

The Race For Ideas

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Time: 15-minutes

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I.

Happy Birthday American Advertising Federation. Happy 100 years.

(Slide: Old Agency Photo B/W)

Who in 1905 could have seen the future landscape that has unfolded in our business?

Here's the way today was supposed to look, with the influx of new communications technologies affecting the world:

(Video: 1984)

Well, there is no denying the effect new technologies have had on us and our industry. Fortunately, it hasn't been quite as Orwell predicted.

But, today, we have a whole host of new challenges.

(Slide: NY Times Headline).

There are warnings from just about every angle, that we need to change.

I am reminded by Darwin that it is not the strongest that survive, nor the most intelligent, but the ones most responsive to change. Ours is an industry whose very essence is change. And now, on AAF's 100th birthday, change is needed, again.

Our business is a Race For Ideas. It has always been a race for ideas. As velocity accelerates, rewards in the future will be for those who get **better ideas, faster**. We cannot sit on the post in this race for ideas, the time for change isn't just urgent, it is imperative.

II.

I love this business.

(Slide: Love Radio & Television)

Growing up the son of a television and radio repairman, and as a college art major, I became enthralled with advertising. (That's my sister Carole, there, next to dad's advertising. And, that's Carole here, honoring me today---still supporting the family business. She hasn't changed a lick.)

I grew up with the excitement of new media and new ideas, the creativity of expression advertising requires. It's ability to listen to people and to change the way they see the world.

It wasn't a career. It was a calling--To help improve peoples' lives. It's fitting, that my first assignment in this business was the Ad Council, public service campaign for the Peace Corps. The idea was: "Don't crawl under a rock, get into Action."

Now, I see an industry, arguably, under the most severe pressure in its history. It's self-confidence is being shaken by a host of challenges like: Globalization, a call for greater transparency of cost, consolidation and the shift from private to public ownership, real questions about our industry's social contribution and its effect on issues like obesity, drug usage, decency, child development, politics and diplomacy.

These questions aren't just being asked, here. But in every important global market in which clients do business.

Today, we face the same urgent need to change that we had 100 years ago. Our business models are considered by some people, to be obsolete. And what is worse, our ethics are being attacked. This effects our reputation and our perceived value. (I can understand why some in our industry feel like crawling under a rock.)

Our clients want to know what we are going to do--to change.

I believe the answers lay right here in the AAF. In reexamining our inherent equities and embracing our fundamental legacy— meeting the need for change.

III.

Business Week recently highlighted the difficult outlook for marketing. They reported: "Any rigidity, no matter how large or how well established, is severely penalized by the market...at some point the laws of physics take over and we're at the mercy of global forces."

So, too, are we, in our industry, at the mercy of global forces.

The answer for the advertising industry is simple. We need to do what we have always been best at, to turn complexity of marketing into simplicity—with new strategies and new ideas.

The starting place is to be unequivocal in following the key principle, at the core of this business. Our industry has wavered from this principle over the last 20 years.

To take care of the client's Brands, FIRST.

Take care of the agency's business, SECOND.

And, take care of individual needs and agenda's, THIRD.

Certainly we are a people business. But without a steady flow of new ideas for building our clients brands, we don't have a business.

IV.

Clients are demanding that we better meet their business challenges in a world of rapidly changing communications technologies. They are urging us to be more innovative: in how we think, in how we partner, in how we deliver work, and in how we get compensated.

In this global race for ideas, they are insisting that we change, because change is hard for them to achieve, alone.

The Chairman of the Association of National Advertisers recently said it loud and clear to us: "Consumers are driving companies to collaborate, test and experiment to meet their needs. Do not fear what might happen to your business if you collaborate. Be afraid of what will happen to your business—and the marketing industry—if you don't."

He gets it. This is a business of relationships. Look at it from a client's perspective.

Are we holding companies for financial control, or are we holding companies of talents? Are we makers of ads, or are we discoverers of understanding and creators of powerfully motivating ideas? Are we collaborative enough to create ideas that can connect across borders that are dissolving in a global village?

Are we talking about an evolution of the revolution of change, or the revolution of the evolution?

Our clients are seeking revolution and far greater imagination in the integration of ideas. This means strategic partnering. Partnering unrestrained by geographic borders or P&L silos. Partnering unrestrained by unbundled functions, greed, or, the way things have always been done.

Take care of the client's brands, first. It simplifies how we take care of what we do with our business. It is a race for ideas and we need to change, to raise our game, now.

V.

(Slide: Apple iPod)

Apple's iPod is a good example of an idea that is winning the race. It changed the way people enjoyed music.

(Slide: Adidas)

Adidas' is changing the playing field with a manifesto--" impossible is just a big word thrown around by small men who find it easier to live in a world they've been given, than to explore the power they have to change it. Impossible is Nothing."

(Slide: Nissan Shift)

Nissan is Shift_ing, to challenge the status quo, with a simple belief that "Everything we touch, we shift. And everything we shift, we try to make better."

(Slide: "Touching Lives, Improving Life")

Another remarkable change has been achieved with an idea at Procter & Gamble- "Touching Lives, Improving Life." This inspirational internal program helped galvanize P&G's people worldwide, and has led to

dramatic growth over the past four years.

There are other great clients and ideas out there. But, I've polished enough apples for now.

All these ideas prove the point---

(Slide: Global Vision Image)

An idea is not an idea, unless it changes someone's perception of the world.

Ideas effect peoples' perceptions and, in turn, their beliefs. Beliefs lead people to action. Behavior-change starts with belief-changing ideas.

The race for ideas has always been fueled by advances in communications. We need to step back, like the painter at their canvas, to appreciate how unfolding global communications technologies are creating the new perceptual landscape for consumers AND opportunities for us to lead.

Consumers are not only our clients' boss, they are the yardstick against which we are valued. In order to take care of our clients business, first, we must take care of their consumer. It is a delicate relationship to balance.

VI.

Here are six ideas for the AAF and its membership, to change things, to reinvent ourselves, again.

First, and foremost, we need to reinvent how our industry connects consumers with ideas. Unbundling media in the late 1980's seemed like a good idea at the time. It was a concept we willingly adopted for our clients to provide greater scale and cost advantage over a global media marketplace. Clients encouraged this, as they took their brands across borders and the media itself, consolidated globally.

While the advantages of aggregated buying gave our clients more negotiating power, the dislocation of **consumer media-consumption understanding** from **brand-perception development**, I believe, has not been good for our clients, or ultimately, for our industry.

We're familiar with the debate, but it sounds like a bad divorce, where communication has broken down and ultimately, like the child, the

client... suffers, and our industry suffers.

Inspiration can come from a variety of sources. Nonetheless, we need to partner, the beautiful art and science of this business. Together, inextricably interdependent, in a way that reflects the increasingly vast connections consumers now control. We cannot deliver the integration our clients need without a seamless marriage of media, idea creation and brand equity understanding. Not the old way, but in fresh new ways.

Second, we need to have the courage to ask our clients to practice what they're preaching about collaboration..to partner with us in creating the future. This includes partnering with their procurement people. I am sure part of the solution our clients are looking for involves changing the way they work, too. Collaboration is about creating something together that creates value with their customer.

I also say to the client community, incentivise your partners to share in that value creation, on the same basis you are measuring your success, and I guarantee the barriers to collaboration you face will come falling down.

We need even greater collaboration between the AAF, 4A's and ANA on all of this.

Third, we all need to rededicate ourselves to expressing the truth in things, AAF's founding principle, and in being far more transparent, with our own self-regulation. Self-regulation is infinitely preferable to legislation, for everyone. We need to let the world know about our self-regulation, because it insures our unifying voice rings with the power of truth.

Fourth, we need to relish the highest creative standards for ideas--- by bringing into the ideas business, the best and brightest, young, rebellious minds through our relationship with education. There is so much to leverage further with our National Student Advertising Competition and the ADDY Awards inclusion in the Gunn Report next year.

We need to have more respect for the work we do. If we don't have respect for our own work, no one else will. We need to resist the temptation to give it away for free. (This means having our clients realize when a potential new client asks us for free ideas, they are asking for these on our current client's nickel. It is a bad deal all the

way around. We need, through collaboration with the ANA, to have it stop.)

Fifth, this industry must become more representative of the consumer's world, through multiculturalism.

We need to accelerate this, now, and use the AAF's great Mosaic foundation for enhanced diversity. And, let's also challenge ourselves to lead the business world in gender equality. Surely a mind-opening idea has no gender bias in origins.

Finally, let us realize that the word American, as in American Advertising Federation, is not a location. It is a promise made--to the citizens of the world. Diplomacy of brands is directly related to the diplomacy and cultural sensitivity of the people behind the brands.

VII.

The future is bright for us if we follow our heritage for change. If we can use this privileged moment, to challenge ourselves to find bold, disruptive ideas that connect. Ideas that change the way we see the world.

(Video: Think Different)

Think Different. Keep thinking different. We are in a race for ideas. We cannot win this race, unless we change. Change is what the AAF is all about, in our soul.

I am certain, the future will look different for the AAF. I am equally certain, the race for ideas will have increased value as a career and a business proposition.

The basic need for ideas to help our clients build their brands with consumers, will not diminish---as long as the freedom to think--to wonder--to innovate ---exists.

And, as long as the AAF lives up to its birthright.

Thank you for your attention and this opportunity to say happy 100th birthday--- many happy returns of the day.

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