

inter national ist

A large, stylized globe of the Earth is the central focus. The continents are shown in green and blue, while the oceans are a darker blue. On the top and bottom edges of the globe, there are silhouettes of business professionals in suits, some standing and some walking. In the background, a city skyline with several skyscrapers is visible against a light blue sky. The overall theme is global business and international relations.

2007
late spring

global elites & emerging markets

today's marketing balancing act

Omnicom's

Tim Love: Global marketers should "think like the sun"

Embassy Suites'

John Lee: Winning the hearts of business travelers

World Press Group study: International publications get more reader respect

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- 14** | Cover Story: Global Elites & Emerging Markets
 - A Cell Phone that "Blings" — Vertu's Chris Harris | 16
 - Global Brands Must Adapt to Grow — Estée Lauder's Fred Langhammer | 17
 - Connecting Where It Counts — American Express's Diego Scotti | 18
 - China in the Spotlight — Zenith Media China's Malcolm Hanlon | 20
 - Selling the Lure of Luxury — ZenithOptimedia's Christophe Mayer | 22
 - Brand School for the Newly Wealthy — Mindshare's Rob Hughes | 24
 - New Life for an Established Brand — Mediaedge:cia's Connie Chan | 25

- 27** | Marketer Profile
 - Embassy Suites' JOHN LEE on winning share of heart, not share of wallet

- 31** | Agency Commentary
 - Omnicom Group's TIM LOVE advises global marketers to "think like the sun"



late spring issue

SUBSCRIBE

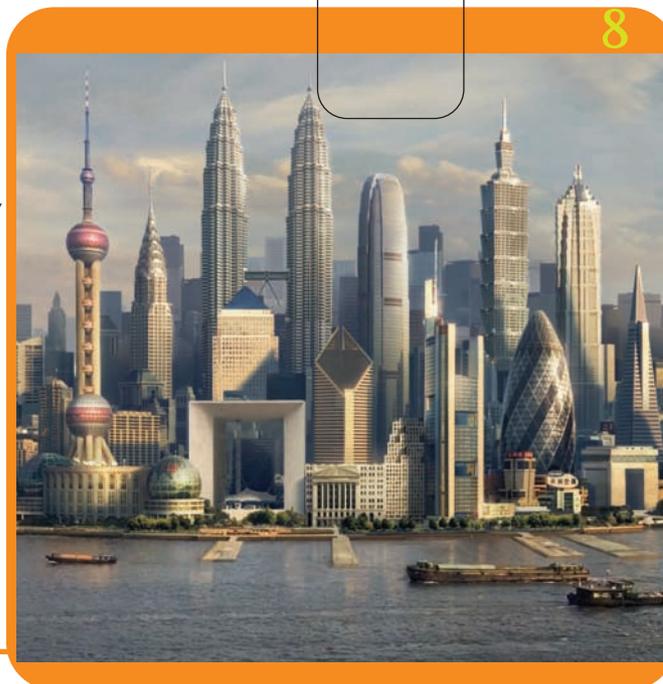
ONLINE

Group discounts

available for

bulk shipping.

- Publisher's Letter** | 2
The Whole World is Buying
- Frontlines** | 4
Companies and products in the news
- Globetrotters** | 10
Newsmakers from around the world
- Legal Briefs** | 12
Product placement in China carries legal risks for marketers
- Databank** | 34
Results of the World Press Group's "Driving Brand Enhancement" study
- Around the World:** | 38
AdFest 2007 celebrates 10 years of winning work
- Travel Bag:** | 41
Stephen Dunbar-Johnson shows what he carries onto the plane
- People & Places** | 42
Big smiles at get-togethers in London, New York and Tokyo
- Career Tracks** | 45
A résumé on a map
- Hub Culture** | 48
Melbourne — a cool place with staying power. Watch out for emocks



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THE WHOLE WORLD IS BUYING



Marketing is a discipline rife with buzzwords and key phrases that become industry shorthand for complicated and ever-evolving concepts. The internationalist team has been wondering for some time if today's enormous interest in both the growing global elite and the exciting fast-growth economies will change traditional notions of "global" and "local." For instance, do the "elites" and the "emergents" actually represent a demographic divide or are they one in the same in many parts of the world?

China can be a paradoxical example: The newly wealthy in key cities are now world-savvy enough to be part of the global elite, yet experiences of brands and their heritage may mean that this group requires different messaging. Russia and India are also growing in economic wealth, but often have purchasers who buy in markets away from home. Many admit that even a market as consumer-driven and advertising-accepting as the U.S. is as different and multilayered as

any emerging market. Definitions can be confusing.

China looms large in another sense, in that the 2008 Beijing Olympic Games will further transform the country and its people, while the Games will also become China's marketing window to the world.

Interestingly, on May 8, Lord Coe, chairman of the London Organising Committee of the 2012 Olympic Games, addressed Overseas Press & Media Association members at the Lanesborough Hotel. "Ours was a bid in vision and inspiration ... and it was simply linked to the importance of sport and the legacy it offers to all young people." Sebastian Coe not only won two Olympic gold medals and broke a dozen world records as a runner, but his recent efforts have led London to claim victory in sport's biggest prize. Along with his many business, political and athletic achievements, Coe is a worldwide ambassador for Nike, and he well recognizes the powerful role marketing can play in stimulating ambition and imagination.

Whether we define demographic divides or try to bridge them, one thing is clear: When passion, such as the passion for sports, brings the world together, there are opportunities for great, responsible and inspirational marketing. Certainly, these are the times when the whole world literally is watching, and it is affected by what it sees.

Deborah Malone, *publisher*

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success (s^ək-sɛs) n.

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- ^{2.} The degree or measure of a victory.
- ^{3.} A favorable termination of a venture.
- ^{4.} An event that accomplishes its intended purpose.

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New Golf Clothing Line Gets a Liftoff

How do you explain the global launch of a new sportswear line that only promotes itself using one medium — balloons? That's right. Thousands of helium-filled balloons floating through the streets of some of the world's major cities, with clothing samples attached that passers-by are encouraged to remove and take home.

It's all a promotion for Puma's new Travel Golf collection, clothing that's so light that ... well, get it? The brainchild of agency ADK/60 Layers of Cake, the campaign kicked off on March 17 in Antwerp. More than 2,000 golf-ball-shaped balloons were suspended along Meir, the city's main shopping street. Hundreds of additional balloons were suspended at taxi stands, railroad stations and bus terminals. Branded luggage tags encouraged shoppers to take home the clothing items and visit Puma's Web site. Press (except internationalist; we must have been out golfing when the balloon with the invitation floated by our mailbox) and guests also participated in a six-hole urban golf tournament through the streets of Antwerp.

The campaign moves to London later in the spring, followed by Miami, Los Angeles, Sydney, Stockholm and Shanghai this summer. This writer, a reformed golfer living in Miami, hopes for an invitation and a plane ticket to any of the other cities.

INFO: www.puma.com

Spidey Travels 7-Eleven's Web

Spider-Man™ swung through 7-Eleven stores in eight countries during the month of April to help promote the May 4 worldwide theatrical release of *Spider-Man 3*. Branded premiums — “jump-out-at-you” 3D Slurpee® beverage cups — carried three different images from the film. More than 5,800 stores in the U.S. and Canada participated in the promotion, which also included store events, online contests, radio advertising and one-of-a-kind collectible Slurpee cups. In addition, 7-Eleven stores in Denmark, Hong Kong, southern China, Taiwan, the Philippines and Sweden promoted the movie through contest tie-ins.

“Our customers rank movies and sports as their top entertainment choices, but beyond that, Spider-Man is a great fit for core customers of our iconic Slurpee brand, whose ages are between 12 and 28,” says Rita Bargerhuff, 7-Eleven senior marketing director. “What is even more exciting is that the 7-Eleven promotion is going around the world — the first time we've ever done anything like this internationally.”



INFO: www.slurpee.com

Eurosport and Yahoo! Team Up

Yahoo! and Eurosport are joining forces to create what they say will be Europe's leading online sports news and community sport site, offering a continent-wide reach to advertisers. Sports fans will be able to share opinions and find sports news and information in a 24/7 environment.

“This is a collaboration that most sports fans have been dreaming about,” says Dominique Vidal, regional vice president, Europe for Sunnyvale, California-based Yahoo! “Together we're able to satisfy their passions for sport by building user communities of interest unrivaled professional center

“The more consumers we draw into our virtual stadium, the more advertisers will follow,” a spokesperson Paris-based Eurosport tells internationalist. “This new co-branded site will enable brand owners to delivery highly targeted marketing messages to large and highly engaged audiences across Europe.” The spokesperson notes that the new site will replace existing Yahoo! and Eurosport sites. The initial rollout will offer service in Germany, Italy and the U.K., with Spain next as the site expands.



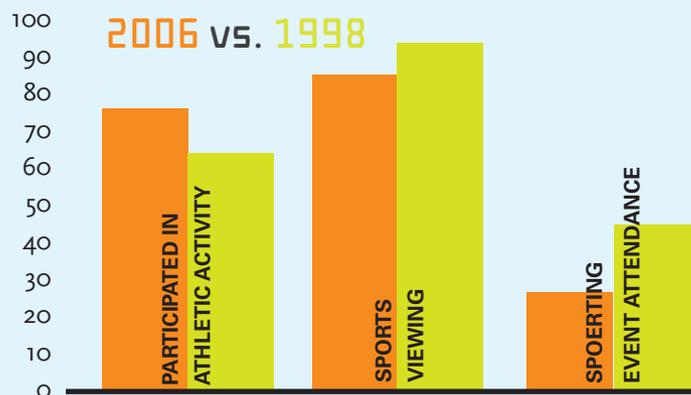
INFO: www.eurosport.com or www.yahoo.com

BY ROBERT S. BENCHLEY

Japanese Adopt the Sporting Life

When it comes to sports lifestyles, the Japanese are becoming less a nation of watchers or goers and more a nation of players. That's the top-line conclusion from the latest Hakuhodo Foresight Lifestyle Innovation Survey. According to the findings, nearly 77 percent of respondents participated in some type of sport or athletic activity in 2006. That's up 10 percent from 1998. By contrast, sports viewing in the same period dropped approximately 6 percent, to just below 89 percent, and attendance at sports events dropped more dramatically, nearly 15 percent, to just over 26 percent.

Are the Japanese becoming less passive and more active? Yusuke Kakei, Hakuhodo Foresight's research director, cautions that the three trends are happening for different reasons. "The reason for the drop in watching and going is entertainment diversification," he tells *inter national ist*. The consumer's ability to access a rich array of other media content by computer has had an impact, as has the vitality of the Japanese film industry. And, Kakei notes, the increase in health clubs, yoga studios, jogging paths and other facilities means urbanites especially can now enjoy physical activities on their own.



Kakei also believes that these trends will affect advertising strategies. Much of this, he reports, is due to increased public interest in minor sports that do not yet have strong associations with particular companies. A higher level of participation is more the norm in other countries, he adds. Japanese city dwellers are now starting to catch up with their counterparts in Europe and the U.S., and therein lies the opportunity for marketers.

INFO: www.hakuhodo.co.jp

How the Phone Line Can Help the Bottom Line

Most of us believe that a special place in Hell should be reserved for telemarketers who call us at home trying to sell us stuff we don't want. We generally speak more kindly of people conducting telephone surveys. After all, it's always flattering to be asked our opinion. Some new research, however, reveals that telephone surveys get us to do more than offer opinions; they cause us to buy more from whatever company was sponsoring the research.

Studies by Paul Dholakia, associate professor of management at Rice University in Houston, show that participating in one 15-minute telephone survey can significantly affect subsequent customer behavior for more than a year. Dholakia reports that surveys actually influence customer opinions and behaviors in ways that affect a company's bottom line. He has found that \$15 spent on market research can deliver a \$50 return. So much for research being nothing but expense.

Dholakia's research was conducted in the U.S. with customers of a national automotive service company, but he says the results hold up elsewhere. "My colleague Rene Algesheimer and I have done studies in German-speaking Europe (Germany, Austria and Switzerland) with eBay customers which show consistent results. Some of the effects were even stronger than in the U.S.," he tells *inter national ist*. Studies of online grocery shoppers in France yielded similar findings. "I think that this is a very robust, cross-cultural effect, triggered by the fact that many customers view well-conducted, firm-sponsored surveys as indicative of the firm's overall quality, and as a specific indicator that the firm is responsive and cares about them." INFO: dholaikia@rice.edu

Joost a Hit with Advertisers

Joost™, the world's first broadcast-quality Internet television service, appears to be a hit before it even airs — at least with advertisers. No fewer than 32 major brands from around the world have signed on as advertising launch

Global partners include Coca-Cola, HP, Intel and Nike. U.S. partners include Kraft, Microsoft, Procter & Gamble, Sony, Taco Bell, United Airlines and Wrigley. European partners include General Motors, IBM, L'Oréal, Nokia, Unilever, Virgin, Vodafone and Warner Bros. Joost has been working with nearly two dozen media and branding agencies to develop campaigns for their clients. In addition, it has signed a one-year strategic partnership with Interpublic Group's Emerging Media

"The industry response to Joost has been overwhelming, as is evidenced by the caliber of our launch partners," says Nick Loria, senior vice president of global advertising. "Online video distribution is becoming an increasingly competitive medium for advertisers, and Joost delivers a distinct environment — the ability to micro-target audiences with new and unique ads during professionally produced programming."

"Joost has attracted partners from every major brand category because we offer an advertising platform that is similar to TV with high-quality programming," adds David Clark, executive vice president of global advertising, "and we're providing unparalleled user statistics and insights, as well as an unmatched level of interactivity, targetability and measurability."

INFO: www.joost.com

New Irish Ad Code a Winner

The Advertising Standards Authority for Ireland (ASAI), the country's advertising self-regulatory organization, has received the Best Practice Award from the European Advertising Standards Alliance. The prize was presented to ASAI for its comprehensive revision of the Irish code of advertising practice in 2006, a project that involved extensive consultation with industry, regulators, NGOs and the general public.

"We appreciate the recognition of the review structure that we put in place for the development of the 6th Edition of the Code," says Orla Twomey, ASAI's assistant chief executive. "While ASAI have always consulted with government and other bodies, including NGOs, we feel that the process was enhanced by the public consultation and more extensive research carried out on this occasion."

The Spanish self-regulatory organization, Autocontrol, won the silver award for its multimedia awareness campaign. Special jury mentions were given to Hungary (for outstanding achievement over the past year — an awareness campaign, an online complaints form, industry training and code consultation) and Italy (for a creative exhibition of jury decisions over the past 40 years).



INFO: www.easa-alliance.org

Dow Jones Acquires eFinancialNews

In a move to boost its European presence, Dow Jones will buy eFinancialNews Holdings, a private U.K. company, for about £26.1 million. Based in London, eFinancialNews is a diversified media company serving the financial services industry. Flagship operations include the weekly *Financial News* publication and the eFinancialNews.com Web site. The company also publishes *Private Equity*, a weekly focused on the European private equity sector.



"Our strategy is to deliver high-quality news, information and business services to people around the world, serving local markets as well as global and regional markets," says L. Gordon Crovitz, president of the Dow Jones Consumer Media Group and publisher of *The Wall Street Journal*. "eFinancialNews is already a premier multimedia brand

focused on the U.K. financial services industry. We'll be able to enhance its offerings through *The Wall Street Journal Europe* and other Dow Jones operations in Europe. And Dow Jones products will benefit in turn from the scale and expertise of eFinancialNews in the \$10 billion U.K. print and online advertising market."

INFO: www.dowjones.com

Bud Doubles Chinese Distribution

"When you say Bud, you've said it all." Budweiser isn't using that tag line anymore, but in China they'll soon be able to say it in several dialects in 100 more cities anyway. Anheuser-Busch, Budweiser's parent company, announced that it will build a new brewery in Foshan, making the brew available to potentially 150 million new beer drinkers. The company also will introduce Harbin premium brands to 33 new markets in 2007.

"As the largest-volume and fastest-growing beer market in the world, China remains one of our most important international priorities," says Anheuser-Busch CEO August A. Busch IV. He stresses the "tremendous long-term potential" of super-premium beer categories that include brands like Budweiser and Harbin, and are growing faster than the rest of the industry.

INFO: www.anheuser-busch.com



Who's the Sponsor? Are You Sure?

Global marketers are spending huge sums to sponsor the 2008 Olympic Games in Beijing. Let's hope the public has a better understanding of who the sponsors are when the Games are over than they do now.

MindShare Asia Pacific surveyed consumers, age 15 to 35, across six Asia Pacific markets to test their knowledge of Olympic sponsorship. Based on the 1,512 responses the agency received, the sponsors have their work cut out for them. In China, for example, 85 percent correctly stated that Coca-Cola is the official sponsor — but 67 percent also mentioned arch-rival Pepsi. Fast food is even more problematic. McDonald's, the official sponsor, was identified by only 40 percent of Chinese respondents, while KFC was mentioned by 29 percent.

The worst case is the sportswear category. Nike was identified as the official sponsor in China, Singapore, Australia, Malaysia and Taiwan. That's great for Nike. Trouble is, the official sponsor is Adidas.

INFO: www.mindshareworld.com



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Source: American Express Magazine Reader Survey Europe, Asia & Pacific, 2005



For more information please contact:

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www.journal-international.com



Magazines for Platinum Card and Centurion Members from American Express

The Ultimate Captive Audience

Marketers seeking to influence airborne business travelers can now take advantage of what may be the last advertising frontier on the plane — the tray table. Brand Connections' Sky Media began testing the concept regionally with America West in late 2005, then launched a national rollout in US Airways' coach sections last fall. The program moved into US Airways' first class cabins in February. Research shows 93 percent passenger recall.

Although the advertisers include global powerhouses — Verizon, Sony (*photo*), Microsoft, Mercedes-Benz and Panasonic among them — Sky Media is still restricted to U.S. domestic flights. That's about to change, reports Brand Connections CEO Brian Martin. "We're now speaking with several additional airlines," he tells *inter national ist*, "all of them global."

The numbers are impressive. Sky Media is already reaching 70 million travelers — 50,000 a month in first class alone — for an average of 2.5 hours. Most don't have much to do other than sleep, read or ... take out their laptop and put down the tray table. That moment, says Martin, is what advertisers are buying.

INFO: www.brandconnections.com



Driving Global Goodwill

Lots of companies have caught the "doing well by doing good" fever because they have learned that philanthropic activities can ultimately improve their bottom line. Now Nissan is trying a different route, moving to develop its own global corporate citizenship programs and promote them through its brand marketing efforts. One outgrowth is expected to be global advertising with a corporate social responsibility theme.

In its charitable efforts, Nissan is now going to behave less like a bank and more like an automotive company. This means that instead of writing checks, Nissan will create, or participate in, goodwill programs that somehow involve its vehicles. The focus areas will be education, environment and humanitarian activities.

One current example of the company's on-the-scene efforts is a tsunami-relief program involving Nissan vehicles that have been converted to mobile libraries for children (*photo*). Nissan also has donated special-purpose vehicles to UNICEF, Habitat for Humanity and the World Wildlife Fund.

INFO: www.nissan-global.com



World business.
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We live in **FINANCIAL TIMES**

Fantasy Island

It is often said how travel and technology have made the world smaller. Now along comes the *Financial Times* to tell us, and show us, that today the business world is really just one place. And that's the point of the publication's new branding campaign — the whole world of business in one newspaper.

The campaign — "We Live in *Financial Times*" — has creative executions representing three key business themes: globalization, entrepreneurship, and mergers and acquisitions. Globalization (*photo*) is depicted by all the famous business buildings in the world clustered on a single island. The occasion for the campaign, created by DDB London, is the "refresh" (redesign) of the newspaper.

"Our new brand advertising is a move away from the *Financial Times*' traditional approach," says Frances Brindle, global marketing director. "We wanted to create a campaign that would not only promote the excellence of our global business coverage, but also capture the excitement and energy of modern business."

The campaign — a mix of outdoor, posters, online, point-of-sale and direct marketing — will run initially in London and the South East. It will be rolled out globally later this year. BJK&E handled the outdoor media buy. INFO: www.ft.com

Do you belong in Frontlines? If your company has news, e-mail it to bob.benchley@internationalistmagazine.com

Power Breakfast, Japanese Style

The Asahi Shimbun newspaper — Japan's influential day-starter



Best coverage of corporate executives in Japan



Data source: "Comprehensive National Newspaper Survey (J-READ), October 2005," Video Research Ltd. (3,307 respondents)

Best newspaper brand in Japan



Data source: "Newspaper Readers Basic Survey 2005" conducted by Central Research Services, Inc. (4,938 respondents)

Better cost performance (CPT)



Data source: Circulation: "ABC Report of Jan.-Jun. 2005" * Full page, morning edition, B&W published rate as of April 2005 (US\$1.00=JP¥117)

One of the world's most respected newspapers

1	Financial Times (U.K.)	19.4%
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3	Frankfurter Allgemeine Zeitung (Germany)	16.2%
4	Le Monde (France)	12.5%
5	Neue Zürcher Zeitung (Switzerland)	12.1%
6	The New York Times (U.S.A.)	8.1%
7	International Herald Tribune (France)	5.2%
8	The Asahi Shimbun (Japan)	2.6%
9	El Pais (Spain)	1.9%
10	Corriere della Sera (Italy)	1.3%

Data source: "2005 World's Best Newspaper Survey" conducted by International Medienhilfe (1,000 respondents: executives, politicians, university lecturers, journalists and advertising professionals in 50 countries)

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GLOBETROTTERS

from the blackberry of deborah malone



This new GLOBETROTTERS column is designed to keep the international community connected. Not only will it spotlight who is where in the world now, it will also describe the adventures we all experience by living a life of constant worldwide travel. If you've ever been hijacked, stuck in a revolution or committed an unforgettable cultural faux pas, everyone in our community will be curious to hear about it. Please do tell us, and don't forget the photos!

TO SUBMIT TO GLOBETROTTERS, EMAIL: deborah.malone@internationalistmagazine.com

MOVERS AND SHAKERS

► **Have you ever wondered where you might find a baboon for your next conference?** I don't have an immediate suggestion (although I can think of many people willing to dress in monkey suits). However, **Victoria Hoffman** actually does know how to navigate her way around baboon guest appearances, as well as how to negotiate a last-minute Learjet or deliver a celebrity who can provide some fancy footwork from *Dancing with the Stars*.

After 16 years in international media sales with companies like Sony Pictures Television, she has launched **Concierge Specialties by Victoria** to help companies produce special events and solve often-peculiar corporate entertainment problems in New York, London, Miami, and Central and South America. One of her recent projects included arranging a private dinner at the Museo Nacional de Costa Rica among treasured pre-Colombian artifacts, followed by an eco-tour of the rain forest. Given her rare skills and connections, perhaps she can also solve global warming.

CONTACT: victorialh@earthlink.net

► **Sarah du Heaume** understands global media. Even from her London vantage point, she recognizes how Asian markets today are "of massive importance." Sarah is also putting her money where her mouth is ... or perhaps putting her mouth where the media money is moving. She has been learning Mandarin since October. We're counting on fluency in time for the opening ceremonies of the 2008 Olympic Games in Beijing!

CONTACT IN ENGLISH OR MANDARIN:

SarahduHeaume@justmedia.co.uk

► **Frank Cutitta** has moved back with his parents —

or at least back with his parent company, IDG. Frank served as IDG's international president from the early 1990s until 2004, when he accepted the role as CEO of the IAA Worldwide. (He left the IAA to create The Center for Global Branding 18 months ago.) Frank was lured back to IDG to run a lead-generation division he designed before leaving for the IAA role. Frank has proved either: 1.) Yes, you can go home again, or 2.) Leaving a legacy does have its rewards — *particularly when you create a complex new division that no one else can run.* CONTACT AT HIS OLD AND NEW EMAIL: frank_cutitta@idg.com

► **Marcelo Salup** has changed jobs (since his article appeared in the last edition of *internationalist*). He has left GrupoUno to join Universal McCann as managing director for Miami, Central America and the Caribbean. He will also be running the regional MasterCard and GM accounts. He is delighted, or to capture Marcelo's exact tone, "It feels good to return to media, what can I tell you?"

CONTACT: marcelo.salup@universalmccann.com

► Not only did **Tim McCann** start a new job recently at ESPN International, but he also traveled to Cairo for the first time so his family could visit friends who had moved there. Despite braving a sandstorm at Giza, apparently a common April event in Egypt, he learned something about himself. "Without learning to break through cultural barriers to do business in an international profession, I wouldn't have had the wherewithal to bring my family on so long a journey to such a strange and wonderful land. Sandstorm or not, it was worth it!"

CONTACT: timothy.mccann@espn.com

► **Gretchen Parks** of Citibank has just moved

back to New York after nearly two years of working for the financial giant in London. She is now heading up marketing and communications for Citibank's Global Trust division. Not only does she return to the U.S. for a new job, but also for a new husband. Gretchen married her native New Yorker beau in April.

CONTACT: gretchen.parks@citi.com

NEW POSITIONS

► **Dick Soule** is leaving his role as president of Petry International to become the international head of advertising at YouTube, which is now poised to create local ad opportunities in key markets of the world. Based in New York, Dick will be sharing best practices and coordinating global deals with Google teams in Europe, Latin America and Asia. His official title is team manager, global accounts. (No email yet, as he starts later in May.)

► **Jeff Stevens**, after just 60 days with Petry International, will fill Dick's shoes as managing director of this new division. His clients include Eurosport, FUNimation, The Asian Media Group, and Finish Line Media.

CONTACT: jeff.stevens@petrymedia.com

► **Naomi Bradford**, who many knew from her former New York role at BBC World, has just been named vice president of business development at Enversa, and has entered the brave new world of online media bidding. Enversa is a web-based, live auction service that facilitates media buying and selling negotiations. Naomi will run Enversa's sales efforts to encourage advertisers and ad agencies to take on the system.

CONTACT: naomi.bradford@enversa.com

WHERE IN THE WORLD?

► **Ryoichi “Niki” Sato** has been an important member of the Japari’s *Asahi Shimbun* operation for 37 years. His many roles at the newspaper have ranged from director of international advertising to managing director of international affairs. Sato-san takes on a new role this month as president of Overseas Courier Service, which was established in 1957 by the Asahi and the Nikkei. **CONTACT: sato-r@asahi.com**

► **Gerd Bielenberg**, who many have known for the past 10 years as founder of the Germany-based GWP international media service, is looking eastward. He takes on the new role of developing Handelsblatt’s network of publishing companies in Eastern Europe, known as the Investment Division. Gerd will develop and share best practices with these local publishers on all commercial issues. **CONTACT: g.bielenberg@vhb.de**

His old role at GWP’s international media representation division will be filled by **Gerrit Rabenstein**. The group handles such key international titles as the *Times of London*, France’s *La Tribune*, Italy’s *La Repubblica*, Spain’s *El Mundo* and *Expansion*, along with numerous other business publications and inflights. **CONTACT: g.rabenstein@vhb.de**

► **Mateja Simic** has just accepted a new position at the IAA World Service Center in New York as manager of marketing and communications. A native of Dubrovnik, she left her marketing job at Barclays Wealth in London behind for the lure of the Big Apple and a husband who has also relocated to the city. She has enjoyed life on the Adriatic, the Thames and now the Hudson. **CONTACT: mateja.simic@iaaglobal.org**

Silas loves NYLON

Not the synthetic fiber or *fibrel*! But his new NY-LONdon lifestyle! Now that Silas Lewis-Meilus has relocated to London from New York for Mindshare and his American Express client, I asked him to compare working and living on either side of the Pond.



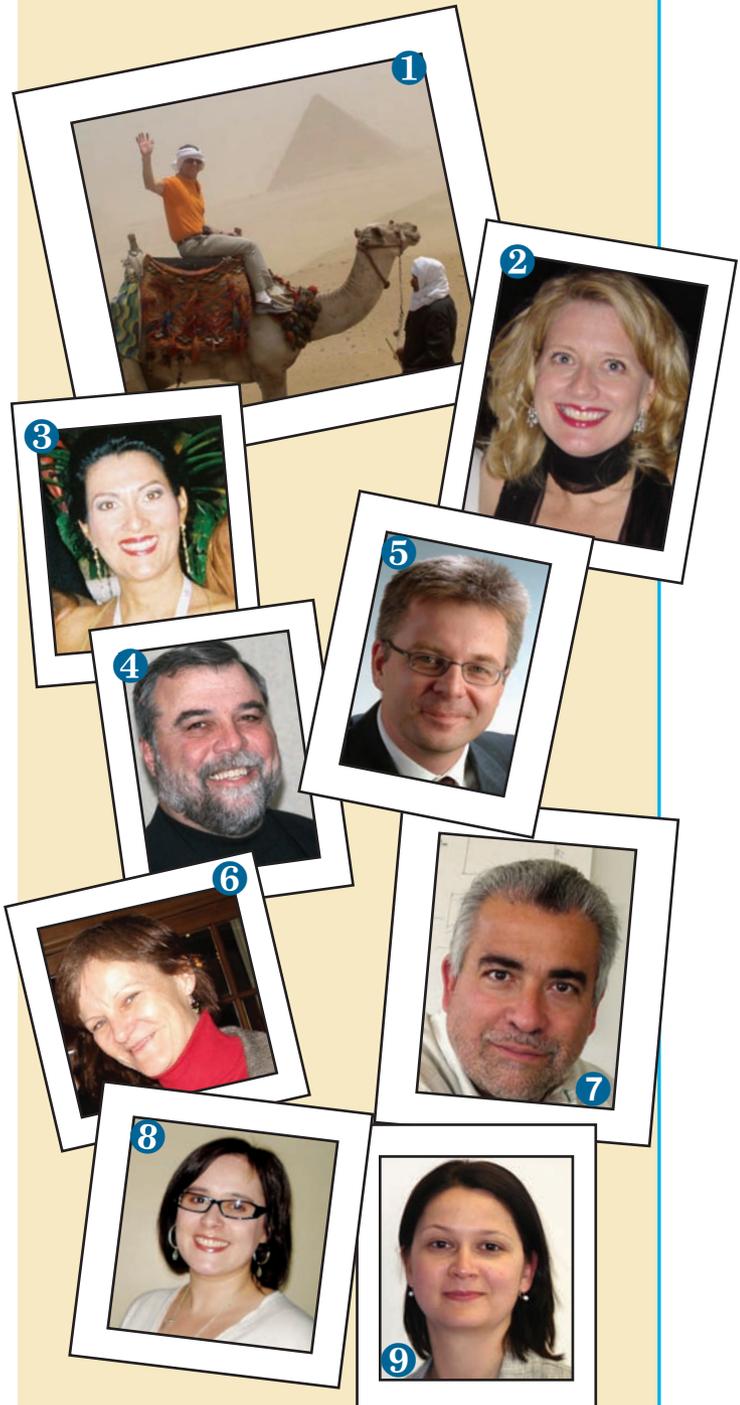
What are the biggest work differences you notice between London & New York? New York is a global business center, and London is global ad agency center. Interestingly, this is noticeable in work structure and outlook. In New York, an international media group is often scattered throughout the building and in private offices. Teamwork takes planning. London offices are constructed on an open-plan model which does breed a lot more dialogue, cooperation and general camaraderie.

What’s the biggest mistake you’ve made so far? I keep forgetting that I am in an open office, and sometimes lean back in my chair — only to hit the person sitting behind me. I have also made a few slip-ups with ... shall we say ... “loud, spontaneous language” which does get overheard on neighboring phone conversations — hopefully not with clients.

What do you miss the most about New York? I do miss hearing the true New York accent and also the geographic simplicity of the city. London’s sprawling distances are challenging. In the time it takes to go from Canary Wharf to Chiswick, you could be in Paris. People also tell me that I live in Central London, but Islington feels like a commute to Hoboken.

What’s the biggest surprise about London? Farmers markets! They are everywhere, and there is clearly an Old World culture of daily food shopping. I’m not sure yet if this beats the New York sidewalk hotdog vendor, though ...

CONTACT IN BRITISH OR AMERICAN ENGLISH: silas.lewis-meilus@mindshareworld.com



ANSWERS

- 1 Tim McCann battles a sandstorm at GIZA.
- 2 Gretchen Parks of Citibank returns to NEW YORK.
- 3 Victoria Hoffman’s new company is based in MIAMI.
- 4 Frank Cutitta goes back to BOSTON for IDG.
- 5 Gerd Bielenberg looks toward EASTERN EUROPE.
- 6 Sarah du Heaume thinks CHINA.
- 7 Marcelo Salup accepts a new MIAMI role.
- 8 Naomi Bradford becomes vice president at Enversa NEW YORK.
- 9 Mateja Simic joins the IAA in NEW YORK via LONDON and DUBROVNIK.

product placement in china

Marketing is way ahead of the law, and advertisers are at financial risk for consumer complaints

Have you ever watched *The African Queen*, in which Gordon's gin paid Katharine Hepburn to toss their product overboard? That movie (*photo*) is generally regarded as the beginning of product placement, and since then there have been countless placements in thousands of movies and television shows. Smart producers of different products, and their marketing agents, wish their products to be shown in a movie or television show, even though it is embedded in some way. When done appropriately, product placement can be more impressive and effective than traditional advertising.

Product placement is a form of advertising, whereby branded goods or services are placed in plays, films, television shows, video games, books or other media. Product placement occurs with the inclusion of a brand's logo, or a favorable mention or appearance of a product. This is done as a natural part of the work without disclosure at the time that the goods or services are featured.

New Marketing Tool

Product placement is a relatively new marketing tool in China, compared to other countries. As a result, China does not have any clear laws and regulations to deal specifically with this issue. However, since product placement is a form of advertisement, it should be considered to be regulated under existing advertising law.

It was not until October 27, 1994 that

the National People's Congress of PRC promulgated the first rule that dealt specifically with advertising operations — the Advertising Law of PRC (the "Ads Law"). The Ads Law was very general in nature, defining "advertisement" as follows:

"The term 'advertisement' used in this law refers to commercial ads that publicize, directly or indirectly and through certain media or forms, some kind of commodities or services at the expense of the suppliers of the commodities or services."

Clearly Recognizable

According to the Ads Law, an advertisement should be able to be clearly recognizable. Whenever an advertisement is published in mass media, a clear indication should be shown to distinguish it from non-advertising information so to not mislead consumers.

As a form of advertisement, product placement should comply with the Ads Law as well. However, it is obvious that, as critics have said, product placement cannot satisfy "the clearly recognizable characteristic" formulated in the Ads Law. When showing a brand name product in a feature film, television program, or other medium, consumers do not typically perceive such viewing methods to be an advertising medium. As a result, it is difficult or even impossible for consumers to distinguish advertising from non-advertising information.

False Advertising

Misleading or deceiving consumers falls under provisions of the Ads Law dealing with false advertising. Advertisers found responsible for false advertising are subject to civil penalties, and advertising agencies and publishers bear joint and several liability. There is financial risk for marketers, too. According to the Law of the PRC on the Protection of the Rights and Interests of Consumers ("the Consumers Law"), a consumer who believes he or she has been harmed by false advertising may demand compensation.

The central problem remains that product placement, by its nature, involves "a concealed (undisclosed) character." China's existing advertising laws and regulatory pronouncements are too general in nature to satisfy the rapid development and use of product placement marketing. Until the governing regulatory authorities issue detailed policy statements the only certainty will be uncertainty.

Lily Han is an associate and **Richard Wageman** a partner at Lehman, Lee & Xu, a law firm in Beijing that is a member of the Global Advertising Lawyers Alliance (GALA). They can be reached at lhhan@lehmanlaw.com or rwageman@lehmanlaw.com. This column was adapted from a lengthier article by the authors. GALA is headquartered in New York City. Information and contacts are available through its Web site: www.gala-marketlaw.com.



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EuroNews



global elites & emerging markets



today's marketing balancing act

The nature of global marketing is changing dramatically as the world embraces both a broader middle class with steadily increasing purchasing power and the exhilaration of fast-growth economies. In fact, the traditional push and pull between global and local strategies may now be shifting to an entirely different type of balance. Many marketers today are trying to figure out how to target both the "Global Elite," the increasingly well-informed and affluent ranks of the world, and the important new businesses and consumers in emerging markets like China, India, Russia, South Africa, Brazil *and* much of the Arab world.

internationalist asked advertisers and agency executives in categories from luxury goods to business services how

they are bridging the needs of two audiences. For some, there is no divide at all. Others surprised us by admitting that the U.S. market and its varied demographics are just as tricky to navigate as China. Some see the new balancing act as generational, which often means reinterpreting traditional brands for new buyers. In a number of cases, marketing success is related to brand heritage and exposure. Yet, to others, success means experiencing the brand attributes directly. Many see the media as a crucial component to the authenticity of the message, particularly in the luxury category.

Let us know how this new balancing act affects you.

CONTACT: bob.benchley@internationalistmagazine.com

BY DEBORAH MALONE & ROBERT S. BENCHLEY



Chris Harris
Global Marketing Director
Vertu

VERTU



Many doubted that a Finnish company like Nokia, whose very tagline of "Connecting People" suggests availability to all, could develop a luxury line. Not only were they creating a new luxury tier to their business, but Nokia was actually creating a luxury brand in a new category. A \$5,000 mobile phone is not quite the same as a watch, a car or a handcrafted leather handbag — or is it? In September 2002, the first Vertu product was sold. After a couple of years of "finding our feet," according to Global Marketing Director Chris Harris, 2006 was a stellar year, and 2007 promises to be even better. "Vertu is a big breakthrough for Nokia," Harris tells internationalist. "We have tapped into a demand for a mobile phone as a status item."

a cell phone that "blings"

A newcomer to luxury branding is calling the global elite

What the Global Elite Seek

The world's wealthiest want to make a statement. These individuals go to great lengths to differentiate themselves by purchasing luxury cars, clothing, watches, leather goods and writing instruments. Why wouldn't they want to have an elegant mobile phone? "Our consumer demands the same product the world over," says Harris. "There would be a great danger in creating a local identity for Vertu. Our purchaser needs to believe that the same brand is found in New York, London or Dubai, as well as in his hometown in China. This is not an FMCG [Fast-Moving Consumer Goods] product."

Vertu's consumers throughout the world are often entrepreneurial, competitive and use luxury goods to reward themselves and announce their success to others, explains Harris. Whether they reside in the U.K. or China, the only difference among Vertu purchasers may be their volume control preference, as some cultures gravitate toward greater loudness ranges more than others. The pricier, more distinctive or individualistic pieces are purchased in greater quantities in the Far East or Middle East than in a much more understated market like Europe, yet Vertu has the same advertising voice wherever you go. "We tend to promote globally a more 'mid-range' model that is instantly recognized as a signal of success," says Harris. "Although we do not advertise the high-ticket, diamond-encrusted editions, there is no doubt that the Vertu brand mark is recognized by one's peers in the business fast lane."

The Asian Media Mix

China is an interesting market for a new luxury product like Vertu, as it provides a population without decades, or even generations, of brand associations. "All upscale brands there are operating on the same level playing field," says Harris, "which

means that imagination and local insights make the biggest differences to product sales." Vertu's media choices there predominantly remain press, although outdoor in both China and other parts of Asia is becoming more of a mainstream necessity for luxury brands.

In fact, Asian media choices differ further, as luxury goods are also turning to television, a medium rarely used for luxury ads in Western Europe. Vertu's thinking is that TV advertising in Asia allows upscale products to be viewed by a wider universe of people who may not be familiar with the brand name or attributes. The success of any luxe brand often stems from broad and immediate identification. Although the ads may be reaching many who will not be purchasers, they are still creating desire and encouraging recognition of the brand's status.

As a result, Vertu, along with Chanel, Cartier, Swarovski and Dunhill, combined resources to create an elegantly produced, sponsored TV program series called *Luxury Unveiled*. Not only is it being aired for free in all of the major cities in China, as these markets seek programs with high production values, but it is also part of the inflight programming on Dragonair and other domestic Chinese carriers. This initial 45-minute segment is also now running in other new markets within in Eastern Europe and Russia. The underwriting sponsors are pleased with the results, and the program has also provided strong video applications for in-store promotion and for their Web sites.

Traditional Luxury Markets Offer Challenges

Japan and the U.S. are traditionally big luxury markets. Both, however, pose challenges to Vertu, largely due to telecommunications rules and operating systems. "Vertu cannot operate in Japan until next year," says Harris, "but we are anticipating strong results, given

the Japanese preference for luxury brands. In the U.S., big phone service companies like Verizon and Sprint do not offer GSM compatibility, so Vertu is at a disadvantage. In addition, the U.S. cellular phone market developed in such a way that most consumers will name their network — Cingular, T-Mobile or Verizon — when asked which brand of phone they use. Unlike Europeans or Asians, who will immediately name Nokia or Motorola or LG as their mobile phone brands, Americans are not yet as brand conscious and still link their phone network with the phone itself.

The U.S. Dual-Target Dilemma

The U.S. poses another interesting marketing dilemma for Vertu, as the country offers two distinct target groups of “aspirers” that are not at all compatible. One is the older, successful individual and traditionalist at the top of his craft — a well-known surgeon, a captain of industry, a sought-after legal partner. The other is younger, often newly rich and part of the Cristal-drinking, bling-wearing, rap-enthusiast set. Certainly, the attraction of “celebrity” or the notion of a Hollywood lifestyle is stronger in the U.S. than in any other market, and it works well with this younger segment. Vertu, however, cannot target both groups with the same communications.

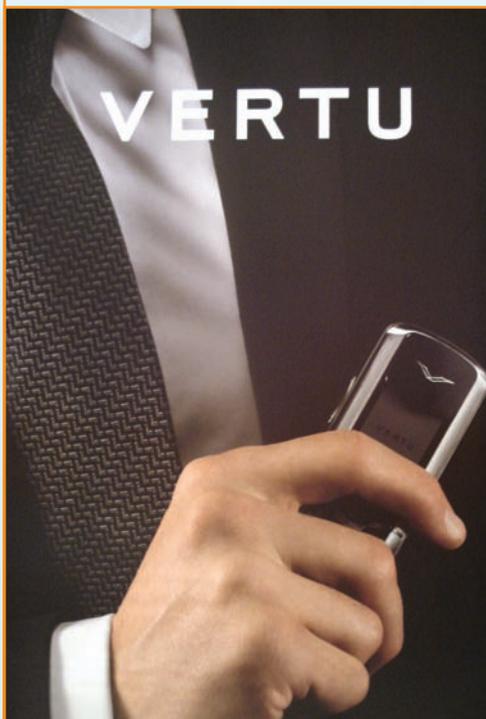
Other World Markets

In Europe, there is a core luxury consumer for Vertu. In the U.K., he or she is now found less often in suburban London than in other British cities like Manchester and Newcastle, where younger, more entrepreneurial customers flock. The same is true for a country like Italy, where Parma, rather than Florence, is a fast-growth center with a need for the wealthy to make a statement about their mobile phone.

The tourist market is massive, notes Harris. Many of the newly wealthy from Russia or the Middle East will buy when traveling to key global cities. Indians also make purchases when visiting other

parts of the world. India is a very important market, but it offers high import tariffs and a lack of retail infrastructure, so buying locally is almost impossible. The biggest difference between India and China as expansive markets for a luxury brand is development (or lack thereof) of retail outlets.

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global brands must adapt to grow



Fred Langhammer,
chairman of global affairs

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and former CEO of Estée Lauder,

recently shared his views on how key global issues are affecting all multinational corporations at an ABFE (American Business Forum on Europe) meeting in New York. One of the many questions asked of Langhammer was, “How much local is there actually left in the world?” If remote Chinese cities near the border of Tibet, are suddenly embracing the same global lifestyle trends as Paris or Singapore, what role does local relevance actually play in marketing and business success?

According to Langhammer, multinationals, particularly fashion and beauty marketers, “must adjust to the demand, behavior and experience of the market.” For example, beauty products is a \$10 billion business in the U.S. The breakout in category market share is 50 percent fragrance, 20 percent skincare and 30 percent makeup. In Japan, the ratios are very different, with just 4 percent fragrance, a huge 70 percent skincare and 26 percent makeup. In addition, very white or bleached skin is much sought-after in Japan and many of the regions of Asia, while tanned skin in the U.S. is associated with healthy beauty. Marketing emphases must vary.

Cosmetics represent the first consumer entry into the luxury goods market, and such purchases are often an early indicator of positive feelings toward prosperity in the developing world. One can still enter the world of Chanel by purchasing a \$20 lipstick.

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Diego Scotti
Vice President –
Head of Global Advertising
American Express

Diego Scotti, originally from Argentina, has experienced first-hand the ups and downs of a market often seesawing between definitions of elite and emerging. His first role at American Express, more than a dozen years ago, included both marketing and business development in his native country. After spearheading the launches of Platinum and Blue in Latin America and the Caribbean, he is well prepared for an expansive global role that moves American Express toward creating a more active membership model around the world.

connecting where it counts

Marketing messages often resonate best through highly localized events

Shifting to a New Marketing Balance

American Express is experiencing a major shift in the way it presents itself to the world. “We are finding a necessary duality in our marketing thinking,” says Scotti. “We acknowledge the tremendous importance of a growing global elite, yet we must balance this against the potential for attracting new card members in the emerging, or fast-growth, world.”

The company’s card members are globally linked, as they have similar needs and exhibit similar behaviors in every market, but it is how they *connect* to the American Express brand that differs. “Increasingly,” Scotti explains, “we are recognizing that specific benefits resonate best with a highly localized association; the most personal, and therefore most important, connection is often associated directly with where people live.”

A City-by-City Focus

In the U.S., for example, American Express is a strong, leader brand. It can take risks with fun, sweeping personality campaigns featuring stars like Ellen DeGeneres and Robert DeNiro. Yet in those markets where it is more of a challenger brand, the company’s best success is often at the grass-roots level. In fact, says Scotti, American Express now thinks city by city, not country by country or market by market.

“In Milan, we hold events at art galleries or exclusive boutiques just for American Express card members and their guests,” he says. “Our customers need to experience the exclusivity of the brand, but our emphasis differs by location.” For an Italian city like Milan, Scotti explains, access to events and the accompanying social experience resonates with success. In Mexico City, the emphasis is on service, because the way

card members are treated provides American Express and its customers there with an important distinction that drives success. “That’s not to say that access doesn’t matter to Mexicans, or that Italians don’t want service,” he says, “but the various brand attributes get emphasized differently to match subtle market requirements.”

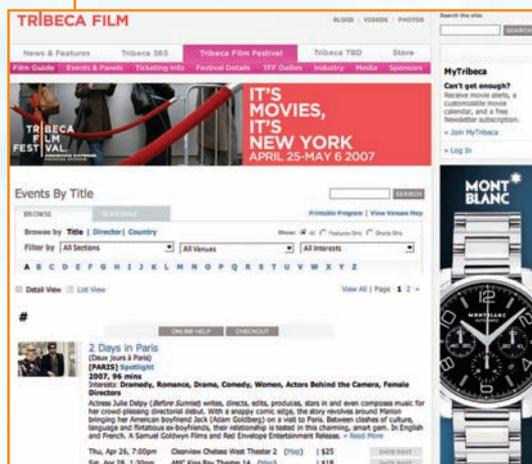
In a market new to credit like China, traditional ways of reaching audiences with mass ad campaigns like American Express’s “personalities” series just doesn’t work. American Express still has a small market share there, so the company recognizes that it is not yet able to build local relevance from mass equity. With the great inundation of Western brands — and Western words — in so a short time, the average Chinese consumer still has some difficulty differentiating between *American Express* and *Federal Express*.

Making a Measurable Difference

Scotti sees the potential for fastest growth in many of the high-volume markets like Japan, Australia, Italy and Mexico, but newer markets like India, Argentina and Brazil are also significant. “It is important to focus your marketing so that you can make a measurable difference,” he says. “This requires both prioritization and sacrifice. All global marketing executives face the danger of spreading resources so thin on a worldwide basis that the efforts do not make a difference anywhere.

“We now recognize that we are less of a financial services company than we are a lifestyle services company. The community of our card members is a tremendous asset to the brand and to the customers themselves. As we move forward we must insure that the American Express notion of membership is real and not just a promise.”

CONTACT: diego.a.scotti@aexp.com





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Malcom Hanlon
CEO
Zenith Media China



Malcolm Hanlon transferred to Shanghai to run Zenith Media China nearly six months ago, and he continues to find the energy of the Chinese people infectious. "Everyone is optimistic about the future and wants to move forward at lightning speed," he tells inter national ist. Hanlon is still amazed by how hard people work, the level of productivity and how key infrastructure elements like transportation constantly run at capacity. One example: "Every flight I have ever taken in China has been full — all the time!"

china in the spotlight

The Beijing Olympics and the Shanghai World Expo will show off a country scrambling to build a massive consumer society

China on the World Stage

Personal ambition is very closely tied to the excitement of two fast-approaching events that will showcase China to the world — the 2008 Olympic Games in Beijing and World Expo 2010 in Shanghai, slated to be one of the most important World's Fairs since the construction of the Crystal Palace in London, the erection of the Eiffel Tower in Paris and subsequent exhibitions in Chicago, New York and Montreal, all paying tribute to progress. Today World's Fairs, or World Expositions as they are now called, rank third among the most significant global economic events after the World Cup and the Olympic Games. The Shanghai World Expo's theme is "Better City – Better Life."

"China is striving to make these massive events among the best ever produced," says Hanlon. Both cities are transforming their skylines and neighborhoods in anticipation of the events, he reports. Some of the world's top architects are overseeing new buildings and other development projects, and Chinese companies are preparing to have the eyes of the world on them. The Chinese National Television Network, CCTV, is spending US\$4 billion on a new national headquarters to debut in time for the Games.

China is quite clear about trying to balance the benefits of all this tremendous growth with greater "social harmony," and the country is pushing these efforts to third-tier markets. However, that level of implementation in a country so large is quite complicated. It will be interesting to see how such diverse Olympic sponsors as McDonald's and Northern Dumpling Company, Johnson & Johnson and China Mobile, Adidas and Lenovo all use the opportunity of the Beijing platform.

Climbing the Social Ladder

All Chinese businesses are booming, largely due to the impact of more mass consumers.

Hanlon is noticing that although wealth and benefits of disposable income are important, the Chinese are equally interested in moving up the social ladder. Although a majority of the population still lives at the poverty level, there is a belief that the potential for progress is extraordinary. Marketers the world over are betting on these numbers.

New prosperity is emerging for people in industries like construction and transportation, which are often located in regions outside of leading cities. As a result, such luxury brands as the LVMH portfolio, including the likes of Louis Vuitton, Fendi, Tag Heuer, Loewe, Celine and Acqua di Parma, are now in 40 Chinese cities. "Keep in mind that Asian culture has a wonderful tradition of gift-giving in thanks for a business relationship or for specific business benefits," says Hanlon. "It is still considered rude to give gifts of money directly in these situations, so luxury good make tremendous cultural sense, too."

Luxury Extensions for the Super-Rich

It is difficult to talk about China without mentioning the often-conspicuous, new super-rich. Hanlon cites the latest trend among top Chinese purchasers as buying luxury extensions of luxury brands. For example, the Dunhill "Black Label" line of tailor-made, one-of-a-kind suits is of great interest. Individually commissioned mobiles, created by jewelry-maker Boucheron using diamonds and emeralds, are fetching a US\$1 million price tag, are preferred. BMW is also offering a limited-edition N Series with many choices for additional comfort, including 20 different types of leather interiors. Today, says Hanlon, shopping at a luxury mall in Shanghai can mean spending US\$10,000 per visit.

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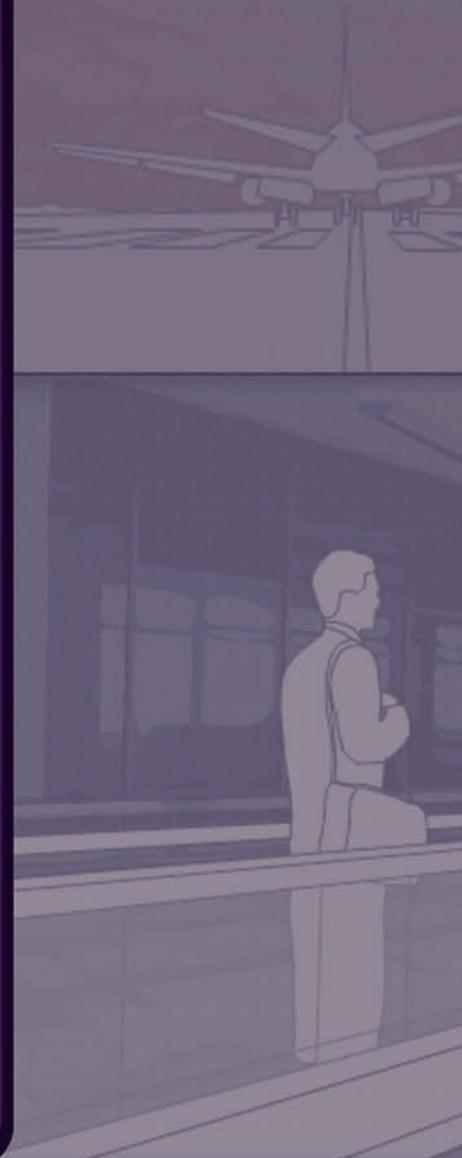
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Christophe Mayer
Managing Director
ZenithOptimedia, Paris



Christophe Mayer understands the global elite. He has been defining marketing and media strategies for cosmetics giants and premium brands for the past decade, and he now manages the Richemont portfolio of luxury companies for ZenithOptimedia in Paris. His clients include the likes of Cartier, Shanghai Tang, Lancel, Van Cleef & Arpels, Piaget, Vacheron Constantin, Jaeger-LeCoultre, IWC, Alfred Dunhill and Montblanc.



selling the lure of luxury

Believe it. Reaching the global elite today requires the Internet, cell phones — even billboards

Luxury Branding Embraces the Internet

The most striking change Christophe Mayer has experienced in the past three years is how luxury brands have matured in their attitude toward the Internet as both a CRM (Customer Relationship Management) vehicle and an advertising vehicle. “These brands are now starting to understand the massive potential of online communications, especially the need to fight against counterfeiting,” he tells internationalist. “E-commerce for the likes of Gucci or Hermès is extraordinary now, particularly when one considers that only fakes were appearing on the Internet just a few years ago. Search is a crucial part of this business, even if it simply directs a consumer to a reputable retailer.”

The other aspect of the online evolution involves how consumers make purchases. Japanese women can now buy a \$2,000 Chloe bag using their mobile phones. Style consciousness is so great in Japan, that a woman will use the phone's camera to work with an electronic scan associated with a particular item. The digital imaging links her directly to a brand Web site from which she can instantly buy the item — often before it appears in stores. This may now be the ultimate CRM application, says Mayer.

Some Elite Are More “Elite” Than Others

Mayer would argue that there are actually two groups of global elite. There is a Top Elite, the world's very rich, who often rank among a luxury brands' top 200 purchasers — all of

whom a marketer would know by name. These individuals are often best targeted through events, one-to-one marketing and are shown appreciation through extraordinary customer service.

In fact, according to Mayer, this group now has a Web site to call their own — www.smallworld.com — an invitation-only, closed-password club that allows only 120,000 members of an extremely upscale demographic to join. (It does take advertising, though.) The site is populated by a very international and very interactive community of wealthy participants who consider the world their country. There is much sharing about everything from the latest hot spot in Shanghai to the most exclusive opening in New York.

An Emerging Upper-Middle Class

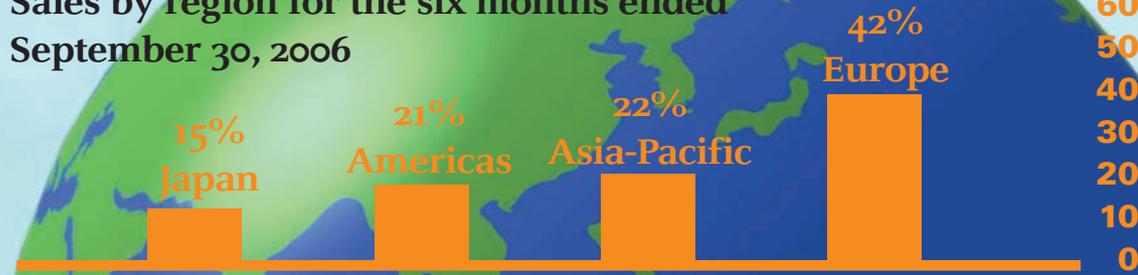
Mayer's second tier is a broad, growing international elite that spans nearly every local market of the world. He simply defines this group as the emerging upper-middle class that can afford to purchase luxury products. This universe is expanding rapidly and is fueling the growth of luxury brands — and driving the increased advertising expenditure on the part of these brands, too. Interestingly, the revenue increases are so rapid that no ad dollars need to be shifted from more established markets to new ones; the growth is more than ample to justify new budgets and increased ad spending.

Although a luxury product requires a consistent message —

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Sales by region for the six months ended
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one that generally communicates the desirability and excitement of the brand — different audiences can be positioned with different offers. Increasingly luxury brands have several lines of business, each associated with a different level of accessibility. Interestingly, the bridal business is often the first foray into luxury for many, and this trends on a worldwide basis. Product sales work, though, if the message also acknowledges the local traditions for marriage in different cultures. This may be where the greatest degree of variation in ad presentation exists. “Don’t forget,” says Mayer, “if a woman is happy with an engagement or wedding ring, she may return to that brand every year for the rest of her life. There is no better way to build loyalty or a luxury business.”

The Message Matters — But So Does the Medium

“Regardless of whether you are advertising in Russia, New Delhi, Shanghai or Los Angeles, the message must be consistent,” says Mayer. “However, the way an advertiser conveys that message is extremely different. Cartier may

reach its audience in the U.S. via the Internet, through a glossy magazine in Moscow and on an outdoor board in Shanghai.”

Mayer explains that outdoor is one more way China is redefining luxury marketing. “If you miss outdoor in China,” he says, “you are missing the luxury market.” Luxury brands are generally sold in exclusive malls, largely accessible by cars. There is no Fifth Avenue, New Bond Street, or rue du Faubourg Saint-Honoré in Beijing, or Shanghai, or even in Tianjin, Hangzhou, Shenyang or Changchun. Large out-of-home boards are the best way to reach consumers as they drive from one new luxury mall to another. (This is equally true for other new markets, like Dubai, where driving is essential.) “Admittedly, it does seem a little shocking or incongruous when one is used to older cities,” says Mayer. “A big outdoor board on an elegant street in Paris simply wouldn’t work.”

Mayer is also quick to discuss the internationalist nature of these individuals. They are so mobile, he explains, that an ad that appears in a new Russian luxury magazine may ultimately generate purchases in Paris or New York.

The Next Growth Markets

Without question, Japan remains the single biggest market worldwide for watches and jewelry. However, the Richemont companies see tremendous potential for the U.S., which now ranks second to Japan for many of their brands. “We see the U.S. as developing a greater appreciation for the subtlety of finely crafted brands,” says Mayer, “and it is truly becoming more sophisticated beyond the usual markets along the East and West coasts. We are seeing wonderful growth in cities like Chicago, Kansas City and Phoenix.”

Within Europe, Russia is booming. China and India are only in the beginning stages. India is challenging, as the wealth is there, but customs barriers and a lack of a luxury shopping infrastructure inhibit real growth. There are no malls, and luxury shops are only found in a handful of top hotels. However, India will develop. Right now, though, most wealthy Indians are buying in Dubai, London, Hong Kong, Singapore or New York.

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Rob Hughes

Managing Partner, North & West
China
Mindshare



Rob Hughes believes that China will be the No. 1 or No. 2 market for luxury goods within the next few years. Every day he sees the signs.

While walking to his Mindshare office recently, he noticed a Rolls Royce, a Maserati and a Ferrari all parked in one small stretch of his street. He has now come to see these sightings as part of the fabric of the new Beijing. Not long ago, public displays of wealth were frowned upon. This was not so much due to Chinese tradition, but because there were so few ways to make money in Mao's China. Any show of excess signaled forbidden activities.

Now, however, Hughes tells internationalist, "the age of legitimate income has arrived." In Chinese cities today, to work in business is fast becoming part of the conventional. It is certainly legitimate and these organizations pay good salaries. In 1978 Mao's successor, Deng Xiaoping, famously said, "to get rich is glorious." No doubt, his words are making an impact a generation later.

brand school for the newly wealthy

Most of China's moneyed class needs a brand education. The mall is their classroom

The Nature of Affluent and Elite

The newly wealthy, or at least those with a disposable income, still represent a relatively small percent of the population; however, in a country the size of China, this group demonstrates robust purchasing power and a great desire for well-recognized brands. Hughes cites the 2006 Synovate PAX Survey (*chart*), which shows that luxury goods ownership in China is measured as being of importance to 28 percent of the population, while in an established, self-assured market like Australia it is only important to 8 percent. (No doubt, the down-to-earth Aussies may prize other attributes before luxury, but it is still an extraordinary comparison that underscores China's need to be part of the modern consumer world.)

Hughes also is quick to point out that one should keep in mind the nature of "affluent" in a Chinese domestic context versus a regional one. Again, citing PAX research, he notes that a personal monthly income of US\$5,000 per month in Hong Kong or Sydney is considered sufficient to have some disposable income; however, just US\$1,500 per month in Bangkok would put a consumer in that category. The number would be far lower in China, with vast variations among cities and regions. Brands also have to manage this global balance sheet of how different absolute income levels can affect an appropriate product price point. However, for true "elites," this is less of an issue. "Millionaires are millionaires," says Hughes with a shrug.

Effective Advertising in China

In his work with many multinational brands, Hughes has noticed that effective advertising in China requires one additional element that is no longer necessary in the markets with a longer brands heritage. In addition to strong, recognizable, emotionally evocative global imagery, a brand should also communicate a number of rational benefits quickly. A new Chinese consumer knows a luxury watch, for example, when he or she sees it; however, some

further communication of attributes that reassure a purchaser often makes the advertising message work more effectively.

Brand Heritage

Prior his Beijing assignment, Hughes worked in Vietnam, and he understands first-hand the important distinction that brand heritage and exposure can meet to a market. Like China, Vietnam is becoming increasingly affluent as it attracts more multinational businesses. Unlike China, though, Vietnam has been exposed to international brands, particularly Western products, for many decades — from French goods to American ones, and via the Viet Kieu. This sizable group of well-traveled, overseas Vietnamese go back and forth from their new lives in the U.S. or Australia to Ho Chi Minh City or Ho Chi Minh City on a regular basis. In Vietnam, brand tradition is understood immediately — if a product has been made for 80 years and it is good, it is worth buying. This notion simply does not exist in China.

"Maintaining relevancy in brand-familiar markets contrasts tremendously with establishing and building brand heritage in a place like China," says Hughes. "Most brands are fairly new, so many customers try them." They must experiment, he explains, because they want to learn about brands.

Westward Ho

There is also a now a Westward movement in China and many new "hub cities," like Chengdu in the province of Sichuan in Southwest China are great magnets for new population, wealth and spending. Upmarket stores like Prada and Hermès, which seem to pop up overnight in new luxury malls, are great attractions to consumers from the large surrounding areas. This often is their only modern experience of shopping, and they embrace it heartily.

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new life for an established brand

Shifting the perceptions of wealthy young car buyers starts them coming to the showroom

Mercedes is now making a successful transition in Asia. For the luxury carmaker, segmentation means balancing an established audience and a younger generation of new buyers — for slightly different interpretations of “elite” and “emerging.” Throughout Asia, the Mercedes brand has long been associated with tradition, importance and success. Despite the brand’s mix of extraordinary craftsmanship and performance research showed that it did not have the spirit of a contemporary luxury car that would appeal to the younger, wealthy buyer.

Chan and her team used the flexibility and innovation of the Internet to reach this new target group through a concept called

“Experience the Star.” The campaign connected with younger car buyers in a way that helped them see the brand in a new light. An online survey was also created to check their perceptions of Mercedes and was cleverly delivered by a local, well-known singer who raps to encourage response.

Although the campaign was only executed in the last quarter of 2006, Mercedes is already seeing a measurable shift in brand perception. “Mercedes is a great brand,” says Chan. “It is rewarding to see it have a new life by developing a refreshed brand style at a different stage in its development.”

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Connie Chan
Managing Director
Mediaedge:cia

mediaedge:cia

Connie Chan is well versed in the sensitivities of communications aimed at elite and emerging market sectors throughout the Asia region. But “what happens when you have different, but equally important, segments to target within a single market?” she asks internationalist. “Sure, you can adopt a different messaging strategy, but can you really keep those messages separate in today’s media world?” Chen thinks you can and has proved it is possible for her Mercedes-Benz automobile client.



a decade of growth

Trends among affluent Asians



11 markets in Asia Pacific:

Australia
Hong Kong
India
Indonesia
Japan
Korea
Malaysia
Philippines
Singapore
Taiwan
Thailand

» PERSONAL INCOME INCREASED BY 86%

» HOUSEHOLD INCOME ROSE 76%.

» INTERNET ACCESS ROSE 132%.

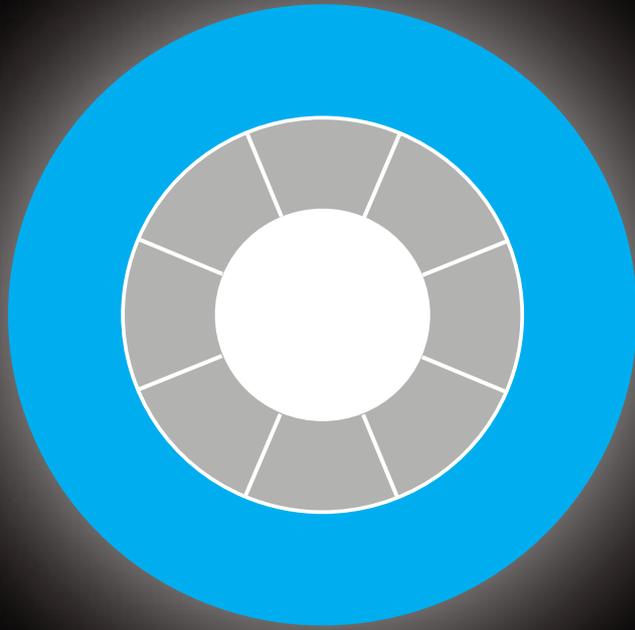
» COMPUTER NOTEBOOK OWNERSHIP UP 225%

» MOBILE PHONE OWNERSHIP GREW BY 84%.

» WINE CONSUMPTION IS UP 184%.

» FOREIGN CURRENCIES INVESTMENT GREW BY 287%.

Source: 2006 Synovate PAX Survey



Integrate.

Elevate.

HUB

CULTURE

winning the hearts of business travelers

Embassy Suites' John Lee says if you want to keep your best customers, you have to keep talking to them

John Lee thinks it's time to take another view of the CRM (customer relationship management) approach to branding that has been so popular for the past decade. Lee, the vice president for brand marketing and communications at Embassy Suites, a division of Hilton Hotels Corp., has no doubt that there exists a rich relationship between a hotel and its customers. Despite that, brand identity and direction have always been determined by the hotel itself. Lee believes it is time to build the Embassy Suites brand with the customer and allow the most-valued guests to determine where the brand is headed. He calls this "moving beyond mere membership in a frequent-stay club to true partnership." He continues: "We are less concerned about capturing share of wallet than we are about connecting to share of heart."

Lee's turnaround in customer thinking began only a few months ago, when he saw new ways to apply

the results of a proprietary study conducted among 2.4 million of the chain's guests who had stayed at a property within the past two years. The research scored these guests on their RFM — Recency, Frequency and Monetary. Respondents were numerically ranked in each category, with 1 being lowest and 5 being highest. The best guests, for example, would score a 5-5-5, which means they stayed the most recently, are the most loyal and spent the most money.

Thanking Customers

Lee realized that other than participation in a general Hilton Honors Awards program, there had been no direct marketing communications with these highly valued customers. His first step was to send out letters to a control group of 80,000 in the best-guest category. The letters thanked these customers for their loyalty to Embassy Suites. Various subgroups were sent the



EMBASSY SUITES
HOTELS®

We are less concerned about capturing share of wallet than we are about connecting to share of heart. ”

B Y D E B O R A H M A L O N E

Nordstrom's line of Bloom bath amenities soon to be found in their suites or were invited to receptions. All were directed to a microsite that asked what they liked about the brand.

Seventy-two percent of these top customers not only responded, but they also had very strong opinions and expectations. A core group signed on to become "Embassadors," or those willing to communicate about the brand on a regular basis. The role is already key to the chair's future direction.

In the recent past, when Embassy Suites decided to do something

throughout its hotels to enhance the brand, such as installing ceiling fans in all the rooms to create a "homier" atmosphere, they would ask the design and construction teams about the idea. Now they ask the Embassadors first. If the reactions are "I would never use them," "I prefer air conditioning" or "I don't like the constant humming," the fan project is simply ruled out. This, according to Lee, is "customer-driven marketing at its most active" as opinions are sought in advance of new products and services.

Lee also ponders other aspects of the

new customer data. "We have 8,000 in the 1-5-5 category. These people used to stay a lot, but we haven't seen them lately. Can we get them back by re-engaging them with developing the future of the brand?" Embassy Suites began calling them. Some, of course, had simply changed jobs or retired and no longer travel as much. But others had a specific negative experience that caused them to go elsewhere. "We never would have known this without asking them" says Lee. "By talking to them about it, and showing that we care, we have gotten them to start coming back."

Guest Profiles: Different Age Groups, Different Values

BOOMERS (42-60)	GEN X (30-41)	GEN Y (16-29)	MILLENNIAL (0-15)
Money & Spiritual Centered	Life Balance & Independence	High-Performance & High-Maintenance	Educated & Wired
E X P E R I E N C E			
Rock & Roll/Television War/Hippies/Protests Racial Divides Sexual Revolution Moral Majority Downsizing New Definition of 50	Latchkeys Fall of Berlin Wall AIDS Crack/Gangs/Violence OJ Outsourcing Information Explosion	Integration Multilayered Info Playstation Summer Camp for College Prep Recycling 9/11	Mozart in Crib 4 Hours of Homework Organic Baby Food iPods Katrina Blogs <i>American Idol</i>
R E S P O N D S T O			
Personal Achievement Status Icons/Heroes Self-Improvement Perks Staying Young	Fierce Sarcasm Nostalgia Imagination Creativity Style Attainable Luxury	New Ideas Companies with a Philosophy Brands Parents as Heroes Sense of Community Multisensory Experiences	School is Cool "Build the Résumé" Mentality Collaborative Style Change the System from Within Sacrifice for the Team

Source: TBWA\ChiatDay New York

That's only one challenge. "Another big question," says Lee, "is how do we get a 4-4-4 to become a 5-5-5?"

Guests of the Future

These aren't the only numbers on Lee's mind. So is 2020 — a year that is little more than a decade away. Lee is already thinking about the guests of the future, a group he calls the "Millennials," who will be quite different from the today's frequent-stay customers. They will most likely be defined by what they did on vacation, not by where they work. The Millennials Lee refers to are now between the ages of 9 and 29, and they really are a crossover between the Gen Y and Millennial cohorts demographers use to divide the younger segments of the population (*table, page 28*).

Lee talks about how something as simple as breakfast can be a defining issue for the hotel's future patrons. It

turns out that breakfast at the chain within a few years may not be the traditional American Baby Boomer buffet of bacon, sausage, eggs, pancakes and syrup. Some of that high-cholesterol fare will remain on the menu for Zoomers — those Boomers with a high net worth who retired early and travel frequently for pleasure — but the Millennials, he says, believe that time is important and would rather have healthier food on the run. Embassy Suites' new cereal bar products were created with this group in mind.

Socializing at any meal, in fact, may be less important to Millennials than finding a wireless connection. Think what an impact this might have on the sacred custom of complimentary cocktails in the evening!

John Lee can be contacted at John_Lee@hilton.com

Global Growth

Embassy Suites is part of the Hilton Group of hotels, which include such brands as Conrad Hotel, Doubletree, Hampton Hotels, Hilton Hotels, Hilton Garden Inns, Homeward Suites, Scandic and the Waldorf=Astoria Collection. Embassy Suites is currently focusing its international expansion on the Americas, and well in advance of 2020 they hope to have 30 to 50 locations in Central America, an additional 30 to 50 throughout Canada, 10 more in South America and a total of 300 in the U.S. — up from 186 today.

Given the size needed for Embassy Suites' properties, "combined with their smaller number of individual units, other Hilton brands are expanding in Europe and Asia. The potential is staggering. Take India, for example, where entire Hampton Inn and Hilton Garden Inns chains are being constructed — literally from the ground up. Hotel supply is relatively low in India, which boasts a middle class population of 600 million — twice the size of the overall U.S. population — yet has fewer hotel rooms than in the Florida city of Orlando.

— D.M.



Embassy Suites' television advertising uses humor to depict business travelers in a variety of situations.



WHO WILL BE THE NEXT RISING STAR?



This summer, we will spotlight the Rising Stars of the agency world. These individuals are champions of multinational strategy, and will be tomorrow's leaders.

Candidates will be chosen by industry nominations with final selections by the internationalist editorial team. Send in your own nominations! Email to **innovators@internationalist-magazine.com** a candidate's name and company with several sentences as to why your candidate is a rising star.

Finalists will be profiled in our summer issue.



*Help us celebrate the best
with your nominations.*

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think like the sun

For marketers, the Global Village's greatest challenge is this: universal compatibility doesn't equal universal access

Media today is truly globally dispersed. The “Global Village” that Marshall McLuhan predicted is here. New communications technologies are supercharging perception, and control of information is more individualized than ever before. We can store it, replay it, revise and redirect it, and we can opt out of it, too. It's not static; it's more mobile, and so are we. It is creating a new intercultural global society.

This is a world of business where borders and nations are less relevant. They have been rendered less dominant by open trade, consolidation of industries and the ubiquity of media — increasingly, directly connecting us into a global community. Importantly, of the world's 100 largest economic entities, 51 are now corporations and 49 are countries. This means that more people are being touched by corporations and brands than by any single nation's government.

Still, there are huge gaps in cultural understanding. Here are three ideas

that I believe can help us close those gaps by providing an enlightened view of the emerging technology, consumers and the choices available:

1. New media technologies are creating a global economy of inclusion, not exclusion.

The convergence and proliferation of new technologies are having an altering effect on all tiers of economies and how they are connected. What we are looking at is a very different world emerging for consumers and choice.

One of the biggest marketing trends is the growth in importance of word-of-mouth. In 1977, word-of-mouth was valued at 65 percent in marketing importance, ahead of advertising at 53 percent and editorial at 47 percent. In 2003, word-of-mouth had grown to 92 percent in marketing importance, advertising declined to 50 percent, and editorial fell to only 40 percent.

Today, word-of-mouth is carried by a much faster and more pervasive means. It is mobile and wireless



OmnicomGroup

On March 5, Tim Love, vice chairman of Omnicom Group, delivered a lecture entitled “Advertising & Universal Compatibility: Does the Advertising Industry Have a Moral Conscience?” at Oxford University's SAID School. This column is adapted from that lecture.

B Y T I M L O V E

technologies converging. More than ever before in human history, an idea is more transmittable, more broadly perceivable, more able to be compared with another opinion/word-of-mouth, or imitated. The mobile phone is a word-of-mouth medium. The Internet isn't a web; it is a word-of-mouth catalyst for all media. And the first medium today is people. So while expanding the range of interpersonal contacts, the new technologies are fundamentally changing the nature and ability of our interpersonal communications.

2. The new generation rules.

The concept of universal compatibility must be considered not just in a

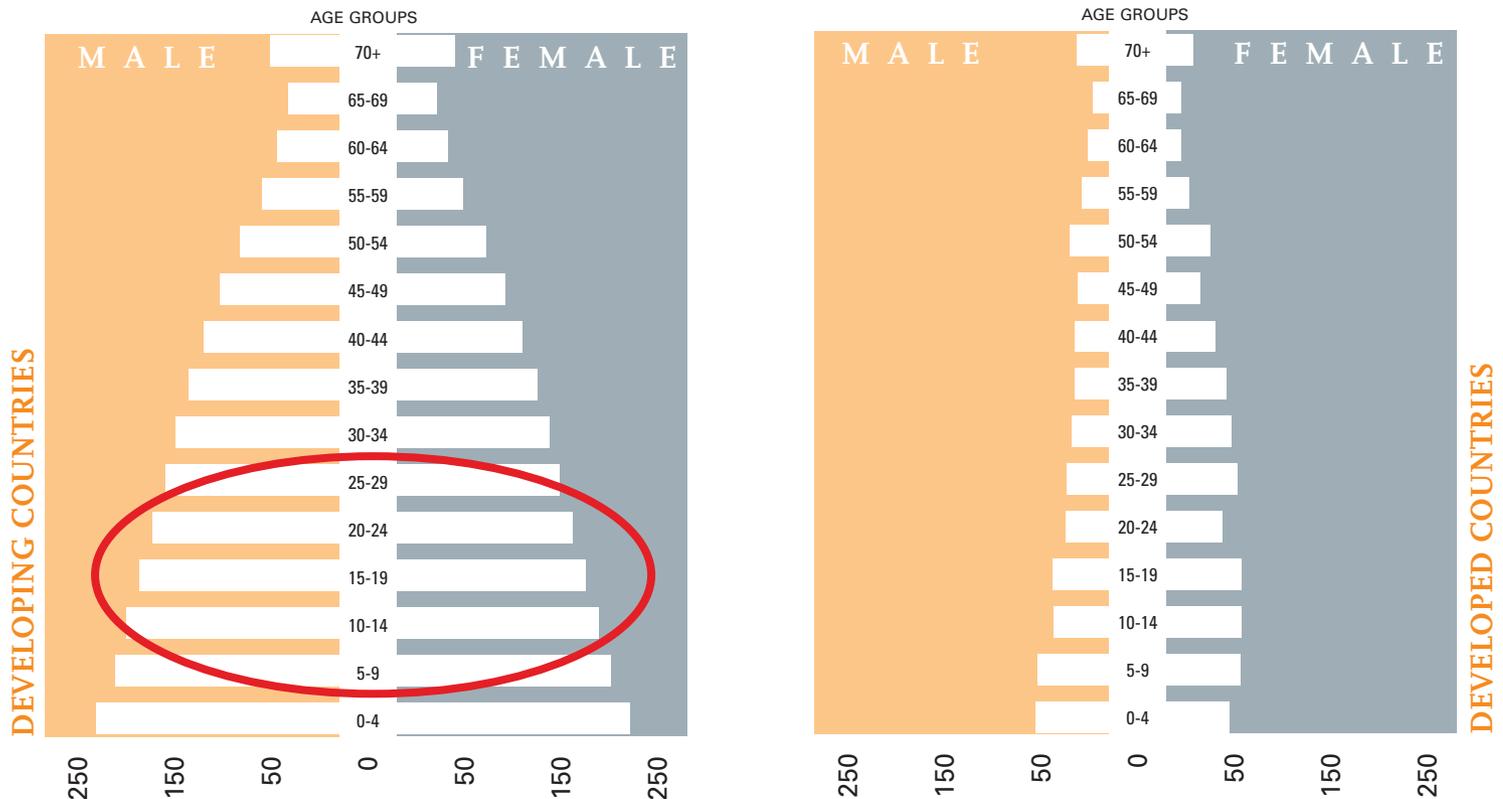
technological context, but also in a broader sociological and political context. The developing markets are predominantly a youth culture in which word-of-mouth is being fueled by new technologies. This generation embraces the exciting new world of advertising. They understand how the world looks. They get the numbers and scale difference between the developed and the developing markets.

The chart below shows the gap between the “developed” and the “developing” worlds. It is a side-by-side comparison of population distribution by age. There are approximately 1 billion people in the developed world. The developing world is where the bulk of the planet’s population — 5.5

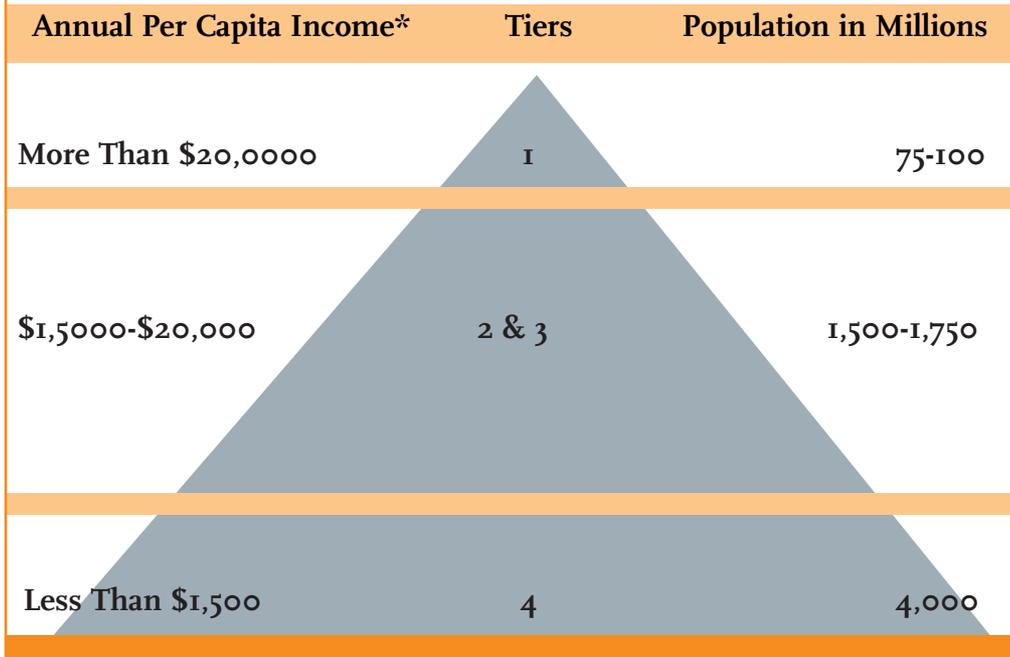
billion people — lives. They are forming brand perceptions, and they are acquiring more leverage, both economically and with their opinions.

But wealth, as well as age, separates the two worlds. As the chart on the next page shows, at the bottom tier, where 4 billion people exist, the income gap is growing. In 1960, the top tier of population had 70 percent of the world’s total wealth. By 2002, the gap had widened as this small tier of people had 85 percent of the world’s wealth. This extreme inequity of wealth development reinforces the view that the poor cannot participate in the global economy. They are being invited to participate in the information proliferation, but they do

populations in millions



the world economic pyramid



100 People in the World

If the Earth's population were a community of 100 people, it would look, in part, like this:

- 61 from Asia
- 13 from Africa
- 12 from Europe
- 9 from Latin America/Caribbean
- 5 from the U.S./Canada

- 1 college-educated
- 18 unable to read or write

- 47 urban dwellers
- 53 rural dwellers

- 31 no electricity

- 1 computer owner
- 17 active Internet users
- 34 cell phone subscribers

Source: www.100people.org
 Research: University of Wisconsin, 2006

*Based on purchasing power parity in U.S.\$
 Source: U.N. World Development Reports

not have the economic means to access it. It is also an important responsibility of advertising and those who advertise to engage this important market opportunity.

From a cultural perspective, the table in the upper right provides an eye-opening look at the challenges involved in treating the world as one place. The developing world may have the majority of tomorrow's consumers, but literacy, education, infrastructure — and choice of media — are critical considerations.

3. We need a new frame of reference for brand-building.

The secret to enhanced understanding of individual consumer needs is the frame of reference one adopts to inform

your strategic choices. “Think globally, act locally” was a stage in the evolution of the marketing process. It helped global marketers address newly opened trade borders created by the expansion of communications technologies and the socio-political and economic differences in markets like Russia, the Middle East, India and China.

This frame of reference has become obsolete. It assumes marketing communication borders that no longer exist. Instead, I recommend a frame of reference I call “Think Like the Sun,” which implies not being limited by the scope of one’s own geography. In this increasingly smaller, interconnected communications marketplace, consumer perceptions are more borderless. The result is a word-of-

mouth community. To anticipate the needs of a world of consumers who are more in touch with each other, “Think Like the Sun” offers a more objective frame of reference on an intercultural marketplace for building brands.

I believe there has never been a better time to be in the communications business. This industry has tremendous potential for growth, as long as we change along with rapidly evolving communications technologies. At the same time, we are being challenged to see the opportunity for greater integration of strategy and ideas combined with deeper understanding of multiculturalism.

Tim Love can be contacted at tim.love@omnicomgroup.com.

driving brand enhancement

Preliminary research finds that readers' perceptions of advertising is raised when it appears in international publications

In our last issue (early spring 2007, Frontlines, page 6), we reported that the World Press Group (WPG) — a cooperative whose members are The Economist, Financial Times, Fortune, International Herald Tribune, National Geographic, Newsweek, Time and The Wall Street Journal — had conducted research on the attitudes readers have about international and national publications, and the effect of those attitudes on the perceptions of advertising placed in the two types of publications. Six online focus groups were conducted in the U.K., Germany and France, and more than 2,100 personal interviews were conducted in the U.K. Germany, France, Italy, Spain and Switzerland. This article is adapted from the executive summary of "Driving Brand Enhancement":

Introduction

WPG commissioned ICD Research to investigate the following hypotheses:

- ▶ Whether consumers have the same attitudes towards international and national titles.
- ▶ Whether advertising was enhanced to different degrees within international and national titles.
- ▶ Whether perceptions of advertising within international and national publications varied.
- ▶ Whether brand associations differ within international and national titles.

Results

With matched samples of international and non-international readers, perceptual and attitudinal differences emerged. Their reasons for reading, their awareness of offering, the language they use and their response to advertising messaging and stimulus is significantly different.

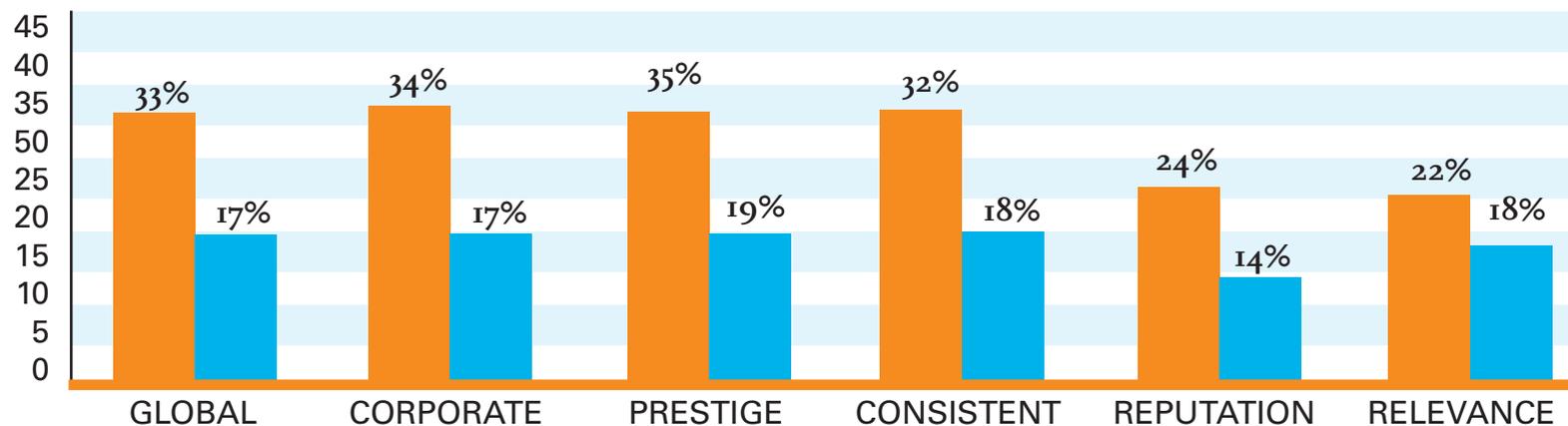
According to international readers, international titles provide them with more than "international" reporting:

- ▶ It is analysis, combined with fact.
- ▶ It is in-depth reporting and not constricted to breaking news.
- ▶ It is less biased.
- ▶ It is trustworthy.
- ▶ It is reputable.

International titles were not read in isolation. International readers often read more than one title, in conjunction with national titles, to get a balanced perspective.

Those who read only national titles were quite varied in their opinions on print media. Many had little to no experience of international publications at all but still had perceptions. Others were familiar with international titles but were not engaged or had infrequent readership of these publications. The advertising within these titles often reflected the perceptions that were held of the title overall.

international titles vs. non-international titles



Views on Advertising

It was understood that advertising is a requirement for all publications but used to maintain the content contained within national and international titles. Advertising was remembered when relevant to the reader, although the recognition of its purpose and cut-through is more evident with international readers.

Tangible products are more associated with national titles, whereas the perception exists that advertisers are

more likely to use international press to convey corporate policies and corporate branding. However, the perception was that certain advertisers would advertise in both types of titles using different messaging.

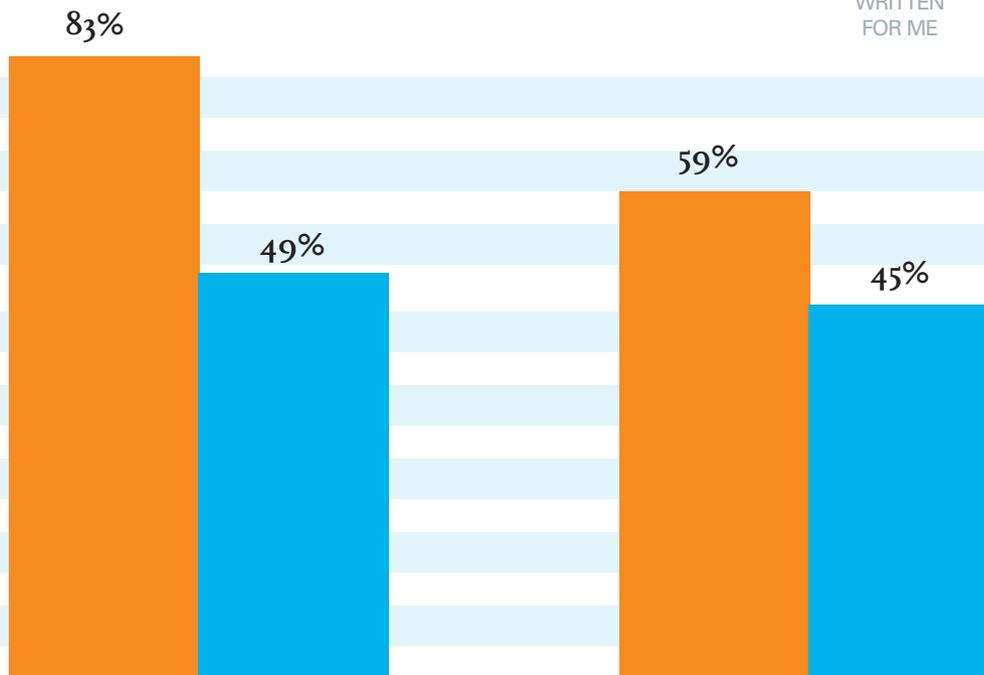
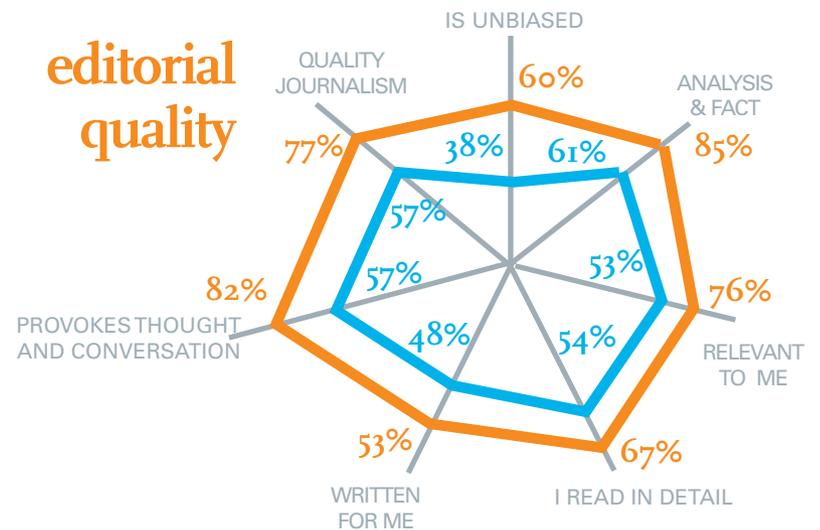
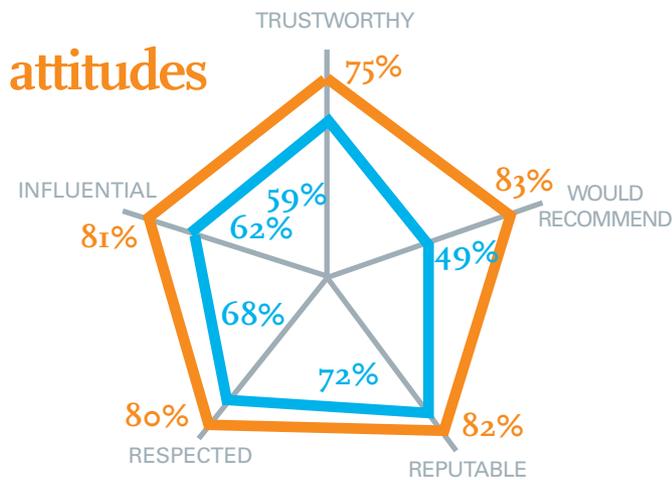
International recognition gained through advertising was seen to increase the prestige of the brand. International titles were seen to be successful given their multinational status and it is this image of success that is echoed in the advertisements

by global companies. In all, a successful title would only display advertising from successful organizations.

Advertising in the internationals was deemed as 'better' given the size and importance of audience that the brand reaches. Greater recognition of advertising in international titles was also important to note.

For the complete executive summary and additional reports, go to:

www.worldpressgroup.com/why_us.html



RECOMMENDATION

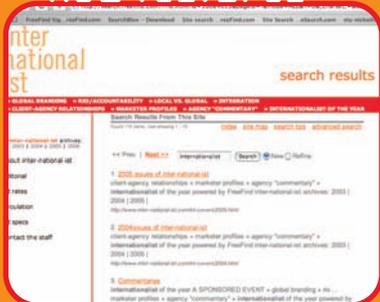
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research roundup

Global Online Ad Revenue: \$81.1B by 2011

Consumers, traditionally passive targets of advertising messages, are taking control of content consumption and branding, according to “The User Revolution,” a report from Piper Jaffray. This is especially true with the Internet, where community, communication and entertainment are colliding and impacting each other’s growth, creating a phenomenon that the company calls “Communitainment.” The ‘Net, they say, is now a mainstream medium — the leader at work and in second place behind television at home. By 2011, the report projects, global online advertising revenue will reach US\$81.1 billion.

INFO: www.piperjaffray.com

Got Online Traffic? Prove It!

U.S. Internet advertising revenues grew more than 30 percent last year — topping \$16 billion, according to eMarketer — but advertisers and agencies aren’t sure that online ad impressions are measured and reported accurately. So says a survey sponsored by the Audit Bureau of Circulations and conducted by NSON Opinion Research. “Online Accountability: Gauging the Growing Demand for Audited Web Metrics” found that less than half of ad agency respondents and only one-third of advertiser respondents are confident of how ad impressions are counted. There’s a lot at stake: 83 percent plan to increase online spending this year, more than half with double-digit increases. What do they want? Third-party auditing, according to

more than 80 percent of respondents.
INFO: www.accessabc.com

Cash Wanted for Cell Phone Ad Views

Ninety percent of U.S. cell phone users say they aren’t interested in receiving mobile ads — but about one-third of them change their mind if you offer them an incentive such as cash or free minutes. Still, concludes a Harris Interactive study, the most interested group is young customers with lower incomes. Marketers need to tailor their pitches to specific demographic groups, not to customers as a whole.

INFO: www.harrisinteractive.com

Measuring Global Web Audience

How large is the global online audience? In March, it was approximately 694 million people age 15 and over — about 14 percent of world population in that age range — according to comScore Networks. Its new comScore World Metrix panel has active representation from countries comprising 99 percent of the global Internet population. The top three countries for online penetration that month were the U.S., China and Japan. By contrast, the top three countries for average hours online per unique visitor were Israel, Finland and South Korea; the U.S., China and Japan did not even appear in the top 15.

INFO: www.comscore.com

Word of Mouth Works Worldwide

Hakuhodo’s latest Global HABIT survey finds that consumers around the globe consider word of mouth the most important means of

Top 10 Challenges Facing Marketers in 2007

Marketers look at measurement, improved efficiencies and customer knowledge as top challenges.

- 1** Quantify and measure the value of marketing programs and investments.
- 2** Improve the efficiency and effectiveness of the marketing organization.
- 3** Grow customer knowledge, insight and conversations.
- 4** Improve the allocation and ROI of marketing spend.
- 5** Extract greater value and profitability from customer relationships.
- 6** Increase credibility, influence and perceived value with senior management.
- 7** Develop competencies, business knowledge and strategic alignment of marketing functions and external assets.
- 8** Better capture, convey and deliver a clear value proposition to all channels and audiences.
- 9** Advance alignments and linkages with business groups, field sales marketing and channel organizations.
- 10** Establish a global organizational structure that best delivers results, accountability and measurability.

communicating information. The champion talkers are in Taipei and Hong Kong, followed by New York, London, Tokyo, Mumbai, Shanghai and Seoul, with Bangkok, where they favor product information at retail sites, in last place. Taipei and New York also showed strong support for corporate Web sites.

INFO: www.hakuhodo.jp

CMOs List Top Challenges for 2007

Quantifying and measuring the value of marketing programs and investments tops the list of challenges facing marketers in 2007 (*chart*), according to *Marketing Outlook 2007*, a report from the CMO Council. CMOs spent 2006 transforming their organizations, says the report, by “shaking up internal departments, hiring new talent and skill sets, jettisoning underperforming agencies and

bringing new metrics and measurability to programs and initiatives.”

INFO: www.cmocouncil.org

Radio and Online: A Team

Recall of advertising is dramatically enhanced when a mix of radio and online is used, compared to Web site ads alone. A study, “Radio and the Internet: Powerful Complements for Advertisers,” conducted by Harris Interactive for the Radio Ad Effectiveness Lab, found a difference of 27 percent vs. 6 percent. Radio ads also boosted Web site traffic.

INFO: <http://RadioAdLab.org>

Measuring the Value of Social Networks

Brand campaigns within social networks deliver value for marketers, but it’s difficult to measure just how much. The

“Never-Ending Friending” study, conducted by Marketing Evolution for Fox Interactive Media’s MySpace and Carat USA’s Isobar, introduces a metric called the “Momentum Effect,” which attempts to quantify the value of viral power of consumer-to-consumer communication.

INFO: www.myspace.com/neverendingfriending

U.K. Online Overtakes Newspapers

Advertisers in the U.K. moved strongly into online media in 2006, overtaking newspapers’ share of advertising for the first time, says the Internet Advertising Bureau. Britain’s 31 million Web users attracted £2.016 billion, representing 11.4 percent of total advertising revenues. That share is the largest in the world, surpassing even the U.S., where online share is 7.5 percent.

INFO: www.iabuk.net

AdFest 2007

AP AdFest 2007 celebrates "Turning 10" after a decade of championing creativity in Asia Pacific



From March 14-17, AdFest2007 celebrated a decade of success with the largest regional awards event in Asia Pacific. Over 1,600 delegates from more than 40 countries around the world arrived at PEACH (Pattaya Exhibition and Convention Hall) at the Royal Cliff Beach Resort in Pattaya, Thailand. There they held witness to a festival of creativity that encompassed more media channels than ever and embraced the contribution of both advertising and production industries in Asia Pacific.

GOLD AWARDS



McCann-Erickson MUMBAI
Happy Dent Teeth Whitening Gum



Hakuhodo
TOKYO
Toyota Cars
Humanity

BEST OF SHOW

Hakuhodo
TOKYO
Matsushita Electric
Industrial Co., Ltd.
Oxyride Manned
Airplane Project
Category: Contagious

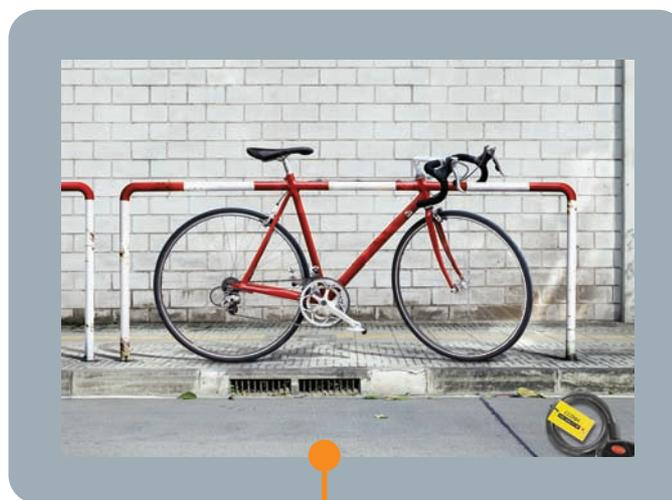


BEST OF SHOW



BBDO
SINGAPORE
Wrangler
Category: Outdoor

GT Inc.
TOKYO
Xbox360
Category: Cyber



Leo Burnett
BANGKOK
Clima Bicycle Lock
Category: Press

Scale the Wall

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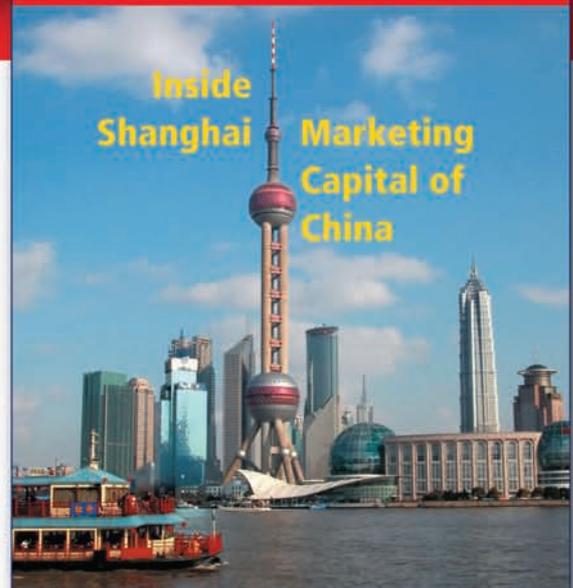
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Stephen Dunbar-Johnson

EXECUTIVE VICE PRESIDENT
INTERNATIONAL HERALD TRIBUNE
THE NEW YORK TIMES
MEDIA GROUP



As I spend four days a week abroad, I've become very good at packing efficiently. I always carry my International Herald Tribune backpack — brief cases are too heavy. I also carry a grip bag.



DISPOSABLE TOILETRIES

Strict airport regulations in the U.K. mean that you cannot carry liquids or sharp objects onto planes. But you can buy toiletries at duty free. So I always buy disposable items before boarding to avoid the hassle of putting them in the baggage hold.



ASPIRIN

I don't want to catch a cold from the recycled air on planes, so I always carry some aspirin.



BOOK

I always carry a book with me to help while away the time on long-haul flights.



LAPTOP

My compact Dell laptop means I can work while I'm on the road. I also keep photos of my children on the screensaver helping me keep in touch with home.



PASSPORT

No matter how carefully I pack, and how well prepared I am for my journey, if I don't have my passport I'm going nowhere.

PEOPLE AND PLACES





IAA NEW YORK GLOBAL MARKETING SUMMIT
The 3rd Annual Global Marketing Summit, hosted by the IAA's New York Chapter, took place on March 29th at the Roosevelt Hotel. Keynote speakers included Bestselling Author Keith Ferrazzi, HDNet Founder Mark Cuban and CNN Anchor Anderson Cooper. Panel discussions focused on the following topics: Marketing to the New Consumer, Beyond Americanization and The Future of Marketing. (All photo identifications from left.)

- 1 Anderson Cooper, CNN Anchor and Host of Anderson Cooper 360.
- 2 Deborah Malone, internationalist.
- 3 Larry Bloomenkranz, UPS and Rhona Murphy, Newsweek International.
- 4 Kit Haines-Bornheimer, AT&T and Marty Shapiro, CNN International.
- 5 Andrew Swinand, Starcom Worldwide and Frank Cutitta, IDG.
- 6 John Jacobs, NASDAQ.
- 7 Ann Mack, J. Walter Thompson Worldwide.
- 8 Keith Ferrazzi, FerrazziGreenlight.
- 9 Chuck Brymer, DDB Worldwide.
- 10 Lisa Rubino, Wall Street Journal International and Tracey Passuello, Condé Nast Portfolio.
- 11 Julie Chan, Johnson & Johnson and John Lee, Embassy Suites.
- 12 Antony Young, Zenith Media.
- 13 Sean Sympson, Initiative Media and David Carey, Condé Nast Portfolio.
- 14 Olivier Berton, Publicitas; Brian Shields, BE International and Howard Moore, Publicitas.
- 15 Alex Burton and Eric Fidel — both CNN International.
- 16 Hayward Henderson and Joe Priolo — both International Herald Tribune.
- 17 Lorie Reckmeyer, Huson International Media and Mark Cuban, HDNet.
- 18 Ed Erhardt, ESPN.

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PEOPLE AND PLACES

NEW YORK — HP'S BERG

Scott Berg, global media director of HP, shared his thoughts on the future of media with a luncheon group assembled by the IAA's New York Chapter. (All photo identifications from left.)



- 1 Alex Clemente, Harvard Business Review and Scott Berg, HP.
- 2 Lissa Short, CFO Magazine and Mary Bermel, HP.
- 3 Kaz Kuniya, Yomiuri Shimbun.
- 4 Graeme Hutton, Universal McCann and Michael Monheim, Axel Springer.
- 5 Annabelle Lees, National Geographic Channel and Sky News; Amy DuPont, Universal McCann.
- 6 Chris Theodorou, Google and Steve Bloom, ZenithMedia.
- 7 Mark Krawiec, Financial Times; Verushka Spear and Dennis Jordan, both Discovery Networks International.

LONDON — BIG NIGHT OUT

Dow Jones invited a handful of clients to attend a night out at Pru Leith Cooking School. (All photo identifications from left.)

- 1 Stuart McClennan, Dow Jones and Rachel Hart, Thoburn Associates.
- 2 Marie Friel, Dow Jones and Max Richardson, Thoburn Associates.
- 3 A Pru Leith Chef and Gaurav Tandon, HSBC.



APRIL IN JAPAN

The new fiscal year begins with cherry blossoms and job changes. (All photo identifications from left.)



- 1 Matsuhiko Ozawa takes on a new role at Hakuodo as executive manager — Corporate Communications Department, pictured here with Deborah Malone of internationalist and Mariko Fujimoto and Ushio Hirasawa — both Hakuodo.
- 2 Jun Arita, Yasutaka Shimura and Masatochi Motobayashi — all of the Yomiuri Shimbun — stand in front of the founder's statue at their Tokyo head office.
- 3 The Dentsu Overseas Communications team: (top row) Yoko Matsuoka, Nami Sakamoto, Erin Takagi, Junko Fujii, Yuki Kamioka, (bottom row) Yukihiro Oguchi, Yuko Nakamura.
- 4 Saneharu Mushakoji, who starts the new financial year in the position of director — international advertising for the Nihon Keizai Shimbun, is seated with Hideki Kume, also of Nikkei, Inc.

STUART CLARK

CAREER TRACK

BERKELEY, CA
1997 **UNIVERSITY OF CALIFORNIA**

ENGLAND
1998 **ALLIANCE UNICHEM**
2000 **MPG UK**
2001 **MPG INTERNATIONAL LONDON**



CHINA
1999 **HUAZHONG UNIVERSITY**

SINGAPORE
2007 **MPG SINGAPORE AND MALAYSIA**

Coming to work in Asia seems like the natural and right choice for me as an international marketer. In fact, it's been my priority ever since I spent a year teaching English in China back in 1999. The entrepreneurial spirit in that country is tremendous. In Shanghai, one year is like five anywhere else; it's always changing. With the Beijing Olympics next year, Asia is the only place in the world I want to be.

CONTACT: ostuart.clark@sg.mpg.com.

PEOPLE AND PLACES

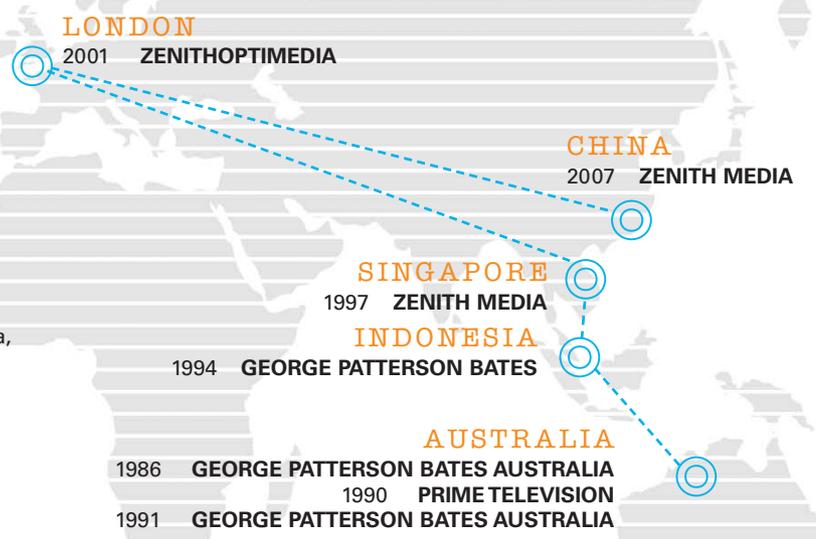
OPA '07 LONDON: FORUM FOR THE FUTURE
The Online Publishers Association (OPA), a not-for-profit trade organization representing online content providers, held its second annual global conference at London's Landmark Hotel from March 7-9. The event explored the future of global media, and addressed advertising issues pertaining to both online and traditional media companies. (All photo identifications from left.)

- 1 Fernando Mariano, Multimedia Inc. and Stuart Smith, SSM Global Media Ltd.
- 2 Stuart Schneiderman, Amy Porter and Jessica Pawuk — all OPA.
- 3 Jamie Madill, Gary Williams, Alan Griffin, Tim Faircliff — all with Reuters U.K.
- 4 Steve Godman and David Long — both Skinkers.
- 5 Jeannine Soeldner, Tanja Lohalm and Carl Cullingford — all IGP.
- 6 Ned Newhouse, Jeff Whitmire — both Credicard.com and Dan Sharp from condenet (Condé Nast)
- 7 Michel Dabaji, Les Echoes; Dao Nguyen, Le Monde Interactiff, and Alan Brown, graduate student.
- 8 Falko Ossman and Kathinka Arlit — both Axelspringer.de.
- 9 Christian Ropke, Financial Times Germany.



MALCOLM HANLON

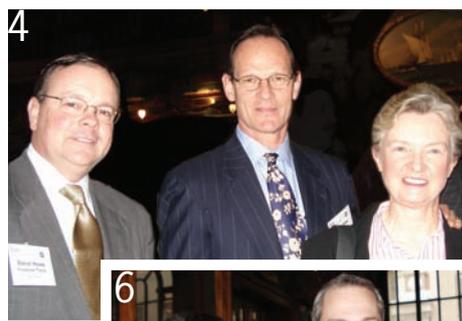
CAREER TRACK



Today's marketing spotlight regularly shines on China, and Malcolm Hanlon is pleased to bask in its glow. Now based in Shanghai as CEO of Zenith Media and Equinox Media for China, he sees tremendous opportunity. His role is to take ZenithOptimedia China to the next level of communication planning ability through global best practices, media performance and client service. Together with Optimedia and Starcom, the Publicis Group is the largest media operation in China.

CONTACT: Malcolm.Hanlon@zenithmedia.com.cn.

PEOPLE AND PLACES



FCS — FINANCIAL MARKETER OF THE YEAR
The Financial Communication Society on March 22 hosted the first Financial Marketer of the Year Award — presented to Barbara Glasser, managing director and head of marketing of Smith Barney, who created the company's "Working Wealth" campaign. The campaign is a contemporary expression of baby boomer financial realities.

The award, open to all financial marketers including banks, brokerages, investment management firms, mutual funds, credit cards and insurance companies is selected by a panel of recognized industry experts. (All photo identifications from left.)

- 1 *Financial Marketer of the Year — Barbara Glasser of Smith Barney.*
- 2 *Patrick Williams, Condé Nast Portfolio; Tim Hart, Financial Times and Maria McCoy, HSBC.*
- 3 *David Carey, Condé Nast Portfolio and Lorna Boucher Morgan, UBS.*
- 4 *Steve Howe and Ken Kehoe both Financial Times and Peg Gordon, Ace Group.*
- 5 *Boni Song, Merrill Lynch; Keith Grossman, Condé Nast Portfolio.*
- 6 *Chris Sorgie, New York Life; James Muck, Media First; Nancy Smith, Credit Suisse.*
- 7 *Tony Haskell, Condé Nast Portfolio and Kimberlee Mertz, Barclay's Capital.*
- 8 *Peter Horn, Microsoft; Craig Shiffrin, E-Trade; Mark Beeler, Microsoft.*
- 9 *Joe Parsons, The Economist.*

Q Where can you easily learn more about the strategies of the world's multinational advertisers—whether they're in New York, Tokyo, London or São Paulo?

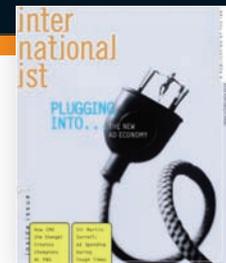
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finding emo in melbourne

You'll enjoy the coffee and the clubs, even if the tattoo is more memorable

Trendy spots may come and go, but it's nice when you find a cool place with some staying power. A place with good coffee, a little sunshine and a healthy spattering of emocks. What is an emock you ask? To Melbourne for the answer: emocks are emotional jocks, a hip hybrid individual recently minted in Australia's coolest town, featuring a combination of skater punk, surf dude and nice guy, dressed in the style of Hedi Slimane and Marc Jacobs. Elsewhere, the look (with Converse Chuck Taylors and floppy hair) is dubbed emo (short for emotional), but here, it's emock, because Australians are tougher. Note: lurking nearby are jazz-loving, red-lipped girls leaning against graffiti-decorated alleyways. If that doesn't paint a mental picture of how painfully hip Melbourne is, then nothing will.



Arrivals

Melbourne features two airports in separate universes, so make sure you know where you're going and where you've been. The train is a joke, so once you do drop in, hop a taxi to St. Kilda, Elwood, Fitzroy or Collingwood, the epicenter of pain for the masochistically hip. These neighborhoods surround the city center and offer a host of activities with a village feel — a bit like New York, without the height. It is in these village areas that you will find yourself most of the time, and they are great.

Where to Stays

By the time you read this, contractors will be putting the finishing touches on the new **Adelphi**, one of the world's first boutique hotels, which opened in the early 1990s. That was ages ago, so the retrofit is designed to bring Melbourne's brightest little gem right up to speed. The highlight of the Adelphi remains a rooftop pool that juts out over the edge, allowing passersby to nip a view of your itty bitsy teeny weenie yellow polka dot bikini as you swim overhead. Even after all these years, it's still the place to be.

Right down the street is the **Hotel Lindrum**, situated with some cool views in the center of downtown, all the easier to check out the graffiti alleys that make Melbourne so grittily charming. Be sure to ask for a room with bay windows. Farther up on the must-have scale, but also farther out, is the **Prince** in St. Kilda. St. Kilda is the kind of place you wish you

could live in, where every day feels like a Saturday afternoon. The Prince was designed by local architect Alan Powell and represents St. Kilda's attitude as center of shabby chic. This place forgot the shabby, but isn't too stuffy to not feel friendly, like a pair of Gucci jeans. The onsite bakery rocks, and so does the lobby after dark.

The Scene

Melbourne, like much of Australia, is friendlier than the average metropolis. On the outside Melbourne looks like a big city, but on the street level its very friendly. Despite this, the people do not joke around with style — it's so avant-garde they need a letter before "A." Walk into a pub in Collingwood and you might see a guy tattooed from head to toe in blue, or a pack of schmodels crossing the street like gazelles. We like **Back Bar** and its mix of beats, but there are heaps of great places up Chapel Street and around the side streets of Fitzroy.

The general rule about Melbourne is the darker the alley, the better the club. The best locations are hidden, and the best bands tend to have names like the Fuck Fucks, which would never last on another continent. Incidentally you can catch the Fuck Fucks going crazy at regular intervals around town, including the very shifty, very dodgy **Greyhound** in St. Kilda. For a more sophisticated experience, try the **Carlton Yacht Club Bar**, home of Melbourne's best cocktails.

When the sun comes up and you find yourself strolling the weekend markets and the cutting edge downtown galleries, don't forget to indulge in two of Melbourne's favorite passions — coffee and cake. The coffee in Melbourne is unreal; it's nearly impossible to find a bad cup and once you leave, you'll think everything else you taste is completely horrible. Ditto on the cakes. Down in St. Kilda the **Acland Cake Shop**, **Matilda's** and **Le Bon Cakes** fill their windows with delectable pastries and concoctions that rival anything on the grand boulevards of Europe. Step inside and your nose short circuits in the combination of smells. People have been known to curl up and die right there, reveling in the indulgence of justified morbid obesity.

There's probably time for a bit of business in Melbourne as well, but you'd do well to go light on the serious. Just remember to be sparing with the water — the never-ending Big Dry means there is only a 60-day supply, and everyone is a bit jittery about the subject. Finally, Melbourne is a great place to get a tattoo. Everyone seems to have one, like a secret badge of honor from Down Under. Not a bad souvenir for what will undoubtedly be a long flight home to reality.

Stan Stalaker is the founder and creative director of Hub Culture Ltd., a movement with a suite of activities focused on content development, private social networks and global experiences. He can be contacted at stan.stalaker@hubculture.com.

B Y S T A N S T A L N A K E R

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Global Marketing Manager
FT Conferences

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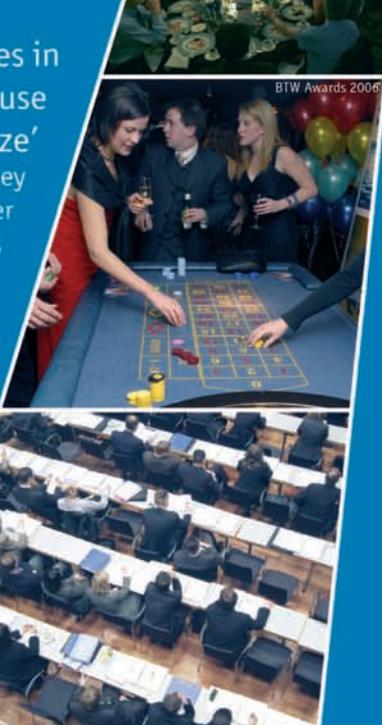
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