

PRESENTATION

BRAND BUILDING:

"At 212° Fahrenheit"

American Advertising Federation National Conference

Miami, Florida

June, 2002

**Tim Love
Managing Partner
Saatchi & Saatchi**

Thank you very much, Wally. It's a real pleasure for me to be here with you.

Today, I would like to offer some thoughts on Brand Building in the context of the world we live in today and to look into the future. I have themed this talk—*"At 212° Fahrenheit"*. Because, I believe our world has reached **a boiling-point of change**, and this is having a profound effect on how we think about brands and relationships in the global village we are now living in.

Early in my career, I was fortunate to work on brands that were international in scope. In the late 1970's, I was part of the team that launched Duracell Batteries worldwide. It was my first big international brand experience and it took me far beyond the borders of North America. Duracell still calls itself the "Copper Top" as you know, and is today, a leading global brand.

Duracell is one of the first truly global brands, but we didn't even know that is what we were creating back then. We simply thought we were expanding from one market to many others. I think Duracell was instrumental in shaping my thinking, in terms of not being so U.S. centric, as some people can be when all they do is focus on their own indigenous geography.

Later in my career, I spent 6 years living in Brussels Belgium as a Worldwide Account Director for my firm's Procter & Gamble business, I traveled the globe from that Brussels base. I was challenged by new cultures, new languages, new media challenges and trying to build global equities for Procter & Gamble in over 120 countries for brands like Pampers, Always, Vicks and Crest. Having to consider cultures and consumers outside of my own country, helped me get a reverse look at the US, too. I certainly came to appreciate how strange America can look, from an outside view in, and how different it is from other countries' cultures.

So, right from the beginning of my career, I was looking at new geographies, new towns and new media vehicles to reach and communicate, to help grow brands. It was a fascinating learning experience for a kid from a small town in Ohio. I definitely learned what "**Cultural Faux Pax**" means. I hope I don't make any today. But, I do hope to jar your thinking and spark some thought about the future of brands.

That's the lead in to what I wanted to talk about today...

SLIDE) Brand Building, which is both a Local and Global Challenge. Speaking of Challenge, this is the way we portray a challenge for Adidas in New Zealand.

(Show: Adidas TV "Hakka" :60)

(SLIDE) My objective today is to inspire new thinking on the subject of brand building:

1) To Provide a new perspective for building Global Brands

And

2) To Think of Brands in a new way.

There are some huge changes underway which will affect this.

There is Globalization, which is affecting marketing strategy. There are the Economic changes we are experiencing as a result of the technology revolution. International Trade Restructuring is also changing the playing field. There are huge Changes in community and family structures happening worldwide. Lastly, one of the biggest changes is How Brands and Consumers Relate.

(SLIDE) We're rapidly moving from a "Built to Last" economy to a time of "Built to Change". All of us, I'm sure, are experiencing this because everything's changing so quickly in this electronically-wired, interconnected marketplace. The acceleration of change is profound. When we think about marketing a service, brand or a company we have to be prepared to build in an "anticipation for change", because

if you do not plan for change, you will fall to the back of the pack, before you know what happened.

And, **(SLIDE)** we're also moving from a **"Knowledge Economy"**, which arose from the information explosion. Those who had the knowledge had the power, to an **"Attention Economy"**, where it is just very hard to attract and keep a consumer's Attention today.

Big ideas are the currency in this new economy. Today, we must have brilliant, fresh, motivating, powerful ideas quickly and timely or you will simply get lost in the blizzard of information. And, Ideas that are relevant, not just more information or data. On this subject, I believe it is true that....

(SLIDE) What we learn from history is that we don't learn history. This is something the historian Hegel postulated in the 1800's and many others have said since then. I believe that in the confusion, tension and stresses of the "Attention Economy" and "Globalization", there is much learning we can acquire from looking at the past in order to get a better view of the future.

Speaking of looking at the past to help us with the future ...**(SLIDE)** you need no better example than **Marshall McLuhan**. When I was in graduate school I studied and did my thesis on Marshall McLuhan's views on the development of man and society throughout history. He

was a professor at the University of Toronto and became somewhat of a legendary figure due to his controversial theory that developments in media have a direct effect on people and how they organize and live in the world. He studied the effects of media going back to hieroglyphics and on to the Gutenberg press, through the telephone, radio, and television—all of which had a huge impact on changing people, commerce and society.

He discussed how each of these advances have profoundly impacted the socio-economic and political dynamics of our world. He predicted in the early 1960's that the most significant impact, would be the merging of the electronic media; the television and the computer with new technologies like orbital, satellite transmission and borderless electronic media access. It was not known as the "internet" when McLuhan developed his predictions of what things might be like today.

More than any single factor in my business career, Marshall McLuhan's principles and theories influenced me. Because I had the opportunity to deal with international business in Europe and beyond over the last 10 years, I was able to see many of McLuhan's predictions come to life. He predicted the "Global Village" would be created by the convergence of information with the electronic media, particularly live television. And, he also the coined the term, "The

Medium is the Message" and also said "Understand media and you will understand man".

(Slide) McLuhan studied each of these communications technologies, which he considered to be art forms. For each, he analyzed their effects on human perception in terms of the extent of psychological and physiological impact on people. He believed that these technologies were either **Hot or Cold** in terms of their effect on us, the degree of imagination and involvement they required of people consuming these media.

I won't go into all of them, but, for example, he believed that the development of the Gutenberg press, which gave man the ability to record and tell stories, to document events and convey opinions about ideas was a "hot medium" that had an unquestioned effect on the way people perceived and operated in the world. He felt the radio was also a "hot medium", in that, it required us to involve our imaginations and to fill in perceptions of content around the message and format of the medium. Conversely, he felt Television was a "Cool Medium" that provides a fuller perception, in terms of all the senses of sight, sound and motion. He believed that Television presented us with so much stimulus and was so involving that it creates a platform for greater emotional response, versus filling in content, by those that consume it.

I believe McLuhan was absolutely onto something. That is precisely what is happening today.

(Slide) What about now and into the future? Just think about all the new information technologies we have today. Many of these, even McLuhan would not have envisioned. Does anyone here believe the internet , cell phones and e-mail are not having a profound effect on us? Emails are not electronic letters. They are someone going directly into your office or home and standing there, communicating with you in almost a stream of consciousness manner....directly from the head to the fingers, then "SEND", instantaneously, BOOM!

And, I hope you can withstand the "**Cell-Phone Fever**" you may have by having your cell-phone turned off for the next few minutes.

(Slide) It is definitely an Attention Economy we live in today.
Getting someone's attention has never been more difficult. Here is how we did it recently for Toyota.

(Show: Toyota Solara "Chase")

(Slide) We are bombarded by Fragmented Media, Proliferated messages, Over-choiced categories, Multi-tasking and Over-Committed Minutes.

(Slide) What is happening?

- **Symbols, sounds, words and media are art forms—
Instruments which focus perception.**
- **They are not information mechanics.**
- **The ultimate reason to understand the effects of media is
to better understand human perception.**

So **(SLIDE) Globalization Has Arrived**. I believe Globalization is as important an influence on all of us as any of the great, previous ages of Macro Change, such as the Iron Age, the Reformation, the Renaissance or the Industrial Revolution.

(Slide) Globalization is not just about business. It is about Cultural Evolution.

I believe, it is actually about *Cultural change at boiling point.* As you know, water does not begin to boil until its temperature reaches 212-degrees. I believe like water, the collision of the new media world we are experiencing is having a breakthrough effect on the world's cultures. Like water at 212-degrees, we are living in a boiling point of major, dynamic change.

(SLIDE) When I was in school in Ohio I remember my teacher asking, **“if a tree falls in the woods and nobody’s there to hear it does it make a sound?”** Now I always thought that was a pretty interesting question and kind of funny ... I thought ... what do you mean, does it make a sound or not? ... “Well if nobody’s there,” she said, “ if there’s nobody there to hear it, it doesn’t make a sound because sound is only created when somebody hears it.” In this interconnected, global village that McLuhan predicted, the answer today is, yes, they will hear it. Yes, it does make a sound, because somebody will hear it or see it, somewhere. You may not, but you can bet somebody else will. Because increasingly, somebody is connected by cell phone, fax, internet or text messaging and they will let someone else know. This is what is happening with globalization.

It is, as you know, very controversial. **(SLIDE)** There are **demonstrations** against globalization. **(SLIDE)** **Opponents** proclaim discontent over the idea of capitalism, the process of globalization and the behavior of corporations.

There are essentially two prevailing views on this. **(SLIDE)** A couple of **popular books** have taken very divergent views on globalization, as different as the demonstrators and corporations who have been doing business around the world for some time.

The first, shown here, is a book by Naomi Klein, called "**No Logo**". This book takes a very hard line view that globalization is a bad thing. Like those that fight globalization, "No Logo" says globalization has many negative ramifications, on people, economically as well as culturally, and calls for more controls to slow it down or to rebel against it.

Another is "**The Lexus and the Olive Tree**" by Thomas Friedman. It is a fascinating book that says globalization is inevitable and has many positive ramifications, which will ultimately be good for the people of the world, on balance, if we can be aware of some of its potential shortcomings. Friedman, as a journalist studying and working globally, witnessed this shift towards globalization from the time of the end of the Cold War. Friedman argues there's no turning back, that we have seen acceleration in globalization, a tremendous change since the end of the Cold War.

(Slide) First, we need to understand:

-Globalization is not being driven by business. It is being driven by consumers. By consumers of media, whose perception and awareness of things in the world are being effected.

(SLIDE) What have marketers been doing with all these developments? Well, starting around the late 1980's when the Berlin Wall came down and the Cold War officially ended, we have been faithfully following the business school mantras: to **"Think Global-Act Local"** or a more recent permutation called **"Act Global- Think Local"**, which some marketers are advocating.

As I go about looking at helping my clients with global communications objectives, as well as local communications and marketing challenges, I think a new marketing perspective is needed.
I think it's time to officially retire the idea of "Think Global-Act Local."

This mantra helped marketers when it first came out in the 80's, when Coca Cola began using it to get its marketing people to think in broader terms. It made an awful lot of sense for a marketplace that was seeing walls fall down and new markets opening up for the first time. It was a tremendous perspective, that got us all to think "Hey I better consider business issues and strategy outside of where I exist." It made us realize we can't be blind to what's happening in other markets outside of the immediate local geographies. So I believe, the "think global and act local" mantra was tremendously helpful, initially.

However it's a geographic concept that does not provide an ideal perspective for brand building today. It assumes borders that do not exist quite so definitively any more. And, importantly, it does not reflect the convergence in information developing and media proliferation consumers have seen over the last 10 years.

Our CEO, Kevin Roberts, reminds us that "I've never met a global consumer...only a local one". He is right.

So, I believe **(SLIDE)** we need a new perspective that can more relevantly reflect the business world we compete in and which will be far more helpful in guiding strategy for our brands.

-One that captures the benefits of both points of view on local and global.

- **One, that captures the importance of local cultural relevance** that is so important.
- One, that recognizes the competitive dynamics of our global business environment, as well as...
- One that **Understands the effect of media on perception.**

When we get up in the morning the sun comes up and we go to work on our brands, or businesses. We work all day long to care, nurture, create, get ideas and seek information to help grow our brands. At

the end of the day, when the sun goes down, we turn the lights off and we go home. It is easy to think that our brand and our business kind of stops, in a way, for that evening.

We go home, put our head on our pillow and we fall asleep. For all intents and purposes, our brand or business seems to stop in suspension, until the next day, and the new dawn, when the sun comes up, and we resume our activities to drive that brand to success. That's the way it seems.

You know that's not what happens. The sun doesn't go up and down, it's we here on earth that revolve. The sun remains constant and we at our place on the planet are revolving and turning. The sun is always connecting with the earth somewhere.

Increasingly, with today's interconnected media environment, we are no longer operating in isolation. Our world is rapidly becoming the **"global village"** McLuhan envisioned. So, to use the analogy of the sun, our brand perceptions are being influenced somewhere all the time. Increasingly people's perceptions are being communicated to other people via the new communications technologies that are linking people to each other.

Our brands and our businesses are making contact with consumers outside the realm of what we see, beyond the day

and the night, we experience as we market our brand in our own geography. Like the sun, our brands and business are making contact with consumers, somewhere, all the time, in "REAL" time.

I believe a more helpful perspective, therefore, is...

(Slide) To **Think Like The Sun.**

(Slide) Why "Think Like The Sun?"

-Because of the effect media and other factors are having on consumers and brands...

and,

-Because, instead of focusing on borders and geography, it requires us to **focus** on brands, markets and consumers and to **act** in....

-A Global Way, which understands we are living in a global village.

(SLIDE) There are three key factors that have led to this and these factors have not been readily visible. They've been **insidious** because we don't readily see them in our own backyards.

(SLIDE) The first insidious factor is one I eluded to already, it's the media effect, McLuhan's predictions have really come true. When I went to Europe I remember getting there shortly after the **Berlin Wall came down.** I remember growing up when the Berlin Wall went up and thinking "boy there's going to be a war someday when somebody decides to try to bring that thing down or cross over." They had guns and German shepherds and all kinds of bombs in "no mans land". It was impassable, a clear and delineated difference in culture, society and geography between "The East" and "The West".

What was really interesting was that all of the sudden it just came down. It came down with no war. They were popping champagne bottles and playing rock music, while sledge hammers were knocking the wall down and people were having a great time. I thought, how did that happen?

Well when I got to Europe shortly afterwards, I looked at that and I learned a lot and I thought a lot about what McLuhan said.

It started with somebody figuring out how to bounce a television beam off of a satellite, up over that wall into East Germany. In East Germany, initially there were maybe a few television sets, much like any society in the early stages of television penetration. People sat

at home and started to see things like Disney, Levi Jeans and Coca Cola and people enjoying themselves. They started to see and hear music, dancing and entertainment and things going on that they hadn't seen before in their geography. Some people saw this and whispered to their friends, "You know, it looks like they are having more fun over there than we are."

Initially all the politicians in East Germany said "don't listen to this stuff, don't pay attention, it's propaganda". They said, "you know that really is not the way it is on the other side, they have war going on and they have social conflict and they have racial discrimination and they have riots and drugs and they have divorce and they have high unemployment and taxes. Buddy, you just be glad you're living over here in this side of the wall because that's all trouble over there. Over here you've got a nice job and a government aided house. Here we take care of you and you have food stamps and we won the Olympics five times in a row. So you just be happy where you live right here in this society. Don't pay attention to that stuff you're seeing on the television screen". This is what the politicians said.

And then, over time, those television signals started to come in more often. People in Eastern Europe were looking at these pictures and thinking about it. Then, the politicians came home one night to a huge, mind-changing event. That was the night that everything changed because they came home and their son or daughter said

"Daddy, when can we go to Disney World?" All bets were off at that point and, **that's when the wall came down**. Because, just like every society we want the best for our children and we want to make them happy. Again, they thought, "it looks like they're having more fun over there than we are over here. It looks like they're happier than we are." It was true and that's when the wall came down.

The effect of media helped bring it down.

Consider some of the major events in our own experience since the increase in electronic media like the TV, and how these effected your perception and that of the world. **The Space Exploration** of the early 1960's, where we saw live pictures looking back at our planet, from outer space for the first time. The **Kennedy Assassination** and the televised funeral that we all witnessed, first hand, by millions of people around the world. **Vietnam**, a war brought right into our living rooms, live, every day. And for many of you younger people, **Y2K**, an event that captivated the attention of virtually every individual on the planet. And, more recently and sadly, **"9/11"**.

All of these events penetrated into our perception psychologically, with emotional and physical effect, tapping our nerve endings, at each turn, thanks to the media which enabled us to consume and experience these events so closely, and so intense emotionally.

(SLIDE) Insidious Factor#2 has been the significant change in **trade and distribution practices globally**. Issues on trade dealings have been relaxed. Distribution companies and wholesalers have merged across borders, thereby putting new pressures on how brands go to market and compete. In fact, changes in trade policy and the ability to easily ship across borders has fueled the race among marketers to get their pricing and brand strategies across countries more aligned, in order to prevent parallel importing and a brand competing with itself. Marketing strategy can no longer be constrained to a country-by-country model.

(SLIDE) Insidious factor #3 has been the resultant **competition for consumer perception by brands**. Web usage is exploding. We've gone from 68 million users in 1997 to a projected 320 million by 2002 (that was last month's estimate, it is probably higher by now). TV has been proliferating around the planet for many years now. Interestingly, there is an explosion in the diversity of cultural material gaining exposure, especially among the world's teens. Brands are moving rapidly to capture this global market. They have to, in order to stay alive.

With the new younger consumers that we are looking at today, we are..

(SLIDE) Selling to the most over-marketed generation in history.

-They know we are out to sell them. They enjoy the game. They reward those who play well, and punish those who don't.

-Some established brands will fumble the generational Hand-off.

- Those that succeed will apply the mantra "the consumer is boss", not just in product development, but also in delivering a more rewarding breed of communications.

(SLIDE) How does this generation want the game played?

(SLIDE) They want us to **make it fun....**

(SLIDE) to **respect their intelligence..**

(SLIDE) to **walk the talk**, which means to live up to our words and to do things to help their community.

Net,(SLIDE) in **marketing to marketers, play the game well and they will let you win.**

There are a couple of reality checks to remember, when it comes to product quality and performance for marketing to these new consumers.

Reality Check number one. (SLIDE) There aren't any bad products left. Global competition killed them off. **Great product performance is now, expected table stakes.** Your product better have an acceptable level of product performance or you won't even be in the game.

And, **Reality Check number two(SLIDE)** is that **the leaders' performance edge has never been smaller.** In this high speed world, it is simply too easy to copy and too easy to take products, formulas and technologies and ship them overnight into a market to nullify competitive advantage in product performance. It is hard to hold onto real, tangible superiority for very long. But, you sure don't want to get out of line for very long either, because your product performance must always be seen as being in line, among the best of the best.

(SLIDE) So here is the **Paradigm Shift** for pursuing leadership in brand building:

In the **Attention Economy**, where we **Market to Marketers**, and the **Performance Gap Has Narrowed**, performance improvements cease to be the trial drivers they once were. Performance is becoming primarily a **Loyalty Issue**.

(SLIDE) It is about going for superior relationships. Speaking of this, let's look at a relationship we have been creating for a brand you may be familiar with:

(Show: Sony Vaio "Dresser")

(SLIDE) So, what is happening with Brands?

(SLIDE) In this new interconnected global marketing environment business success is all about Brands. Just about everyone is writing about this. There are virtually thousands of books on brands today. We know, since Saatchi & Saatchi is so involved with brands, we have been studying just about everything we can get our hands on, about brands.

What is our definition of a brand? **(SLIDE: Build)**

- **it owns a space in people's minds**
- **it is more than a product or service delivering a functional benefit.**
- **It creates an emotional connection.**

- **A brand embodies well-defined characteristics, beliefs and values..... that**

-Ultimately, Helps People Define Themselves.

(SLIDE) Connections lead to relationships.

- The emotional connection between a brand and a consumer is embodied in a relationship.

And

- The transaction is the outcome of that relationship. The evolution for brands is from being a transaction to becoming a relationship.

This Brand Evolution has been interesting, when you look back at history.

(SLIDE) Brands first began as products and were Trademarked for legal protection, to make sure people knew that the product was owned by the entity or the company or individual that was behind it. This was the initial stage around the turn of the century when package goods and services first began to be broadly marketed.

The second phase of evolution was **(SLIDE) from Trademark to Brand** , most prominent during the 1920's to 1970's as marketing of

products in the same category evolved to Branding. This was for differentiation reasons for consumers in a mass-marketing business climate. The leverage with consumers and audiences was in the branding -- the properties that could help differentiate that product from somebody else's product.

We believe with the movement of "Consumerism" there has been an increased desire for consumers to know the impact that brands and products have on their lives. This resulting consumerism caused ..

(SLIDE) brands to evolve from brands to "Trustmarks". This required brands to be more responsible in terms of divulging what they make, what they do, what they offer, what is inside and why they are better or how they compare to other brands. It required marketers to think in terms of building trust with consumers in order to allow their brands to survive and flourish. Consistency of manufactured product performance also became critical as a result of the borders falling down. This is one reason why the larger players have been merging together, to compete.

(SLIDE) For today and into the future, we think that brands will be required by consumers to have an enhanced emotional relationship, from **Trustmark to?...an evolution**. In this global village that we're operating in, where people are directly connecting with your brand, outside of your day to day control or distribution, brands are

having to evolve from trustmarks to a higher level of emotional relationship that....

(SLIDE) we call **LOVEMARKS**.

Because brands and consumers are moving from merely seeking transactions to relationships. From purely **(SLIDE) Rational** to an emphasis on **(SLIDE) Emotional**. A Love relationship, where **(SLIDE) Mystery**, **(SLIDE) Sensuality** and **(SLIDE) Intimacy** exist.

The idea of Lovemarks creates some discomfort with some business people because its emotional and it sounds like we're trying to talk about **Love**. WE ARE.

We believe that people are looking for deeper emotional connections, like love. The reason for this is that in this attention economy that is interconnected globally, where people have access to information about you and your brands everywhere, we need to move beyond merely trying to push transactions. To engage and satisfy consumers, we must build relationships with them, for the long term, like long-lasting love affairs.

(Slide) Brands are about information, A Lovemark is about a relationship.

(Slide) A Lovemark doesn't belong to the company. It belongs to the consumer.

(Slide) Brands reside in people's homes. A Lovemark also resides in their hearts.

(Slide) A Lovemark is like a great lover. Always seducing. Never Boring.

(SLIDE) Why Lovemarks?

-With more choices, more information, more transparency and more confusion...

-things happening faster, consumers are time-starved,

Achieving a Lovemark relationship for your brand is critical.

- Getting to Lovemark status is very difficult . There are very few examples to date. Some we can think of, that have this Lovemark status are brands like **Disney, Harley Davidson, Zippo Lighters, Sony** .We believe **Toyota** is another brand that has evolved from trustmark and is now beginning to achieve Lovemark status with consumers, at least in North America as it has in Asia.

The **VW Beetle** is another brand that has achieved Lovemark status. There's a sense of loyalty and trust and love between VW Beetle and its owners that is really an important part of that brands' success.

Coca Cola is certainly considered a Lovemark, but it better watch itself or it could lose its way. **Mercedes** is an obvious example of a brand with a strong affinity, with a loyalty at a price point that is beyond reason. **Apple Computers** has achieved Lovemark status. Reaching Lovemark status can help a brand that lost its way, come back strong, because the loyalty, the love and the trust it developed with consumers. We believe a good example of this is Apple. The return of Steven Jobs and the iMac launch. What he was able to achieve with that built up Lovemark status was wonderful to see.

There aren't too many examples of Lovemarks beyond that-- at least globally.

We've been studying this and looking at this seriously for the past two years, since our CEO first talked about Lovemarks. We're investing much of our energy and work in our organization studying what goes into becoming a Lovemark. We want to help our clients achieve this status because the rewards are enormous. Lovemarks capture the high ground in consumer perception, their heart. And with this comes the willingness to pay a premium price to maintain this relationship.

(SLIDE) We have been studying the move from Transactions to Relationships, along with Susan Fournier of Harvard University. We have found there are 14 different types of relationships between people and brands. I won't focus on all of these fourteen relationships,

(SLIDE) I would rather focus on the one that I believe is most important to you...
the "Romantic Marriage".

This kind of brand relationship, like a Romance is characterized by high love, intimacy and trust. It is long term. Exclusivity of commitment and commitment even through adversity. This relationship for a product or service is one that . . .

(SLIDE) engenders loyalty beyond reason.... One where the **Brand is as a LOVEMARK.**

(SLIDE LOVEMARKER) And we have developed a new tool to help us measure this, in terms of being a Lovemark. It is called the LoveMarker. Taking an axis of measurement on one vector Love and on the other Respect, and conducting consumer research, we can begin to gauge where a brand stands in its relationship with its emotional consumers.

For, example, on the Love/Respect axis we find that...

(SLIDE) Public Utilities generally are low in Love and low in Respect.

(SLIDE) Fads tend to be high in Love but low in respect. Over time, they don't last very long. Like one night, Love affairs.

Most **(SLIDE) Brands** that provide good product performance achieve high respect, but many have no strong emotional attachment, they are low on Love. This is where most brands reside today.

We believe they need to maintain product excellence and find the emotional attachments and insights that will enable them **(SLIDE)** to achieve **Lovemark** status. Where the leverage is greater and the rewards are sweeter.

Lovemarks transcend mere brands. They reach not only into consumers' hearts and minds, but also into their very lives.

(Slide) Take a brand away and people will find a replacement. Take a Lovemark away and people will protest its absence. Because people never merely buy Lovemarks, they embrace them. Passionately. And never let go.

(SLIDE) In this marketing environment, we believe the single most important thing you can do, to create a Lovemark, is to **Keep It Simple.**

(SLIDE) To tie this all together, we suggest there are **Seven Key Tenets of Global Brand Building.**

(SLIDE) **Number One. . . Symbols, sounds and visuals speak louder than words,** particularly when you're dealing across borders, cultures and languages. Often these are more powerful and communicate better for a brand across borders and geographies than the actual words that are used. They can evoke a more emotional perception. Words can become very difficult to translate. Obviously words and the language used in communicating ideas for brands need to be tailored and very well crafted for cultural differences and local needs. But the prevailing part of the brand message is becoming more and more aurally and visually oriented. These are more emotional.

Here is an example of something we did recently with symbols, visuals and sounds for a great brand in France.

(Show: Babybel "Nose")

(SLIDE) Number Two. . . Design becomes a key element in relationship building. In fact, in keeping with the visual look I just mentioned, design has had a rebirth in the brand-building business. So we're seeing things occur like the Apple I Mac introduction. It was just brilliant because it used the wonderful colors and transparent designs on the outside of the box for the I Mac. I'll never forget getting off an airplane and pulling out of an airport and seeing the outdoor billboard when the I Mac was first launched. They had pictures of this beautiful machine in different colors and they had just one simple subhead underneath "Yum". I couldn't believe it, I thought it was brilliant. There they are trying to make me caress a computer! Design is incredibly important in building emotional relationships.

(SLIDE) Number Three .. Brand Equity, the symbols and ideas that become the property of the brand and consumers mind. We must start by determining the essence of each brand and what the consumer-perceived equities are. Without that essence the brand doesn't live as a continuous brand across geographies or cultures.

(SLIDE) Number Four... Consistency, is so important. We need campaigns versus one off executions. Consistency is imperative in building strong, enduring relationships. Consistency means a

campaign. It does not mean "one-off" executions that do not build equity over time.

(SLIDE) It means **differentiation** and sticking to it.

(SLIDE) Number Five .. Teamwork, a very important concept in this new world of building global brands. Teamwork is something that doesn't come naturally between geographies, countries and individuals globally.

(SLIDE) Number Six .. We've got to harness consumer-learning power and that means any learning from anywhere is applicable anywhere. Harnessing consumer learning power from around the world, actually can deliver a competitive advantage to your brand.

(SLIDE of Map) Learning from anywhere can be applied everywhere. It doesn't mean that we're looking for one solution or execution but the consumer learning can greatly impact the overall strategy for your brand and can provide competitive advantage.

(SLIDE) Number Seven.... Your program needs to be holistic, able to use all forms of communication that people are consuming these days. While it isn't just TV, you better have TV in the plan if you are competing for peoples' love. TV is still a very

involving medium. Although people are using other media, the internet and so forth, nothing involves the senses, rivets the attention or quite draws on emotion, like television does. So we very strongly recommend TV be included as you adopt diffusion plans or go into viral marketing and one-to-one communication.

(Slide for Reel: Examples) I put the following reel of commercials together as examples of some of these key tenets for building Lovemarks. Some are global brands, some are Local only. Some I just put on because I liked the work. All of it has been effective. In each case, these TV commercials were part of comprehensive, holistic communications programs. **(SHOW REEL)**

(SLIDE Summary) That's it. We have talked about **Globalization; the "At 212-Degrees Fahrenheit,"** the boiling point of cultural change, we are experiencing.

A New Frame of Reference for doing business in this environment.

And, we've talked about **Creating More Intense Relationships with Consumers.**

I believe in this new world and going forward, it will be extraordinarily helpful.... In Summary....

(Last SLIDE) to Think Like The Sun. It is The Secret to Building Global Lovemark Brands.

And I hope that when you next go outside and look up at the sun it will also remind you of Saatchi & Saatchi's views on building brands.

Thank you