on Brick Lane and shopping for leather, gems, and swaths of fabric make a nice treat after you've done all the normal London stuff. Portobello Road and the Tate Modern may be great, but how many times can you see them? Next time, take an afternoon to sit in Green Park, along the waterways, throwing M&M's to the ducks. Or take in an alternative show at an east end dance theater sponsored by the Whitechapel gallery. Or rollerblade with the

masses on a summer evening: Hundreds of people gather every Friday night at the eastern edge of Hyde Park to take a roller tour of the city, complete with a Rastafarian leader and a boombox belting out the beats. You can rent blades through www.citiskate.co.uk.

As for other nighttime activities, just face it: You can't get in. The clubs are private, they act very mean, and unless you say you work for Louis Vuitton and have six models in tow, you're in trouble. Maybe try a pub, before 11. If you

simply must, just go clubbing. Club London is the best in the world and only gets better. Tramps and Aura are central, but the real deal is in King's Cross and South of the River: Pascha, Fabric, Fire... the taxi driver will know.

London is the hottest city there is at the moment—fun and expensive and confident that the party won't be ending anytime soon. It's the only place you actually see that big new Rolls-Royce on the streets—as confidently manicured as America is supremely confident. Sure, you'll have to mortgage a child to spend any time there, but the latte you can then afford will be worth it. ●