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Wharton at Marketing– When the CEO is the Brand, But Falls from Grace
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THE *good* BRAND

AS THESE SEVEN KEY MARKETING TRENDS SHOW, BRANDS ARE LESS AND LESS ABOUT WHAT WE CONSUME, AND MORE AND MORE ABOUT WHO WE ARE. THAT'S TURNING THE BRANDSCAPE INTO A MINEFIELD.

BY LINDA TISCHLER

IT HAS BEEN A TUMULTUOUS YEAR in the wonderful world of branding. Exciting new brands, such as iPod, hit their stride; respected older brands, such as Martha Stewart, faltered; and classic brands, such as Mustang, proved they still have juice. Destination branding, from Las Vegas to Jordan, took off. A brand called Mark Burnett teamed with a brand called Trump to produce the season's hottest TV show, which turned out to be as much a paean to brands as it was a celebration of cutthroat American capitalism.

But perhaps the most significant and ominous development in recent branding history is the emergence of Mecca-Cola, the ideologically driven brainchild of rabidly anti-Zionist French entrepreneur Tawfik Mathlouthi. With its red can adorned with white script, the soda is clearly designed as a challenge to the world's number-one brand. And as if its packaging weren't explicit enough, its tagline, "No more drinking stupid, drink with commitment," is an in-your-face repudiation of the American icon.

While Mecca's message was the most strident dispatch in the branding wars, it also, ironically, summed up some of the most potent themes currently roiling the waters: the debate over global versus local messaging and control; the power of brands to create and reflect social and cultural values; the pressure for brands to be authentic; and the need for companies to recognize a brand's stakeholders (beyond its customers).

Carried aloft by the Internet, and reinforced by the echo chamber of a million always-on consumers, brands have seen their power expand and grow. But that growth has also spawned problems and opportunities that brand managers a decade ago could never have envisioned. Indeed, there may be no more challenging time to figure out a brand strategy than today.

To get a sense of trends shaping the current branding landscape, we talked with experts from New York to New Zealand, and tagged along at a meeting organized by futurist think tank Global Business Network. We identified seven trends that are likely to influence the conversation for the year to come.

1. BRANDS WILL BE AUTHENTIC.

Long before Enron and WorldCom were exposed as frauds, consumers had begun scrutinizing brands to find the truth behind the image. Did Nike use sweatshop labor to make its shoes? Did McDonald's lard its products with fat? Aided by the Internet, consumers can now know almost everything about a company. Chris Riley, founder and chief strategist of Studioriley, a company that specializes in creating economically, socially, and environmentally "healthy" brands, says companies must now reckon with an increasingly visible value chain. He tells of a teenager in a Nike focus group in Los Angeles picking an Air

Photo illustration by Holly Lindem

Jordan shoe out of a pile and identifying the exact factory in Vietnam where it had been made. "Branding is a way of articulating the core values of the corporation," says Riley. "Companies need to project into the world who they really are."

With cynicism about corporations at an all-time high, companies are under pressure to prove that what they stand for is something more than better, faster, newer, more. A company that can demonstrate it's doing good and doing well—think Ben & Jerry's, or Aveda (see page 50)—will find its brand image enhanced, Riley says. But consumers must sense that the actions are sincere and not a PR stunt that will evaporate as soon as the cameras are turned off.

2. THE EXPERIENCE WILL BE THE EXPRESSION OF THE BRAND.

Ten years ago, it would have been hard to imagine building a national brand with little or no advertising. Then along came Krispy Kreme, Google, and Amazon.com. They're among a small group of hugely powerful brands that gained prominence without once appearing on *Friends*. Brian Collins, executive creative director of the Brand Integration Group at Ogilvy & Mather, says brands are moving from a marketing model that says, "I'm going to talk to you and you better listen up" to an experiential model. "Marketers need to focus on the way a brand gets brought to life tangibly, where it really lives," says Collins. Whether it's the folksy humor of Southwest Airlines' flight attendants, the boudoirlike ambience of a Victoria's Secret shop, or the Zen-like simplicity of TiVo's remote control, the experience conveys the essence of the brand. And often, it's design that creates the experience.

That design message must now be distinctive enough to hold its energy in a vast array of places: in a magazine, on a T-shirt, on a coffee mug, at a skate park, on the subway, or blown up 10 stories high on a billboard in Times Square. "It's a lot of work," Collins says, "and you must sweat the details."

3. BRANDS WILL BE HARD-WIRED IN OUR BRAINS.

Neuroscience has now confirmed what we had suspected all along: If you like Coke over Pepsi, it's all in your head. For that branding breakthrough, we can thank Read Montague, a neuroscientist at Baylor College of Medicine, who cooked up an experiment to keep his teenage daughter occupied as she helped out in his lab last summer. Montague wired up a group of volunteers and re-created the Pepsi challenge while monitoring their brain activity on an MRI. The results were astonishing. In blind taste tests, subjects' brains indicated a clear preference for Pepsi. But when they were told which of the samples was which, their brains switched brands. "The brand image of Coke in the nervous systems of the people we tested engaged systems in charge of cognitive control and commandeered their behavior," Montague says. In short, the power of the Coke brand was enough to override an objective preference.

A commercial application of the kind of work Montague is doing is already in play at BrightHouse, an Atlanta consulting firm. It offers clients the services of its Neurostrategies Group, a team that "uses neuroscience to influence higher-order strategic business decisions," such as identifying which brand benefits might prompt a consumer to buy. The company, which has done work for such clients as Home Depot, Pepperidge Farm, and Kmart, maintains that its projects are designed to give companies a better perspective on how people develop relationships with products, brands, and companies, not to help them design products or test ad campaigns. But scientists at BrightHouse recently identified the region of the brain that responds to products that most resonate with a consumer's self-image—the space that lights up, for example, if a Chevy guy is shown a picture of a Silverado Half-Ton Crew. Montague thinks it's only a matter of time before neuromarketing finds a way to commercialize that discovery. Imagine, he says, a neural focus group where brand managers could test messages to see if they resonated with a target audience. "Bringing a new product to market is a huge risk for a company," he says. "If nothing else, this would add another quantitative data point to what you know about your demographic."

4. THE LINE BETWEEN ENTERTAINMENT AND BRANDS WILL BLUR.

When Beverly Hills hairstylist Jonathan Antin, the diva of Bravo's latest hit show, *Blow Out*, flicks his AmEx card to make business happen, are we watching entertainment or advertising? The reality-TV show is one of the more exotic hybrids of a hot subspecies of branding dubbed "advertainment." Alarmed by the defection of viewers from network TV, particularly those 18- to 34-year-olds who comprise advertising's demographic sweet spot, marketers are seeking ever more creative ways to connect. American Express's chief marketing officer, John Hayes, has been at the forefront of the trend, experimenting with an array of new approaches, including "Webisodes" featuring Jerry Seinfeld, Superman, and an AmEx card; art exhibits with photographer Annie Liebowitz; a concert with Sheryl Crow; and club events in which the L.A. House of Blues morphed into the "House of Blue" for AmEx's Blue card. The company also sponsored last year's reality-TV show *The Restaurant* on NBC, and has favored-brand status on *Blow Out*. The implications for network TV loom large. In 1994, AmEx spent 80% of its marketing budget on TV; by 2003, that number had fallen to 35%. The change, Hayes says, was driven by the defection of audiences to other outlets—DVDs, the Web, cable, video games—and technologies, such as TiVo, that let viewers skip commercials. "We need to be where people are and involved in things they value," Hayes says. But, as with any new venture, he concedes there are still a few kinks to be worked out. AmEx's presence on *The Restaurant* was, he admits, occasionally hamhanded, as chef Rocco paused, midcrisis, to extol the virtues of the company's small-business service. That's a gaffe he hopes to avoid in *Blow Out*. "The critical part is finding the fine line between enter-

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tainment that can have commerce within it and feeling like it's too much of an intrusion," he says. "That's the art."

5. INCREASINGLY COMPLEX BRANDS WILL REQUIRE NEW ORGANIZATIONAL STRUCTURES.

In most organizations, corporate brand management is the purview of the chief marketing officer. That's a dangerously narrow view of a brand's universe, says Bob Lurie, CEO of M2C, the marketing strategy division of Monitor Group. "Companies get a license to operate from society," he says. "If you think about your brand as something that [only] your customers care about, you'll get whacked upside the head." Today's brands operate in a global environment and touch many constituencies, lots of whom will never buy the product. They may range from environmental groups and regulatory agencies to unions, activists, and the media.

"Constituents are much more aggressive than in the past," Lurie says. "More people are policing social goods, and technology enables them to share information quickly and easily." While the Sierra Club and a local union may not usually have much in common, they now have the ability to snap into tight focus and connection the instant they discover shared goals. The problem, Lurie says, is that the task of managing these various groups tends to be spread throughout the organization: The legal department has one piece, the government-affairs folks another, and the marketing department yet another. That unintegrated approach can be dangerous when trouble happens. Instead, Lurie suggests, companies should decide who gets responsibility for the brand's reputation by determining which function is most important. In some industries, such as oil and gas, it may be the government-affairs department. In packaged goods, it might be marketing. The company should then map its relevant constituencies as a social network, figuring out whose interests are likely to be aligned with whose and then reach out to them. It's a big job, says Lurie, but it's an investment that will more than pay for itself in a crisis. "The more you're out in front, the less likely it is that they'll torch you when something goes wrong," he says.

6. BRANDS WILL CREATE SOCIAL AND CULTURAL VALUES.

In 2000, Naomi Klein, antiglobalism activist and author of *No Logo: No Space, No Choice, No Jobs* (Picador), predicted that consumers would rise up against corporations whose brands had infiltrated their homes, their schools, and their public spaces. Whoops. While antibrand activism has waned since the 1999 WTO meeting in Seattle, people's affection for brands seems to have grown. Kevin Roberts, CEO of Saatchi & Saatchi, recently launched a site called Lovemarks.com, where people can write mash notes about their favorite brands. At last count, there were more than 1,800 postings, expressing admiration for everything from OshKosh overalls to Zeiss camera lenses.

That kind of passion has prompted a shift from brands as mere product identifiers to brands as personal identifiers—a development that threatens to confound the notion of a corporation as a brand's sole proprietor. "Companies have treated their brands as intellectual property that needs to be controlled, managed, and leveraged, not cultural property to be shared, remixed, and reconstrued," says design strategist Andrew Zolli, founder of Z+ Partners, a New York trend-analysis and foresight firm. Zolli notes that brands increasingly make a cultural and political statement about their adherents. In Karachi, the act of drinking a Coke instead of Mecca-Cola is now an ideological gesture. So, too, are consumers making statements about themselves when they choose to shop at Whole Foods versus Safeway, drive a Toyota Prius instead of a Ford Expedition, or purchase an Apple computer instead of a PC.

Smart companies are reaching out to their customers, encouraging participation in their brands—allowing fan sites and Meetup groups—even if that means letting go of the strings of control a bit. Lucasfilm, for example, didn't call in the lawyers when fans began creating their own Star Wars videos. Indeed, it posted sounds (like Darth Vader breathing) and other digital material on its Web site for fans to play with. "People are going to do things with brands because of these personal identity issues that brand managers need to tolerate and not try to shut down," Zolli says.

7. AMERICA WILL BE REBORN AS A MORE CULTURALLY SENSITIVE BRAND.

It's hard to imagine a time when America's image was so tarnished abroad. Between long-standing complaints about America's cultural imperialism as expressed by everything from Microsoft to Euro-Disney, to the fierce anti-Americanism spawned by the war in Iraq, it's not an easy time to be an American multinational. Indeed, a recent study of 30,000 people outside the United States by the global market-research company NOP World found that the total number of consumers worldwide who use American brands had fallen to 27% from 30% over the past 12 months, a trend NOP managing director Tom Miller called a "warning sign for brands."

But some optimists in advertising think it's still possible for America to get its groove back. "People still love Americans. They just don't like our policies and our government," says Claude Singer, senior VP of branding firm Siegel & Gale. Recently, he says, a new group has arisen to try to put forward the best side of American business. Business for Diplomatic Action, headed by DDB chairman Keith Reinhard, aims to help fight anti-Americanism by teaching businesspeople to be more sensitive and responsive to local needs. The idea is not to advertise how great America is, but to get U.S. companies and their employees to act more as ambassadors for the brand called America. Cynics would point to previous failed efforts, most notably Charlotte Beers's campaign for the State Department to burnish America's image in the Muslim world. But this effort is based on action, not slick advertising. And nobody says it's going to be easy. Indeed, Singer allows that it may take some future Reaganesque figure to articulate this vision. But the brand's strength, he says, is that it's authentic. "There's an idea there of liberty, and once upon a time, our country did stand for it," he says. "At some point in the future, there will be an understanding again of who we are and what we stand for. And at that point, we will have a real brand and not just a fake Madison Avenue concept."

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Brand focus: why great brands just say 'no'

Claude Singer, Siegel & Gale, states the case for single-minded focus and brand integrity

PEOPLE HAVE OBSERVED that a baby's first word is often 'no'. A friend of mine says that his infant son's first word was 'no' and that his first complete phrase was 'no way'.

Why 'no' is such a common first utterance is understandable. Babies are fussed with, propped up, wrapped up, cooed over, kissed and badgered. No wonder that, under such circumstances, the little critters communicate defiance. 'No' is a basic declaration of personal identity. It signals that someone is pushing too far into baby's space.

The marketing world's term for individual identity is brand differentiation. Brand differentiation separates a company or product from the pack. It presents a unique point of view, style or voice that customers can notice and favour.

What is significant is this: maintaining brand differentiation is, to a large extent, a ceaseless exercise in saying no: no to fads, no to temptations to wander from a brand's core, no to departing from what makes a brand great.

Defend uniqueness

All brand managers can tell you how their product is unique. But few seem to realise that a brand's uniqueness must be fiercely defended.

The temptation to stray from a brand's central proposition comes in many guises. One danger is the allure of altering an organisation's business model for the sake of higher revenues. Saying no when there is money to be gained but a brand to be diluted takes a clear understanding of what the business model actually is. Such an understanding – with a staunch defence of the model – guides and preserves great firms.

When we hear the McKinsey name, we are likely to think of assertive, confident management consultants. Yet the blue-chip McKinsey brand is itself the result of steadfast defence. One of the firm's dominant figures of the last century, Marvin Bower, built McKinsey by rejecting plan after plan to remake the firm. Bower, who was called by the *New York Times* the man most responsible for McKinsey's pre-eminence, opposed taking the firm public, even though that would have enriched the partners. He said no to adding an accounting business to his consulting practice, even though his competitors were doing just that. Bower even said no to the powerful industrialist Howard Hughes, who he did not think was an appropriate client for McKinsey.

No, no and no. From this record of defence emerged one of the strongest brands in professional services.

Be single-minded

A company might be threatened by the insistence of customers to buy its services, and its brand might be saved by a willingness to say 'we won't sell that'.

My favourite example is the 100-year-old Bartlett Tree Experts, a company whose brand is as much about protecting customers as it is about clipping trees. According to a recent newsletter, Bartlett will not lop off the top of a mature tree or bother to treat a tree that is clearly dying – even if a customer wants to pay for such futile or destructive work. 'No reputable arborist will top mature trees (except, in rare instances, for safety reasons). It adversely affects the health of the tree, usually killing it over a period of time'. So wrote the chairman in explaining why Bartlett refused to do the work. His company's single-minded business of maintaining healthy trees keeps customers from being pruned – and preserves a healthy brand.

What about the temptation to extend a brand to new products or to expand a company by acquisition? Such critical decisions must be made with the brand's long-term integrity in mind. Sometimes a prudent 'no' comes in the form of a 'We won't buy that'. Take the example of CIGNA, the health insurer whose management was tempted a few years ago to buy a large managed care company. CIGNA executives pored over issues of financial and strategic fit. They looked for opportunities to combine operations and cut costs. They compared the market footprints of the two organisations. But one matter proved decisive: the offered company did not – in its culture, policies or reputation – have anything close to CIGNA's brand values as captured in its tag-line 'A Business of Caring'. No caring, no acquisition. The offer was rejected.

A brand is a promise to perform at a certain level of quality. Brand stewards who are not able to say no are not equipped to protect a brand's credibility. It is particularly difficult to say no in the face of the unqualified, irrefutable evidence of market research. Market research can seem so certain and unassailable. But sadly, market research that screams 'yes, yes, yes' has been the downfall of many a brand steward who should have known when to throw away the computer printouts, say no, no, no – and lecture the research team about the legacy and attributes of a valued brand.

Research as villain

Did someone mention Coke? The classic case of market research nearly ruining a great brand took place in the mid-1980s when Coke unleashed a plan to scrap a century-old recipe and produce New Coke. New Coke! What a terrific idea! Taste test after taste test had proven that Pepsi was preferred to Coke. New Coke was prepared, and this reformulation was showing itself to be favoured over Pepsi in, ahem, market research.

There was a problem, of course. The public loved their old Coke with near-religious intensity.

The Pepsi people were overjoyed. When Coke launched New Coke to replace the old and then, in the face of public horror, had to relaunch the old Coke along with the new, Pepsi marketers had a field day. One gleeful Pepsi spokesman put it this way: 'We now have the opportunity to compete with one product that lost to Pepsi in millions of taste tests and against one product that the public hates.'

One word would have forestalled such a

Forbes.com

Market Scan

Building A Better Brand

Tom Van Riper, 11.07.05, 9:43 AM ET

As the saying goes, there's no second chance to make a first impression.

A recent Forbes.com special report on communicating highlighted the different ways people and other animals send signals back and forth to best get along in the world. And in addition to learning about why lying is good, or why kids have a natural propensity to learn foreign languages, or whether chimps can talk, business executives are taking greater pains to communicate the right impression to customers in a tech-driven world where word of mouth can spread like wildfire to affect brand images.

No one wants to be the next **Peoples Energy** (nyse: PGL - news - people) or **Comcast** (nasdaq: CMCSA - news - people), which both recently sent customer bills laced with obscenities.

While each of these examples is rare and probably stem from one employee's idea of a joke, companies know it could only take an occasional mistake to see years of built-up brand equity hit a bear market. And in this era of blogging, message boards and e-mail, word travels fast.

"So much information is passed around, so you need to be ready," said Michael Dunn, CEO of Prophet, a brand-value-management company. "If what gets out is inconsistent with your message, it's harmful."

More firms are turning to brand specialists, along with software companies such as Exstream in Lexington, Ky., and Docucorp in Dallas. Concentrating in the financial-services sector, Exstream has doubled its profits each year since starting up in 2001 by auditing its clients' points of contact with customers and putting controls in place. Not only does that help avoid embarrassing gaffes by raising red flags for unidentifiable names, it can turn any customer contact into a subtle sales tool. Managed correctly, adjusted communications with can solicit additional sales without the customer feeling put upon.

This past summer, Exsteam Software completed a project with **Merrill Lynch** (nyse: MER - news - people) that reinvented the financial giant's customer account statement. Dubbed "Total Merrill," the new format added information to single monthly statements that customers were craving.

"Customer feedback told us they wanted more information," said Madeleine Yates, a Merrill director. So customers now get clarity and simplicity by viewing their brokerage accounts, CDs, mortgage statements and any other assets on one statement.

"It gives us cross-selling opportunities, to be sure," Yates said.

Branding expert Denis Riney of Siegel & Gale performed the same type of project for brokerage firm Edward Jones, helping the firm personalize its account statements. Until it solicited feedback, the company had been under the mistaken assumption that only its larger customers wanted more information.

"Every time the customer sees your brand it's a chance to either denigrate it or reinforce it," said Riney, who has also worked with Chubb and Prudential on similar projects. "You need to always be operating from the question of: 'Would you recommend this brand to a friend?'"

Dunn said service companies are most dependent on customer contact experiences to manage their brands, since it’s mostly people rather than products driving the consumers' satisfaction. Few things can hurt a brand's word of mouth like a rude hotel desk clerk, a high-pressure stockbroker or a perpetually late airline with unsympathetic flight attendants.

He pointed to United Airlines' failed "United Rising" campaign of a few years ago, where the company promised to "rise to the customer's level" of expectations by improving on-time performance treating flyers respectfully. But a

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Making the concept of 'brand' meaningful once more

Linda Cornelius

Brand Republic 15:00 15-10-2004

Is brand becoming a dirty word within many organisations? *asks Linda Cornelius, managing director of strategic branding and consulting company Siegel & Gale*.

At a recent marketing conference in Chicago, several speakers and attendees described with dismay the great lengths to which they were going to avoid using the "B" word inside their companies.

My Chicago conference experience crystallised for me a phenomenon that I've sensed gaining momentum for some time: That "brand" and "branding" may be hurtling toward the Buzzword Hall of Shame with the likes of "paradigm shift," "mission critical," and "synergy".

How did this happen? For starters, brand has been misused and overused so often, by so many people, that it has ceased to have any real meaning.

A quick search of Amazon.com reveals 74,763 books with the word "brand" in the title. By comparison, a search using "Abraham Lincoln" produced just 21,049 titles. Enough said.

Brand deserves a better fate than to be tossed on the scrapheap of business lexicon.

Brand is an important word that expresses a simple but powerful connection that a company, product or service makes with its customers. Sure, there are layers and complexities to a brand and how it exists, grows and is experienced, but at its core the compelling promise of quality and trust that every great brand represents is a concept that most people once understood. Not any more.

The cacophony of brand blather in recent years has confused and annoyed so many people that companies seeking to implement major branding initiatives are encountering strong resistance, suspicion and outright hostility from employees.

Disney's diss

At Disney's shareholder meeting in Philadelphia earlier this year, Roy Disney said, "In recent times, there's been a tendency to refer to [us] as the Disney brand. Branding is something you do to cows. Branding is what you do when there's nothing original about your product."

Ouch. So why is the mere mention of "brand" eliciting, in some circles, the eye-rolling disdain once reserved for such lesser lights as "team-building" and "win-win?"

"It's not so much an anti-brand attitude as it is a 'what has the brand done for my business lately?' mindset," says John Dodds, global director of marketing communications for Air Products, a leading global supplier of gases, chemicals and equipment. "It's an eternal pendulum between the need for product and business differentiation in its broadest sense and the need to maintain a corporate reputation. In an uncertain economy the inclination is to shorter term focus and a more tactical communications approach prevails."

"My experience with senior executives here has convinced me that 'brand' is much too complex a topic to be covered with one word," adds Bill Stoessel, global brand manager for Medtronic, one of the world's leading medical technology companies.

"I remember hearing that Eskimos have 20 or more words for 'snow'. I try to

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Brands Begin By Believing

By Saul Dennis

Jun 1, 2004 12:00 PM

E-mail this article

"In recent times, there's been a tendency to refer to us as 'the Disney brand.' Branding is something you do to cows….Branding is what you do when there's nothing original about your product." Roy Disney, as quoted in *The Wall Street Journal,* March 4, 2004

These words should send chills down the spine of all of us who work in strategic branding. Here's the heir to the most potent story-telling empire in the world dismissing a craft that is all about story-telling. One look at our balance sheets over the last year shows that Roy isn't the only corporate chieftain who thinks all this talk about branding is, well, a little goofy.

And no wonder. Rarely, if ever, has our business clearly articulated just what branding is, how it's done, and why anyone should do it.

Well, here goes — let's start with what branding is not: Branding is not advertising, logo design, corporate identity, or any of the many marketing disciplines with which it is closely associated. (The confusion is understandable, given branding's critical role in the success of these activities.) Strip away the buzzwords and self-serving talk of proprietary processes and strategic branding is simply and powerfully this: story-telling. Corporate story-telling. Industrial poetry.

Strategic branding identifies and articulates a company's core promise. The promise it holds out to itself, customers, investors, employees, business partners and stakeholders. Said another way, branding helps a company figure out who it is, what it's all about, and what role its character (read, brand) plays in that larger drama called the marketplace.

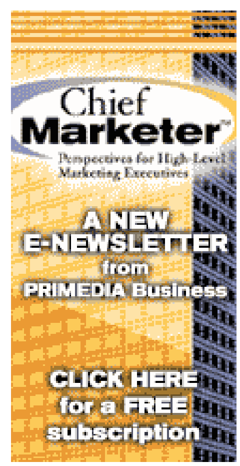
This story, commonly called a brand promise or positioning, must have a compelling answer to the questions: What does the company stand for? How is it distinctive? Why should anyone care?

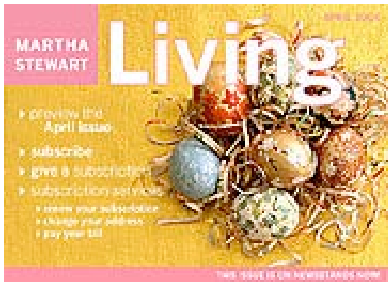
Answering these questions demands a thoughtful, thorough and honest examination of a firm's people, history, goals, achievements and failures, as well as the marketplace and competition. (Bonus: the internal dialogue is nearly as valuable as the final strategic product.) Creating a distinctive, enduring brand positioning also requires intellectual rigor, business smarts, creativity, communication skills, and, on numerous occasions, yelling and screaming (out of client earshot, of course.)

The result is the key, but by no means the only deliverable of any branding assignment, the positioning statement. Part mythos, part manifesto, part marching orders, a good positioning statement is full of strategic insight, intellectual heft and dynamic story-telling.

And why shouldn't it be, it's the story of your company, a vital combination of documentary and inspiring narrative. And, when fully leveraged, this brand positioning is nothing less than a guide for everything a company does and says, and how it does and says them.

A brand's positioning is also crucial to a wide range of overarching business strategies. The kind of company you are, the things you believe, and the promises you make lays the framework for mergers, acquisitions and new business initiatives. And that's just the beginning. If it seems like a lot to





When the CEO is the Brand, But Falls from Grace, What's Next?

Horace Smith and D. B. Wesson did it when they engraved their initials onto a pistol in 1852. Henry Ford did it, as did Mary Kay Ash, Michael Bloomberg, Donald Trump and Michael Dell. Company founders have long believed that placing their name on their company signals their willingness to stake their personal reputation and stand behind their products. That's fine when things are going well and the company and the CEO whose name it bears are held in high regard. But what if the CEO falls from grace? What happens to a company if the CEO's name is in effect its brand — and then that name is tarnished?

Rarely has that question come up more sharply than in the case of Martha Stewart, America's long-reigning diva of decor, who was recently convicted on conspiracy and other charges. Though Stewart had resigned as the CEO of her company, Martha Stewart Living Omnimedia, last summer after her indictment for insider trading in ImClone stock, her name is almost indistinguishable from the company's brand. Does the fallout from this case mean that companies should rethink the notion of personal branding — in which the company leader herself (or himself) is the brand?

Marketing experts at Wharton and elsewhere say that making a celebrity out of a business owner can be a good thing, as long as certain safeguards are in place. They caution, though, that problems arise when a company doesn't prepare for the unexpected. "At one time, brand awareness and positioning was viewed as a process of associating an image with a company — whether people had a positive or negative perception when they thought of a brand," says Barbara Kahn, a Wharton marketing professor. "But recent brand studies indicate that that's not enough. For example, successful brands like Coke, one of the most widely globally recognized names, have built an emotional attachment with their customers, a kind of relationship."

When it is done right, brand personification can tap into the human desire to belong to a community. In the case of Martha Stewart — who Kahn says brought

PROMISE KEEPERS

Leaders need to remember that their companies' integrity and brands are much the same thing. Neglecting one can damage the other. —LARRY ACKERMAN

BEFORE THEIR DOWNFALL, ENRON AND Arthur Andersen were widely admired companies. Both were considered by many to be "golden brands." Enron was the ultra-progressive, highly successful, gas-pipeline-turned-energy-trading juggernaut that had left traditional utilities behind. Andersen was the accounting firm typically cited as the shining example of a public-trust institution.

But, as the story goes, their lack of ethical behavior ultimately was their downfall.

A closer look at each of these cases, however, reveals that what undid these institutions was more than a flagrant lack of ethics. Enron chose to ignore its roots as an energy producer and the unique, value-creating characteristics that these roots represented.

Arthur Andersen let the promise of consulting revenue drive accounting practices, forgetting along the way the immutable nature of its core franchise. What do these facts signify? In essence, management allowed the organizations to abandon their birthrights, with disastrous results.

While the Enron and Andersen cases are both instructive about the "hard" value of ethics, they also tell us more. Both allude to other aspects of this thing we call "integrity" that we don't normally think about – ideas which are even more basic than ethics and that inform the true meaning of brand.

The Integrity-Brand Connection

A COMPANY'S INTEGRITY AND ITS BRAND STAND ON COMMON ground. Both are designed to earn the trust of stakeholders, and share important traits in service to this goal.

First, your company's integrity and its brand both imply a promise to behave in a manner toward others that is inherently positive. In turn, that promise calls upon everyone in the organization to carry the message, in word as well as in deed.

Second, the brand and integrity are both comprehensive in nature – they influence all constituencies simultaneously. No group of stakeholders goes unaffected by the integrity of your company, or untouched by your brand.

Third, your company's integrity and its brand both mirror the value of your enterprise. By all rights, your brand should be a proxy for value creation – a statement about the proprietary contribution the company is capable of making in the marketplace. In similar fashion, your company's integrity also stands as a measure of this contribution.

In short, the role of the corporate brand, and the role of integrity, are essentially one and the same: Both represent a comprehensive promise about the value your company creates. It is in recognizing this powerful connection in my work with numerous organizations that I have come to see what integrity is really all about, and how it influences branding.

The Truth About Integrity

ACCORDING TO WEBSTER'S, "INTEGRITY" HAS THREE ESSENTIAL meanings. The first, in fact, is ethical behavior, defined as "uncompromising adherence to a code of values such as sincerity, honesty, candor; avoidance of deception, expediency, shallowness." The dictionary goes on to offer an example, wherein "a writer with integrity has a responsibility to tell the truth."

This definition of integrity comes to life in Berkshire Hathaway's 2001 annual report, in which Warren Buffett wrote, "Though our corporate performance last year was satisfactory, my performance was anything but ... I allowed General Re to take on business without a safeguard ... I'll tell you more about my mistake later and what we are doing to correct it." This is a classic example of the popular definition of integrity. To understand the significance of integrity in how organizations build brands, however, means looking deeper.

The second definition of integrity is soundness – that which is in "a solid, unimpaired condition." By way of demonstration, Webster's cites this example: "The ship's watertight integrity was never in doubt." It is a useful metaphor for companies striving to achieve integrity.

For all its complexity, GE is typically regarded as a "sound" enterprise; it has (or appears to have) few stress fractures. It is regarded as fundamentally solid. In this regard, the company can be trusted. It has "integrity."

The third meaning of integrity is wholeness – the state of being complete and undivided. Here, Webster's offers a particularly intriguing example: the human being; specifically, that "the integrity of each person as a complete being is clear." What comes to mind almost immediately is Leonardo daVinci's well-known drawing of a man with his arms and legs extended into two, overlapping poses. It is a visually striking reminder of the fact that our power as individuals comes from how all of our capacities – physical, mental and emotional – come together to form an integrated, seamless whole.

It is no different for organizations. Boise Cascade is in three distinctly different businesses: paper, building materials and distribution, and office products distribution. But this fact masks a deeper reality. All of Boise's businesses share a common purpose; all three are driven by a deep-seated need to support customer operations in essential ways.

Aided by the vertical integration that exists across the company – from the forest that yields pulp to the retailer's shelf where paper is sold – customer operations support is the company's center of gravity, explaining how the "whole" is greater than the sum of the organization's parts. This is where Boise's power as one institution lies. In this sense, Boise has achieved integrity.

Taken together, these three definitions – ethical behavior, soundness and wholeness – constitute the three legs of the integrity stool. Remove one of the legs and integrity is compromised. Said differently, while ethical behavior is admirable, by itself, it simply isn't enough.

THESE COMPANIES ARE IN A POSITION TO ACCOMPLISH ALMOST ANY GOAL AND TO WITHSTAND ALMOST ANY ATTACK, FOR THEY ARE OPERATING FROM A PLACE THAT IS DIFFICULT TO COMPROMISE.

These three ideas illuminate the deeper meaning of integrity, but they also beg a couple of questions: What foundation does this "integrity stool" rest on? Where does integrity come from?

Tapping Identity

IN MY EXPERIENCE, THERE IS ONLY ONE PLACE INTEGRITY CAN come from, and that is from the core identity of the organization – the unique characteristics that reveal its value-creating potential, in the broadest sense.

For years, Dow Chemical fought public ridicule about the seemingly destructive nature of some of its chemical and plastic products. For many, Dow's production of napalm in the 1960s was prima facie evidence of the organization's lack of ethics. Dow was a "chemical company," they reasoned, and that, by definition, was bad. In other words, Dow had no integrity.

But nothing could be further from the truth. While certainly imperfect, as all companies are, Dow has worked hard to learn from its mistakes and to respond honestly to criticism. As a result, Dow has become a more socially conscious institution. By extension, it is fair to say that the company has come to think and act more ethically over time.

But the real source of Dow's integrity lies elsewhere. A few years ago, Dow undertook a study designed to clarify its brand. The company had consistently received high marks from customers and others for quality, reliability and fairness, but no one could answer the question: What makes Dow, Dow?

To ensure credibility, the study spanned the globe, encompassed nearly all stakeholders and embraced its history as well as present-day activities. What we discovered in the search for identity was that Dow was much more than just a chemical company; Dow was driven by a century-old need to constantly improve what is essential to human progress.

Dow's identity was anchored by a particular institutional talent: a bias toward the essentials of life. In the aggregate, the company's many offerings influenced mainly those things people simply must have to survive. This fact was dramatized in having successfully traced nearly $19 billion in product sales (prior to the Union Carbide acquisition) to ▷

BUSINESS 2.0

WHAT WORKS

The New Science of Naming

Forget made-up words and quirky nonsense. When choosing an identity for a company or a product, simple and straightforward are back in style.
By Alex Frankel, December 2004 Issue

It took a half-day brainstorm session, followed by six weeks of conference calls, to work through the list of names. The client, a financial software startup called Aucent, was in the market for a name change. Founder Mike Rohan had coined the name Aucent in 2002, but two years later Rohan was still CEO and his company's name had become a problem.

For one thing, the word had no intuitive meaning. And it was hard to spell. Plus, the pronunciation was difficult: *Awkent? Ossent? Auchent?*

The confusion meant that clients were unlikely to pass the name on to colleagues or track it down online. So Rohan hired a San Francisco naming firm, Igor International, to come up with something better. Eventually, it appeared -- a simple name that expressed exactly what the company wanted to be, in just five letters: Rivet.

Someone at Igor pointed out that the word is easy to remember. Another said it's reminiscent of the sound a frog makes: Ribbet! Never mind that financial software has nothing to do with amphibious reptiles -- the new name was greeted with enthusiasm. "It's a real word with multiple meanings and associations, from Rosie the Riveter forward," explains Igor managing director Steve Manning. The client liked it too. "You talk about a website being sticky -- we wanted our name to be sticky," says Rob Blake, Rivet Software's VP for product marketing.

But the issue of stickiness turns out to be kind of, well, sticky. Every company wants a name that stands out from the crowd, a catchy handle that will remain fresh and memorable over time. Yet such names are hard to find, especially because naming trends change -- often decade by decade. While the giddy 1990s were all about quirky names (Yahoo, Google, Fogdog) or trademark-proof monikers concocted from scratch (Novartis, Aventis, Lycos), tastes have shifted amid the uncertainties of the new millennium.

Today's style is to build corporate identity around words that have real meaning. Aucent's transition to Rivet is a typical effort to eliminate the obfuscation of the

Have Blog, Will Market

Corporate America climbs on the blogging bandwagon. Slowly.

By *Thomas Mucha, September 30, 2004*

Jonathan Schwartz is a blogging addict. He is also the president and chief operating officer of Sun Microsystems (SUNW) -- a company at the forefront of a new marketing and communications trend that mixes blogging with business. (For the rapidly shrinking minority who don't know what I'm talking about, a weblog -- or blog -- is a personal journal on the Web that's devoted to politics, science, product reviews, or just about anything else you can imagine.) In his corporate blog, Schwartz, naturally, covers the world of Sun. In his latest entry, which focuses on a trip he took last week to Wall Street, he juxtaposes snippets of his Manhattan dinner conversations with Sun's recent work on "radical form factor compression."

The Sun president's Web writing style -- open, honest, ever geeky -- is a hit. Schwartz's blog reaches more than 100,000 readers per month, a number that has grown exponentially during the blog's three-month existence. "I'm stunned by the breadth of it," he says. Surprise aside, it's easy to see why a busy bigwig like Schwartz might take the time to operate what some view as a nerdish hobby. "It is an efficient way for me to have a focused, one-on-one conversation with thousands of people -- shareholders, customers, employees, and the digerati that circle this industry," Schwartz explains.

The blogging COO is not alone, even at his own company. Sun's chief technology officer, James Gosling, runs his own blog too. So do the company's top marketing manager, chief technology evangelist, and hundreds of other lowly Sun employees. Technorati, a San Francisco-based company that studies traffic on the emerging "blogosphere," reports that today there are about 5,000 serious corporate blogs that, like Sun's, have the backing and at least some participation of senior management. The blogging trend itself is pretty mind-boggling: Technorati tracks more than 4 million blogs and says a new one is created every 5.8 seconds. And a study by the Pew Internet and American Life Project found that more than 53 million people -- 11 percent of all Internet users -- have read or contributed to blogs. So it's no surprise that marketers want a piece of the action.

In theory, at least, blogs are a marketer's dream. That's because -- unlike burning through millions of dollars on TV or print advertising campaigns -- they are a virtually cost-free way to communicate with customers. And not just any customers. These are self-selected hard-core fans of a particular trend, hobby, idea, or product. "Bloggers are an incredibly influential consumer segment," says Technorati CEO David Sifry. "These people are huge networkers. They get the word out quickly on products they like --

How financial paperwork can build your brand

Bank statements, proposals and call-centre scripts are the unsung heroes of financial marketing. **Irene Etzkorn**, Siegel & Gale, explains how to make them work for you

EVERY FINANCIAL SERVICES firm is concentrating on improving customer touchpoints – redesigning bank branches, adding free coin counters and, in the US at least, working on Sundays. Ironically, they could still have Sundays off if they had not overlooked a crucial category of touchpoints.

These unheralded touchpoints are both repetitive and important to customers, yet are often dismissed as paperwork. When viewed as branding's unsung heroes rather than as necessary evils, contracts, proposals, instructions, applications, correspondence, statements and call centre scripts take on new significance.

While not the driver of purchase intent, paperwork can be simplified and clarified to express brand attributes and given a new place of prominence in the company/customer relationship. With applications that are easy to complete, bills that are simple to understand and contracts that are written in plain language, you will not have to tell customers you are easy to do business with, they will experience it for themselves.

Finding a path through the maze

For companies who do recognise the importance of functional communications, the dilemma is where to begin. Mountains of forms, hundreds of variations, reams of legal requirements and intractable systems make the task seem daunting. Here are some tips for finding a path through the maze.

1. Look for patterns Create five to ten typical customer profiles and gather documents based on these customer scenarios. That way, you will keep focus on frequently-read documents yet cover a range of circumstances. Create a war room and pin up the documents in the order in which customers receive them. Typically, this will mean starting with sales illustrations and moving through applications, bills, account maintenance forms, statements and correspondence. This organisation will help you to see both patterns and areas of disconnect from the customer's perspective.

2. Audience analysis The profile of your company's target customer will dictate what type of simplification is appropriate. Novice or less-educated customers may require extra education during the sales process and over time. Sophisticated audiences can also benefit through greater customisation of content, graphic depictions of complex topics and the refreshing breeze of plain language.

3. Seek input from diverse sources The disciplines needed to create a clear, user-centred document often cross divisional lines within a company. It can be useful to assemble an interdisciplinary team to represent the various areas that will be affected by the document. Often, this means bringing together marketing, legal, systems and product development.

4. Bake the cake before you ice it Long before writing begins, you need to determine what the content should be, how often and when the information should be disseminated, and what medium would make the most sense based on your business objectives and audience needs. For example, a year-end investment statement will often be issued around the same time as tax-reporting documents. Although the documents may be generated by two different areas within a company, there is a common recipient who is likely to compare them and want to understand their differences.

> 'While not the driver of purchase intent, paperwork can be simplified and clarified to express brand attributes and given a new place of prominence in the company/customer relationship'

5. Don't let the tail wag the dog A compulsion to cover every circumstance obscures the real substance of a document for the majority of readers. If there is a diverse range of circumstances to be addressed, determine whether two versions of a document might be better. The tiered system of US Federal income tax forms is a good model. Taxpayers with simple tax situations can use a single-page form rather than the multi-page option, saving time and expense.

6. Consider real-world practicality Sending a disclosure document that consists of numerous replacement paragraphs is impractical. People can rarely find the original document that is being amended and if they can, will find it unwieldy to do a line-by-line comparison. If you are sending a revised version, write a standalone, complete document.

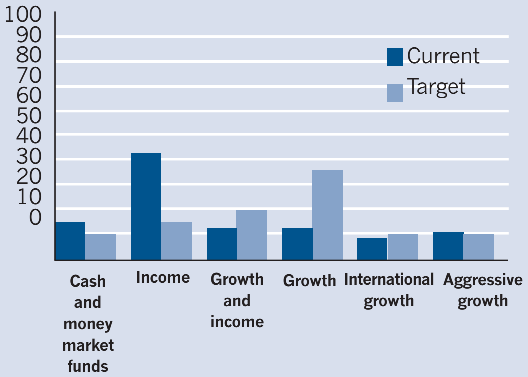
If the structure of a document is intuitive for the reader, it is more likely to be read and understood. Clear writing and good design are wasted if there is not a logical framework on which to hang them. This step is very often overlooked; zealous authors jump to write before they have categorised the information and considered a sequence that reflects the real-world context in which it will be used.

7. Anticipate circumstances of use Many homeowners' insurance policies are presented with claims procedures at the end of the document. In reality, most people only consult their policies when they experience a loss. In that circum-

FIGURE 1

Customer touchpoint: how you assets are allocated

How your assets are allocated



John,

Your current asset allocation differs significantly from the target allocation we established when we last discussed your investment goals. Please contact me to discuss realigning your portfolio or readjusting your target allocation.

Stuart Hamilton

stance, they want to find claims information quickly.

Plain language writing

Three fundamental writing tips will help to simplify your message:

1. Eliminate jargon.
2. Use active verbs.
3. Write in shorter sentences.

In addition, make the abstract concrete. Financial and legal concepts are often unfamiliar and complex. Using examples and scenarios with specific amounts can make the unfamiliar accessible to the reader.

Similarly, remove conditional language wherever possible. Do not pose questions that immediately require the reader to leave the text in search of the answer. Too many sections that begin with 'if' are a telltale sign of trouble. 'If you have a golden platinum titanium account,' or 'if your average daily balance is XXX but not more than YYY,' stops the reader in their tracks.

Content should be customised to reflect the specific circumstance. Figure 1 shows an investment statement. this shows both the target allocation and current allocation for this specific customer and mentions that they are no longer aligned.

Unfamiliar terminology 'Annual Percentage Rate', 'Daily Periodic Rate', and 'Grace Period', are a few of the many terms which appear on credit card statements that are not well understood. Use plain language equivalents whenever possible. For example, the phrase, 'You will have a minimum of 25 days' is more simply put as 'You will have at least 25 days'. And instead of referring to a 'Grace Period' this can be simplified to 'The number of days you have to pay your purchases in full without triggering any finance charges' or 'If you didn't pay last month's balance in full by the beginning of the new billing cycle, finance charges will apply every day.'

2. Awkward sentence construction

A typical finance-charge summary box on a credit card statement reads: '2.99% APR (.00819% daily periodic rate) on purchases and advances until the first day of the billing cycle that includes the 6-month anniversary date of the opening of your account.' Without an example, this calculation remains abstract and confusing.

Calculations should be explained in the order in which they would be performed. The calculation cited above is not explained in the order in which you would figure it out. For example, the first piece of information you need is the date you opened your account, then you can calculate the six-month anniversary, and so on.

1. Information design techniques

1. Alignment A fitting analogy is to think of each message or module of information as a flag (with the wind blowing from left to right). Do not have each flag flying from its own pole. The hierarchy and relationships of the modules are much easier to understand if there are fewer points of alignment. Placing multiple flags on fewer poles instills some order because there are fewer places for the eye to start.

Also, use adequate white space. White space makes a document less cluttered and forbidding. It also helps the reader locate specific information more easily.

2. Emphasis Every change in size, style, position, or alignment indicates a shift in emphasis and implies meaning, whether intended or not. Minimising these differences and strictly adhering to a manageable, planned hierarchy can help avoid the annoyance of over-emphasis.

3. Typography

Typography is a vast topic with many nuances to be considered. Here are just a few basics to consider:

- Select a typeface that is easy to read
- Try to limit type to no more than three sizes or weights per page
- Use bold or italic type for emphasis
- Avoid using only capital letters
- Choose a type size and line length that is comfortable to read
- Use flush left, ragged right margins for better readability.

Simplification principles

1. Primacy of user needs Keep an eye on the document's primary purpose because most documents serve a multitude of purposes, their primary purpose can be obscured. Regulatory disclosures, marketing messages, account data and informational content often vie for ▶

Top of Mind: Brand Elites Beware, Martha's Back!
March 07, 2005
By Claude Singer

Martha Stewart has one more lesson to teach us. This time it's not about puddings or top-soil. This time she emerges from prison with a lesson about brands. If a brand is a story, with the product or company serving as the main character, this

brand has a whale of a tale: Woman rises from modest origins to bring sensible, gracious living to the masses. Woman deftly wields spades and spatulas, stars on her own TV show, starts a magazine, and markets her own products. Person as brand and company as brand are one.

Then at a time when imperious CEOs lose billions of dollars and ruin thousands of lives, she's caught listening to her Merrill Lynch broker and selling stock. Straight to the Big House she goes. This time the floors are spotless because there are precious few crumbs.

Journalists loved the fall of Martha Stewart—just as they love the fall of any charismatic person. They loved spelling out that chillingly loaded word, "felon." Martha Stewart had been the "domestic diva." Then she became the "convicted felon." Words like these thrill journalists, who otherwise have to write about market segmentation and media spend.

In this case, however, "felon" is not the last word on Martha Stewart, as we are now witnessing.

Americans love comeback stories. Ours is the land of second chances, of rebirth and redemption. Martha came back. The Martha Stewart brand&#x2014far from being sullied by its association with insider trading and prison food—has been enriched by it. In fact, the story is more relevant than ever. Now the successful woman who bakes cakes and builds empires has suffered and was punished.

Chapter one: Rise and reign. Chapter two: Disgrace and fall. Chapter three: Renewal and return. How many brands have that kind of drama? She is the Johnny Cash of our era. She's been on the dark side and comes back to belt out "Folsom Prison Blues."

But this story has another lesson.

When Martha Stewart became a convicted felon, advertisers shunned her magazine. Media executives pulled her TV and radio shows. Analysts downgraded her company's stock. The press quoted experts confirming the death of the Martha Stewart brand. "Now that she was found guilty, the brand was found guilty," said the president of one brand consultancy.

But is that so? Who were these media and marketing experts? (Editor's note: Brandweek carried advice for the company, though we did not suggest the brand was 'dead.') And how is it that they had to protect their fellow citizens from the nefarious influence of Martha Stewart? Once they speak, must good products be yanked and good advice be stifled?

Look what's happened. The person we were supposed to avoid has emerged from disgrace a more empathetic and relevant personality than ever. The stock of the company that bears her name has surged back from under $10 per share to over $30 within one year. Throughout her term of confinement tens of thousands of people (actual consumers with money in their pockets) flocked to her Web site to imbibe the wisdom and bestow good wishes.

From: Marketing Focus <b2admin@TIMEINC.NET>
Subject: **Marketing Focus: Absolut Cool**
Date: September 7, 2004 4:52:22 PM GMT
To: MARKETINGFOCUS@LS.TIMEINC.NET
Reply-To: Marketing Focus <b2admin@TIMEINC.NET>

MARKETING FOCUS BUSINESS 2.0 www.business2.com

Absolut Cool

Sure, the company's new website is sexy. But will it move the wheat juice?

By *Thomas Mucha, September 07, 2004*

Absolut is a leading producer of corporate chic. It has to be. Why else would you pay $35 for a clear, odorless liquid when a nearly identical bottle of Popov or some other supermarket brand is priced below $10? Is it Absolut's superior distillation process? Is it a company history stretching back 160 years? Perhaps it's the organic wheat, grown and harvested in idyllic Ahus, Sweden?

No, sucker. It's the mental image Absolut has created of you, sipping fabulous cocktails in a swanky nightclub, surrounded by beautiful people who hang on your every witty word. Absolut peddles the perception of instant cool: Just add vodka. And that's what the company's new website for a raspberry-flavored vodka is all about. Those chic 21- to 35-year-old urban hipsters are supposed to go to http://absolut.com and groove to its funky techno soundtrack and psychedelic design, which relies on animation software Flash. It all looks great, naturally.

A lot of companies, like Nike (NKE), Nokia (NOK), and Volkswagen, invest hundreds of thousands of dollars on their own sleek and highly stylized product websites. It's what the kids want these days. But it has also provoked a heated debate that squares off technology against marketing strategy. Sure, flashy sites look great. But do they actually sell anything?

The evidence that more Absolut vodka or BMW cars are sold because of cool websites is difficult to find. "These sites are really limp-wristed from a business standpoint," claims Thomas Ordahl, the interactive practice director at New York-based agency Siegel & Gale. "Connecting them back to sales is extremely difficult," he says. That's because they focus on wispy things like emotional attachment and, as Ordahl explains, "building and reinforcing the cultural ethos of the brand."

True, the same could be said about any form of ad campaign. It's hard to know what works with advertising. But critics have another complaint. They say the complexity of the Web ads limits the size of the audience. These graphics- and animation-rich sites demand plenty of computer power. Absolut's site requires the latest Flash 6 plug-in, and the company urges consumers to view it with the most advanced computer monitors. If your target audience isn't up to speed with the right technology, forget it. The content-heavy sites also require plenty of time, something a harried consumer -- particularly a hip and cutting-edge one -- doesn't like to waste. "Flash has been stigmatized into the 'Shit, I have to sit through

VISIBILITY

Case Study –

Siegel/Gale

Alan Siegel, Chairman

Select Media Coverage by Goal:

Perplexity Polls – (Created to promote Siegel Gale's Simplification Practice)

Adweek – The Wait for a Weight
AIGA – Consumers Befuddled by Business Documents
Los Angeles Times – Mortgage Applications as Clear as Mud
Los Angeles Times – Loan Forms Need Not Be Perplexing
Motley Fool – A Dazed and Confused America
The New York Times – Tax Preparation Companies Compete
Seattle Pioneer – Confusing Paperwork Hurts Revenues
Kansas City Star – Feeling Puzzled

MIXED BLESSINGS

The Wait for a Weight, Perplexity Ratings, Etc.

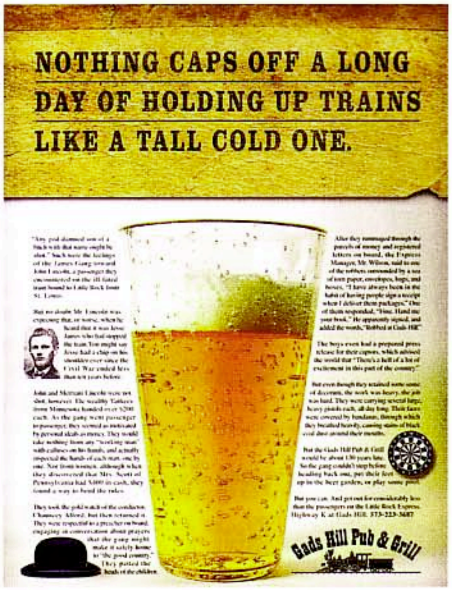
WHAT ARE YOU WAITING FOR? A lower weight, perhaps. In a *Self* poll of women, 76 percent of respondents said that "being a different weight is 'always' or 'often' on their minds." Moreover, 86 percent of these women "were postponing something—dating, shopping, sex—until the scale settled on that magic number." The catch, of course, is that many of them will never see that happen. "Only 55 percent reported ever having hit their dream weight." Pity the marketer whose product is among those that women will buy only after they've shed those persistent pounds.

MAYBE YOUR JOB SECURITY IS NO BETTER than it has been since the recession struck. You'll doubtless take solace, though, in learning that the job security of CEOs seems to have improved. In tracking of corporate CEO departures by outplacement firm Challenger, Gray & Christmas, August had the fewest such moves of any month since September 1999. (A caveat: The firm suspended its tracking of this matter during much of 2003.) The report says fewer CEOs are being pushed out, and this dovetails with the fact that the average age of August's departing CEOs (64.3) is far higher than the average of the past three years.

IF PERPLEXITY IS THE MODERN CONDITION, it's not always because folks are pondering the mysteries of life. They may just be applying for mortgages. In a poll for Siegel & Gale, adults were asked to say which of some commonly used documents they find "difficult to understand." Mortgage applications got the most mentions (cited by 60 percent of the respondents), followed by health-insurance benefit forms (57 percent), federal income-tax returns (48 percent), newspaper stock-market tables (46 percent) and investment-account statements (42 percent). On the easy-to-understand end of the spectrum were payroll stubs, checking-account statements, airplane safety instruction cards, credit-card statements and catalog order forms.

LITTLE KIDS AREN'T THE ONLY ONES for whom back-to-school spending is a big deal. According to a poll fielded by BIGresearch for the National Retail Federation, college students and their parents are shelling out \$25.7 billion on back-to-campus merchandise. The students will have spent an average of \$606 of their own money on everything from electronic equipment to clothing. Since freshmen tend to be equipping themselves for their first move away from home, they have the highest average outlay (\$1,206). And since juniors are often moving off-campus for the first time, they're the runners-up in spending (\$812). Sophomores (\$445) and seniors (\$425) lag behind, while grad-school and medical-school students are even more frugal (\$397). The leading back-to-campus spending categories are textbooks (\$8.8 billion), electronics (\$7.5 billion), clothing/accessories (\$3.2 billion) and dormitory/apartment furniture (\$2.6 billion).

SINCE MOST TIPPLERS WOULD RATHER DRINK than read about drinking, long copy is rare in tavern ads. Still, Gads Hill Pub & Grill may whet readers' thirsts with its lengthy ad. The text explains that Gads Hill is the Missouri town where Jesse James robbed his first train. "As the gang went passenger to passenger, they seemed as motivated by personal ideals as money. They would take nothing from any 'working man' with calluses on his hands, and actually inspected the hands of each man, one by one.... They took the gold watch of the conductor, Chauncey Alford, but then returned it." Surely that's reason enough to stop in and drink a toast to them, or to him. Rodgers Townsend of St. Louis created the ad.



POST-HEIST: But you need a designated getaway driver.

CHAIN-RESTAURANT CUSTOMERS DO NOT LIVE BY BREAD ALONE. In a J.D. Power and Associates survey, consumers who patronize quick-serve and family/casual eateries were asked to identify the factor that most determines their satisfaction. The meal itself got the most mentions (30 percent), but service (26 percent), environment (24 percent) and cost (21 percent) weren't far behind.

STORY | **"Perplexity Poll" Reveals American Consumers Befuddled by Business Documents and Healthcare Communications**

Customer Relationships, Brand Loyalty at Risk

The Perplexity Poll Summary of Results, with charts and graphs, is available for viewing or downloading (in PDF format) at ***http://www.siegelgale.com/news/PerplexityPollSummary.pdf***.

NEW YORK, NY, August 11, 2004 – Vast numbers of Americans find insurance, financial, legal and healthcare documents difficult to understand, according to the "Perplexity Poll," a national survey sponsored by Siegel & Gale (**www.siegelgale.com**), the brand strategy firm that (1975) pioneered the use of plain English in business communications. The "Perplexity Poll" results show that confusing information leads to the deterioration of customer relationships, reduced brand loyalty and potential health problems.

Most and Least Perplexing-Documents and Information Sources
The five most perplexing information sources as rated by respondents are:

Insurance documents ("Letters from my health insurance company explaining what's covered and what isn't")

Financial documents ("Stock market information, mutual funds, and money market lingo")

Legal documents ("Anything in legalese like contracts, leases and loans")

Product instruction manuals ("Instructions for assembling things like grills or cabinets")

Computer-related documents ("Computer manuals or installation instructions for computer software")

The five commonly-used documents rated most "difficult to understand" are

Mortgage applications (60%)

Health insurance benefits forms (57%)

Federal income tax returns (48%)

Newspaper stock market listings (46%)

Investment account statements (42%)

The five commonly-used documents receiving high ratings for being "easy to understand" are: payroll stubs, checking account statements, airplane safety instruction cards, credit card statements and catalog order forms.

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HOUSING SCENE

Loan forms need not be perplexing

By Lew Sichelman
Special to The Times

September 26, 2004

WASHINGTON — Mortgage applications are more difficult to comprehend than any other business document, leaving befuddled borrowers confused, according to the latest Perplexity Poll, a national survey sponsored by strategic marketing firm Siegel & Gale.

The 1,700 people who participated in the quarterly survey didn't say why they found the standard four-page Uniform Residential Loan Application, otherwise known as the 1003, so formidable. But Doug Perry, senior vice president of production for Countrywide Home Loans, thinks he knows.

People anticipate that it's going to be difficult, so perception becomes reality, he said. "They start off with the basic premise that they think it's going to be painful, so it is." Perry also believes that many people tend to balk at the in-depth questions.

The intrusive nature of the information that's sought by lenders is why loan officers at Bank of America Mortgage won't let borrowers fill out an application on their own. "We don't hand the customer a 1003 to fill out," said spokeswoman Julie Davis. "We let the customer know what they'll need to provide, and our account execs enter the information directly into the system."

And rightly so. It says as much right there in black and white, in the very first sentence on the very first page of the 1003: "This application is designed to be completed by the applicant with the lender's assistance."

"You can go through everything with an expert without being charged for it," said Countrywide's Perry. "They'll walk you through it, either in person, on the phone or on their website. It can be as painless as a conversation. And if you don't want to provide all the documentation, you may not need to because there are loans for people like that too."

One of the most difficult parts of the loan application for borrowers to figure out is the section that asks for employment information and income.

Section V asks you to list gross monthly income plus overtime, bonuses, commissions, interest and dividends, net rental income and other sources. However, if you've been in your current job for less than two years, Section IV on the previous page asks for your monthly income at your previous position. But it doesn't say

August 29, 2004

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UPDATE

Mortgage applications: clear as mud

From Times wire reports

Mortgage applications are the most confusing paperwork American consumers confront, edging out health insurance benefits forms and federal income tax returns, according to a recent study.

Of about 1,700 respondents, 60% cited mortgage applications as a difficult-to-understand document they've read in the last 30 days, according to the Perplexity Poll conducted by Siegel & Gale. Peter Allen, the firm's marketing services director, said most consumers polled "remember that a significant portion of the process was unpleasant."

The hot housing market has helped propel mortgage applications to the top of the difficult-to-understand list because so many people have been dealing with them recently, Allen added.

The survey also revealed that 57% found health insurance benefits forms confusing, followed by 48% who were confused by federal income tax returns. The poll was conducted in June among a random sample of U.S. consumers at least 18 years old. Siegel & Gale is a strategic branding firm that focuses on communication.

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Irony in Telecommunications

By Selena Maranjian (TMF Selena)
December 8, 2004

What could be more ironic than this? You're in the telecommunications biz, and yet you're losing customers because of confusing communications.

That sorry state of affairs is presented by the findings of a recent Siegel & Gale Perplexity Poll. According to the brand strategy firm, "The lack of simplicity and clarity in communications from wireless phone companies is confusing customers, increasing churn rates and harming brand relationships at a cost of $3 billion annually." Ouch!

Look at these numbers, representing what percentage of respondents rated the following companies' information "below average" or "poor": **Sprint** (NYSE: FON) did worst in this group, with a discouraging 27%. That was followed by 26% for **AT&T Wireless** (NYSE: AWE), 23% for **Deutsche Telekom's** (NYSE: DT) T-Mobile, 21% for **Cingular** [a joint venture of **SBC** (NYSE: SBC) and **BellSouth** (NYSE: BLS)], and 20% for **Verizon** (NYSE: VZ).

Here are more details from Siegel & Gale's press release:

- 25% of those who changed wireless companies in 2004 cited "confusion" over calling plans, bills, and services as a primary reason for switching.
- 32% "will not" or "might not" stay with their current wireless company when their contract expires, citing "confusing information" (in part) as motivation for switching.
- 69% "would never sign up with another wireless phone service provider that does not provide information that is easy to read and understand."
- 39% "would definitely or probably not subscribe to Cingular" after viewing the calling plan brochure. Only 46% correctly answered a test question about the calling plan.
- 56% "would definitely or probably not subscribe to Sprint" after viewing the calling plan brochure. Just 68% correctly answered the test question.

The message here is clear (again, ironically) -- and it's meaningful for these companies, their customers, and investors alike. We consumers value clarity and plain language and want to be able to understand what we're buying. If brochures and other communications clearly described calling areas, various calling plans' terms, and so on, revenues and profits would like improve. (Unless, of course, it somehow costs the companies several billion dollars to write clearly, which isn't likely.)

The topic of simplicity isn't new in Fooldom. Fool co-founder David Gardner wrote about Simplicity Investing back in 2000, as did Matt Richey. Both had read and were inspired by the book *Simplicity Marketing*. Gardner went on to interview one of the authors on our radio show. In it, Steven Cristol explained:

"...for every company that's selling cars, they're going to have one segment of customers that's really into it and really into sorting out those options and that those are likely to be more the aficionados. They're going to have a whole other segment that really wants to have these choices streamlined for them so there's not such an overwhelming, time-consuming proposition. That's probably why when **Toyota Motors** (NYSE: TM) introduced their Tundra truck last year with the fewest options any truck in its class has ever had, it

ADVERTISING

Tax Preparation Companies Compete

By NAT IVES

Published: January 27, 2004

THE nation's two biggest tax preparation services are brawling for customers again as the April 15 filing deadline looms.

Jackson Hewitt, No. 2 in the category, has prepared its most aggressive advertising to date, with a $15 million to $20 million campaign that uses humor intended to convey speed and expertise.

Executives there said their biggest target was the 50 million taxpayers who file on their own, with software like TurboTax, or use accountants. But its campaign inevitably is bumping up against new commercials from H&R Block, the top tax preparation service.

And on Sunday, H&R Block will step up its own campaign with a celebrity-driven spot during the Super Bowl.

The vigorous marketing reflects the short window of time when consumers are thinking about taxes, as H&R Block seeks recognition as a year-round financial adviser and Jackson Hewitt tries to build on its growth. Jackson Hewitt, part of the Cendant Corporation, has expanded from 15 offices in 1986 to nearly 5,000 today. By comparison, H&R Block has 9,946 offices in the United States, the company said.

Brand experts said both companies would benefit from recent changes to the tax code, since changes always intimidate some taxpayers, but they differed on the idea of associating humor with taxes.

As in the past, Jackson Hewitt is dividing the tax season in two to aim at filers with different priorities - those who act early and generally expect a refund, and those who wait as long as possible and usually owe money.

The first round of commercials emphasizes speed. "There is a group of people who literally want to get their tax refunds as fast as they can get them," said Michael Lister, chief executive and president at Jackson Hewitt, which is based in Parsippany, N.J.

One spot for that audience shows a man driving a woman in labor, presumably to the hospital, and urging her to breathe. "Hold on," he tells her. "We're almost there." When he stops, leaves his passenger in the car and returns moments later, it becomes clear he has stopped at Jackson Hewitt on the way. "I got the check," he says. "Told you they were fast."

As April 15 approaches, the Jackson Hewitt campaign will segue into spots intended to drive home its expertise.

In a commercial for Jackson Hewitt, a taxpayer stops to file his return and get a refund before he drives his pregnant wife to a hospital. Jackson Hewitt is facing aggressive competition from H&R Block.

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Tuesday, September 7, 2004

Confusing paperwork hurts revenue

Sometimes even a rocket scientist has trouble deciphering bills and other everyday documents

By CANDACE HECKMAN
SEATTLE POST-INTELLIGENCER REPORTER

The chairman of the University of Washington's Department of Aeronautics and Astronautics wears a calculator on his wristwatch and performs complex algorithms on a daily basis.

But Adam Bruckner can't figure out how or why his home telephone bills differ, usually by pennies, every month.

His service doesn't change. The percentages listed as taxes, fees and surcharges don't change.

"And it's not because some months have more days," Bruckner said.

Experiences such as these -- and the countless Saturdays he spends at home trying to understand bills, changes to credit card or insurance policies and opt-out statements -- tell Bruckner that large corporations don't respect him or his time.

"It makes me feel like everybody out there is out to squeeze my wallet," he said.

What it tells marketing experts, though, is that when everyday documents become so confusing that even a rocket scientist spends too much time trying to figure them out, companies will have to begin working overtime to keep their customers.

According to a survey completed this summer, businesses lose $220 million in revenue annually because instructions, terms and other information are too confusing. And 70 percent of Americans not satisfied with a product or service would not buy from the same company again.

The survey, the Perplexity Poll, outlines what consumers say are the most confusing kinds of documents, how often they had to contact a manufacturer or seller for translation and how much the comprehensibility of the information affects buyer satisfaction. Or dissatisfaction.

Business

Posted on Sun, Aug. 29, 2004

Feeling PUZZLED

The Kansas City Star

Oh, goody.

The language in mortgage applications and health benefit insurance plans has become harder than federal income tax instructions for mere mortals to decipher, researchers in New York report.

Complexity ratings

Percentages of people who found commonly used documents somewhat difficult or very difficult to understand:

Mortgage application	60%
Explanation of benefits form for health insurance claim	57%
Federal income tax return instructions	48%
Stock market listings in daily newspaper	46%
Investment account statement	42%
Microsoft Windows help instructions	34%

Source: Siegel & Gale

Those are among the findings turned up in the latest quarterly Perplexity Poll, commissioned by Siegel & Gale, a business communications consulting firm that has been campaigning more than three decades for the use of plainer language in business and government.

Gobbledygook often makes a good butt for a joke. But such findings also are disturbing when people are increasingly being asked to take more responsibility for their retirement, their health care and other major decisions, said Alan Siegel, the consulting firm's chairman.

"When 60 percent of respondents rate mortgage applications and explanations of health care benefits 'difficult to understand,' it is shocking," Siegel said.

Some financial and commercial communication is very easy to understand, 1,079 randomly selected respondents told Siegel pollsters.

Some of the easiest include payroll stubs, checking account statements, airline safety instruction cards, credit card statements and catalog order forms, pollsters were told.

Among those specifically rated hardest to understand were mortgage applications, health insurance benefit forms, income tax returns, newspaper stock listings and investment account statements.

By broader category, the most perplexing documents for the consumers surveyed were insurance, financial and legal documents larded with legal or technical terms, plus most instruction books for assembling grills, cabinets and other products, and computer manuals.

— Gene Meyer/The Star

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VISIBILITY

Case Study –

Siegel/Gale

Alan Siegel, Chairman

Issues – Various

Rapaport Report – The Fame Game
The Wall Street Journal – From Grill to Fashion Plate
WWD – Why Fashion Keeps Bottling Celebrity Pop
Brandweek – Brands Left Starry-Eyed
Business 2.0 – Martha, a Matter of Trust
Los Angeles Times – Stewart Leaves Prison Ready
The Street.com – Raising the House of Stewart
BusinessWeek – Wal-mart Crashes the Fashion Party
CNN/Money – Wal-mart Redeems Itself…
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Los Angeles – P&G Gillette Union Could Hit Shoppers' Pocketbooks
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The New York Times – New Jersey is OK?

The Fame Game

By Phyllis Schiller

Posted: 3/31/2005 4:11 PM

In today's media climate of internet immediacy and reality-show recognition, the spotlight on celebrity in America is shining brighter than ever before. But "being famous for being famous" is not necessarily the criterion that translates into power, prestige and moneymaking potential.

While there may be "many different degrees of celebrity," what the term means today, says Stuart Fischoff, Ph.D., emeritus professor of media psychology at Cal State University Los Angeles, is "the idea that somebody for some reason was pulled out from the herd of mediocrity from the anonymous mass and made important by their appearance in or discussion in the media." Adds Celeste Gertsen, Ph.D., adjunct assistant professor at Dowling College on Long Island, New York, it's somebody "who's famous in the eyes of many people. They're rewarded publicly; receive a lot of accolades. They're very visible."

Our Line of Royalty

Celebrities are America's "royal family." And while there are some people who momentarily garner media interest thanks to the reality show du jour, they are the "brief breed of celebrities," says Fischoff. Whether they're people testing their survival skills, big business savvy or personal fear factor or have the gloss of a family name and paparazzi fame like Paris Hilton, they have a limited shelf life.

True celebrities, explains Irving Rein, professor of Communication Studies at Northwestern University, Evanston, Illinois, and co-author with Philip Kotler and Martin Stoller of High Visibility: The Making and Marketing of Professionals into Celebrities, give "a kind of texture to our lives. What would baseball be without baseball players or movies without stars? We need these people to provide the stories and the context and the texture that we need for our lives." They "fulfill a need or inhabit a niche in a person's life," agrees Fischoff, "that nobody else is inhabiting or fulfilling in the same way. Usually it's somebody whose life they want to become part of and the only way they can is to become a fan."

The media, says Kenneth Hirst, president of Hirst Pacific, a strategic design firm in New York City that specializes in luxury goods, "is a key player." It's what builds a celebrity, affording them "superstar status." And how long a person is exposed and re-exposed to people in the media, says Fischoff, determines how long a person lasts as a celebrity. And the media, he says, "is in such need of new things to talk about that celebrity can be a much briefer life."

There are some people, however, whose stars manage to shine brightly for a very long time. The reason, Gertsen says, is that they capture our attention — someone like Cher or Madonna. "It hits at something within us. I think that there's timing to it — what the values are at that time and who fits into that and brings that back to us, such as Elvis Presley or Marilyn Monroe."

Some people "develop a popular appeal and then build on that," says Hirst. "Sarah Jessica Parker has become part of the culture of the U.S. at the moment. Through 'Sex & the City,' she defined women's sexuality and became synonymous with fashion and fashion design. And she became very established as a long-term celebrity, almost an icon herself."

Breaking News

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More News

STYLE & SUBSTANCE

From Grill to (Fashion) Plate

EMAIL PRINT MOST POPULAR

Casual Male's Foreman Line Caters to Large-Size Guys; 'Waist Relaxer' Pants a Hit

By JOSEPH PEREIRA
Staff Reporter of THE WALL STREET JOURNAL
August 6, 2004; Page B1

Once a highflying purveyor of jeans, sweaters and shirts, Casual Male Retail Group Inc. has found a secret weapon for its next round on the men's apparel front.

His name is George Foreman.

In June, Casual Male bumped up its three-year endorsement deal with the former heavyweight boxing champ to twelve years, a move that underscores the chain's commitment to large frames while affirming the charismatic Mr. Foreman's ability to sell a variety of products, including grills, car mufflers and polo shirts.

"George has done wonders for the barbecue grill, and he's now saying it's okay if you need to loosen your belt a little after a meal," says David Levin, Casual Male's lanky 6'0" chief executive whose 32-inch waist is about 20 inches shy of his target customer's.

As the country continues to get fatter, Casual Male sees a healthy opportunity to attire style-challenged "large" men, which it defines as anyone over 6-foot-2-inches or with a waistline of 42 and up.

Four months ago, the chain launched "Comfort Zone by George Foreman" and two other lines that bear various iterations of the boxer's name. The Foreman Collection, for example, includes $80 in-the-ring-style boxing robes; $225 black blazers, $35 twill shorts and $55 silk camp shirts with white embroidery. Fabrics are forgiving blends of cotton, polyester and other materials; pants feature a hidden elastic inset called the "waist relaxer," allowing the garment to accommodate full bellies. "Expandable!" bellows Mr. Foreman in one of the chain's television ads.

Though large men represent roughly 13% of the men's apparel market, many merchants and designers still shy away from large sizes for reasons having to do with practicality and vanity. Stocking up on large numbers of big sizes could saddle stores with expensive inventory of unsold goods at the end of a season. And retailers don't get the best wholesale deals unless they buy in large quantities, putting them in a Catch-22. Even basic stores like Sears, Roebuck & Co. "just can't do it because it's so very specialized," explains Gary Giblen, director of research at C.L. King & Associates.

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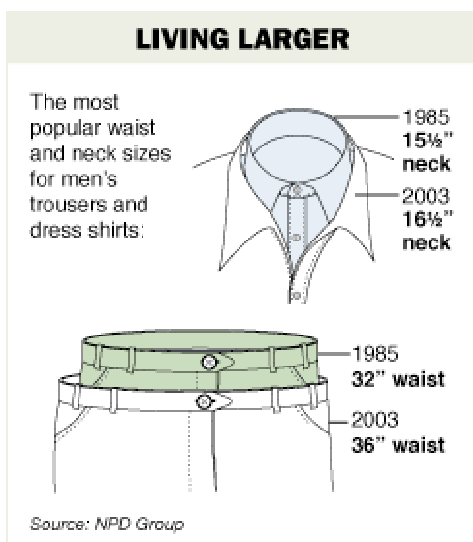
Casual Male does offer a smattering of brand-named clothing such as Perry Ellis, Polo Jeans and Sean John. "The thinking in the past was that fat people had no use for fashion," says Casual Male's Mr. Levin.


Heavyweight boxer George Foreman gives punch to an expanding -- and expandable -- clothing line

Yet higher-end designers, like Ralph Lauren and Giorgio Armani, still "cut their clothes for what we call the beautiful people of the world," says Arnold Aronson, managing director of retail strategy for Kurt Salmon Associates in New York. "That's who these designers want to be identified with, the models you see on the cover of magazines, not the obese," says Mr. Aronson, a former chief executive of Saks Inc.'s Saks Fifth Avenue division and a current director at Polo Ralph Lauren Corp.

In an interview, Mr. Foreman brushed off any concerns about tacitly condoning obesity or overeating, part of a national epidemic that is set to overtake cigarette smoking as the number one preventable cause of death. "Being born in America means you're going to have some weight," said Mr. Foreman, who, at 6' 3" and 250 pounds is technically considered to be obese, despite his heavy muscle mass. "We are fortunate to live in the land of milk and honey."



For Casual Male, romancing the rotund so far appears to be a prudent strategy. After years of futile attempts to be more fashionable, sales at Casual Male stores open at least a year grew a robust 9.2% in the company's first fiscal quarter that ended in early May -- a period that only partly included the new Foreman lines. During a Father's Day campaign in which Casual Male gave away George Foreman grills, the average store purchase doubled, to $150 from $75. As an added bonus, executives note that the Foreman lines are selling mostly at full price -- a rare boast in the perpetually-discounted apparel field.

Casual Male's just-released annual report cites government figures showing that the percentage of adults deemed overweight or in the heavier "obese" category has grown to 64% from 56% six years ago. The report also correctly notes that "the rate of obesity for the under-30 age group is growing faster than any other segment of the population."

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COMPANIES

Dow Jones, Reuters

Casual Male Retail Group Inc. (CMRG)

PRICE	6.05
CHANGE	-0.12
U.S. dollars	10:16 a.m.

Sears, Roebuck & Co. (S)

PRICE	35.33
CHANGE	-0.64
U.S. dollars	10:13 a.m.

Saks Inc. (SKS)

PRICE	12.03
CHANGE	-0.07
U.S. dollars	10:13 a.m.

Polo Ralph Lauren Corp. (RL)

PRICE	34.42
CHANGE	-0.73
U.S. dollars	10:12 a.m.

Payless Shoesource Inc. (PSS)

PRICE	10.83
CHANGE	-0.08
U.S. dollars	10:12 a.m.

Anheuser-Busch Cos. Inc. (BUD)

PRICE	52.42
CHANGE	0.13
U.S. dollars	10:12 a.m.

Salton Inc. (SFP)

PRICE	4.14
CHANGE	-0.31
U.S. dollars	10:12 a.m.

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Published: Wednesday, July 27, 2005

Why Fashion Keeps Bottling Celebrity Pop

By Valerie Seckler

NEW YORK — Celebrities are the thread tying together American pop culture and, as such, provide a platform for fashion marketers that should keep gaining ground at least until the turn of the decade.

That's largely because the fragmentation of media has all but eliminated Americans' once universal experience of taking in events through three major TV networks and a handful of major print outlets.

"A mere generation ago you had the 'Tonight' show, a couple of gossip magazines and that was it," said Robert J. Thompson, trustee professor of TV and popular culture at Syracuse University. "Now there are dozens of shows, like 'Access Hollywood' and 'Entertainment Tonight,' and an enormous publishing empire. Today, celebrities themselves are the remaining glue. This is hard to harness for advertisers.

"One of the only effective ways to do this," Thompson added, "is to sign a celebrity to endorse fashion."

The public's desire to own a piece of celebrity style dovetails with the craving of many people for more authenticity in their lives, as entertainers are known partly for the way they appear and are often seen as ideals. So, the fashion products celebrities promote could be viewed as something other than items merely endorsed by high-profile people serving as shills, marketing experts said.

The ongoing explosion of media devoted to chronicling celebrity lifestyles — notwithstanding the public's saturation point — is elevating the equity of the rich and famous in popular culture, Thompson explained. It ranges from heightened coverage in a new generation of magazines, such as In Touch, Life & Style Weekly, and Wenner Media's untitled new weekly to bow next summer, to reality TV takes on Tommy Hilfiger, Donald Trump, and soon, Martha Stewart. In addition, the advent of digital media and technology — Internet-enabled cell phones and Blackberrys, and other gadgets — provide instant access to the latest news of the stars and an equally quick means by which to share it.

This marks a reversal of the slower, more controlled, star factory approach of Hollywood in the Thirties and Forties, and entertainment media in the Fifties and Sixties that were less intrusive in celebrities' personal lives. Today, by comparison, even a walk in the park or trip to the store is standard fare for the paparazzi and gossip pages.

"Marketing leverages what's going on in society — and we live in a society that is celebrity obsessed," said Alan Siegel, chairman and chief executive officer of Siegel & Gale, a strategic branding consultant whose clients have included Polo Ralph Lauren, A|X Armani Exchange, Liz Claiborne and Revlon.

Using the images and voices of entertainers has become more resonant in a world where the consumer likes to connect with celebrities, said brand consultant Michael Watras.

"There's a fantasy — we almost want to live their lives," he added.

Part of that fantasy involves wanting to have more, including the possessions and lifestyles of pop culture personalities. And celebrities themselves are more willing to participate in the economy's marketing machine.

"It's seen as more legitimate; people expect it's going to happen" said Robert Passikoff, president of marketing consultant Brand

Out of the Box

Insights into what consumers are thinking, how they're acting and why

Edited by Karen Benezra

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WHAT'S THAT ON KATIE'S HOMEPAGE?

Today's youth don't just want to hang with their friends at a park, movie or schoolyard, but are gathering online in large numbers online to build community around shared interests. Renegade Marketing, a New York-based agency, says these sites are big with teens:

HTTP://CRAILTAP.COM
Skateboarding site with content from the lips, pics and keyboards of hot skateboard teams. Non-skateboarders bring a translator.

WWW.MIKEMATAS.COM/BLOG/
An 18 year old blogger's nifty site offers ideas such as how to make a "Life Poster" (collage of personal photos) for $29 in 30 minutes.

WWW.VIRALMEISTER.COM
Irreverence, humor, and the courage to flirt with the taboo—three qualities that get teens' attention.

WWW.LIVEJOURNAL.COM
Teens have a fundamental desire to express themselves and do so here. Why aren't more marketers bending over backwards to listen?

WWW.IGN.COM
Attention male gamers: we've ot breaking movie and music news to match.

WWW.SPARKNOTES.COM
Free, downloadable cheat sheets on every school topic under the sun, plus a billboard for posting questions.

WWW.FUSE.TV
The site seamlessly integrates the cabler's music, wireless and Web channels into one experience. Interactive buffet full of downloads, viral shorts, community boards and more.

Brands Left Starry Eyed

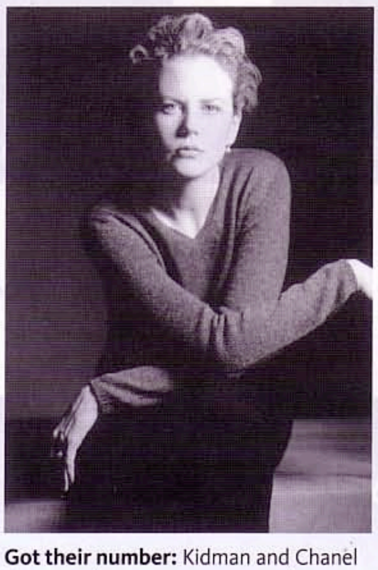
By Kenneth Hein

ENLISTING a Hollywood hotshot to hawk a brand has become as commonplace as a direct marketing effort or a pen with a pretty logo. OK, maybe a very pretty, diamond-encrusted pen.

The allure is obvious. Signing a celebrity can offer entertainment value that separates one ad from the next, like watching Ellen DeGeneres soft-shoe her way to work. It can create word-of-mouth buzz like, "Did you catch that Sierra Mist Free ad with that funny guy from *Best in Show*?" It can even cast a positive halo over a brand where a kid may say: "Mommy, I want the pizza Miss Piggy likes."

However, paying big bucks for big names is a risky proposition, according to experts. "The industry has overvalued celebrity tie-ins," said Mark DiMassimo, CEO of DiMassimo Advertising, New York. "There's nothing original about the idea and great ideas are what gives an advertiser a real advantage."

What brand marketers often miss when making decisions about a celebrity is "do their values reinforce the values of the brand," said Robert Passikoff, president of Brand Keys, New York. The research firm polled consumers in January, from a panel of 16,000, asking them to assess a celebrity's affect on their favorite brands.



Got their number: Kidman and Chanel No. 5 smell sweet success together.

Like record sales or box office receipts, the pairings either sizzled or flopped. Diet Pepsi and P. Diddy, for example, were a poor match in consumers' minds. Diet Pepsi received a customer expectation rating of 117 (out of a 160 maximum), however when P. Diddy was factored in the score shrank to 108. Versace's 120 overall brand score was sabotaged by its Madonna alliance; when paired with the Material Girl it sank eight points to 112.

Consumers gave Versace's designs alone a score of 130, however adding Madonna to the mix dragged perceptions down to 120. Another category driver (reasonably priced, easy-to-find) went from 116 to 102. "She doesn't reinforce the values that surround the brand," said Passikoff. "You've reached a time when nearly every celebrity will shill something. If that's the landscape, why wouldn't you look for someone to reinforce those values?"

Alan Siegel, chairman and CEO of Siegel & Gale, New York, agreed: "All studies we look at show people have a real disdain for [celebs] shilling products where there's not a connection." He added, in many cases, "They look at sports figures as a joke."

Nicole Kidman, on the other hand, seemed to be the perfect selection for the reimaged Chanel No. 5, which indexed at 114 without her and 122 when the flaxen-haired star was added. Elsewhere, Tiger Woods had winning appeal for Buick, which scored 115 with the golf pro and 108 without him. Even Robert DeNiro's much-discussed appearance in an American Express ad gave the brand a slight bump from 109 to 112, per the survey.

Consumers gave Chanel a score of 111 as being the "right scent" without the movie star; with Kidman it ratcheted up to 118. For the driver "Emblem/Icon for me" the brand soared 12 points to a score of 138.

Granted these metrics are only a snapshot, and since celebrities are people (with the exception of Miss Piggy), there are other variables at play.

For one, trouble may be just around the corner. "In the past stars didn't seem to be that volatile, but now they're falling from grace in ways no one could have predicted," said Lucian James, president of the San Francisco-based brand consultancy Agenda. "From Martha Stewart to Kobe Bryant . . . it's a bigger risk than it used to be."

The lifespan of an A-list celebrity can also be very short. "People go in and out of favor," said Siegel. "I'm a great believer in continuity. If you're attached to a celebrity that falls out of favor then that [strategy] doesn't work. If you can find a core message and communications platform independent of celebrities you're in a lot better shape."

Kenneth Hein is senior editor at Brandweek.

MARKETING FOCUS

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Martha: A Matter of Trust

Can Stewart's fans ever forgive her -- or the brand?

By Thomas Mucha, March 04, 2004

Pull up your matelassé-, faille-, and fancy taffeta-covered chairs, celebrity trial-watchers: It's the moment of truth for Martha Stewart, the person and the brand. Appropriately so, as truth has been the central theme of a highly publicized federal case now in the hands of a jury in lower Manhattan. Stewart, of course, is charged with conspiracy, obstruction of justice, and making false statements related to her December 2001 sale of ImClone Systems stock. But truth, or the lack of it, has also been a major factor behind a dramatic abandonment of the Martha Stewart brand. (Martha Stewart Living Omnimedia profits plunged 86 percent in the quarter after the scandal broke, as disillusioned shoppers and advertisers took their business elsewhere.) So with the ugly affair now coming to an exquisitely coiffed head, what are the chances of the Martha Stewart brand regaining its former shine?

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Martha: A Matter of Trust

It won't be easy. The trial has revealed spite, pettiness, and other unpleasant personal aspects of the pioneering and polarizing entrepreneur. And for this company, the person is undoubtedly the brand. But there are some faint signs that customers may be willing to forgive, if not entirely forget, the domestic diva's alleged transgressions.

New York-based Brand Keys, which quantifies that slippery thing called customer brand loyalty, reports a slight improvement in the company's fortunes. Its index that tracks Martha Stewart Living rose to 84 last week after a judge dismissed the securities fraud charges against Stewart (the most serious of the lot). The index, which has a baseline of 100, had fallen to a low of 72 soon after Stewart's indictment. "When she was indicted, the whole brand was indicted," Brand Keys founder Robert Passikoff says. "[The bounce] reflects people's willingness to believe in her innocence."

Brand Keys began tracking Martha Stewart Living in early 2002 when it was one of the nation's most beloved brands. That love, Passikoff says, evaporated the moment the scandal broke. "This is entirely a matter of trust," he says. "Nothing else about the company changed. Its products are still the same. The colors are all the same. You can still buy a hundred different paints."

What changed, of course, was consumer perception. After the Enroning of America, trust and integrity have become more important to consumers. "Two years ago trust accounted for 5 percent of brand loyalty. Today it is 11 percent," Passikoff says. "The importance of integrity [another brand-loyalty variable] has tripled over that same period." In the age of the dirty, greedy, fat-cat CEO, perception matters. Big-time. And there's no better example of this phenomenon than Stewart. (It also didn't help the company's bottom line that frill-seeking customers had other places to turn when she went down -- an indication of her success in creating a new industry.)

So where do Stewart and her beleaguered brand go from here? The right strategy, naturally, will depend on the outcome of the trial (and especially on how severe any penalties may be). But guilty or not, Stewart's behavior from this moment on will be crucial. "She can't be defiant," says Alan Siegel, chairman and CEO of New York-based branding firm Siegel & Gale. "People will be very forgiving if she takes

latimes.com Los Angeles Times

http://www.latimes.com/business/la-fi-martha4mar04.story

THE NATION

Stewart Leaves Prison Ready to Put Her Media House in Order

By Walter Hamilton
Times Staff Writer

March 4, 2005

NEW YORK — Before being incarcerated last fall, Martha Stewart talked about being out in time to "get things growing again" during the spring planting season.

As the lifestyle entrepreneur left a West Virginia prison early today, her company could only hope that her powers of financial rejuvenation were as keen as her green thumb.

Stewart, 63, left the federal women's prison in Alderson, W.Va., at 12:30 a.m. after serving a five-month sentence for lying to regulators about a 2001 stock sale. Thirty minutes later, with daughter Alexis at her side, Stewart smiled and waved to news cameras at Greenbrier Valley Airport as she boarded a private jet for the flight home to New York.

"The experience of the last five months ... has been life altering and life affirming," Stewart said in a statement released on her website. "Someday, I hope to have the chance to talk more about all that has happened.... Right now, as you can imagine, I am thrilled to be returning to my more familiar life."

Her company, Martha Stewart Living Omnimedia Inc., was hit hard as Stewart endured a trial and criminal conviction last year.

The company lost more than $60 million in 2004 as circulation and ad revenue sank at Stewart's namesake magazine. It has notified Wall Street that first-quarter 2005 numbers will be poor. None of the five analysts who closely follow Martha Stewart Living recommend buying its stock.

But many investors disagree: Shares have risen 17% this year, despite a flat market overall, and they rose $1.91 on Thursday to $33.95 on the New York Stock Exchange.

Stewart, it seems, retains a devoted core following. And the burst of publicity surrounding her return to her business empire might rekindle interest in her products.

"The company exists because of the charisma of Martha Stewart, and when she comes out she's going to be even more interesting," said Claude Singer, senior vice president of Siegel & Gale, a New York-based brand-strategy consulting firm. "She now has a comeback wrinkle to her story."

Just in case the image of a prison-chastened Stewart proves not to be enough to help sales of her bedding, cookware and furniture, she has inked deals to star in two much-hyped television shows, including a prime-time series fashioned after "The Apprentice."

TheStreet.com

Nat Worden

Raising the House of Stewart

By Nat Worden
TheStreet.com Staff Reporter

3/4/2005 1:18 PM EST
URL: http://www.thestreet.com/markets/natworden/10211708.html

Martha Stewart was released from federal prison Friday after a five-month sentence for obstruction of justice. *TheStreet.com's* Nat Worden spoke to brand expert Claude Singer, a senior vice president with Siegal & Gale, about the effect Stewart's ordeal has had on her namesake brand, and what might be in store for her company, **Martha Stewart Living Omnimedia** (MSO:NYSE) .

Q: *How would you describe the current state of Martha's brand?*

A: I think brands are very difficult to evaluate, and people who claim to have a precise metric for evaluating brands are fooling themselves. However, I think Martha's brand has always been inherently strong because there is substance behind it. Martha Stewart's brand is not just about her celebrity. It's about a promise to help people live better, more gracious, more efficient and more comfortable lives. That's her promise, and she delivers on it with advice, products and informative entertainment. In this information age, Martha Stewart has information that consumers want to buy.

Q: *Is she making all the right moves here? If you were her consultant, what sort of things would you recommend?*

A: I think Martha is showing a sincere spirit of being chastened. She's not defiant, but she is unrepentant. So, from a personal standpoint, I think she's carrying herself very well. We all know that Martha Stewart bears the burden of being a somewhat imperious personality. She's known to be a tough boss, but she's not being arrogant now. She's talking about jail as a sobering, life-affirming experience. She's not making light of it, but she's not pretending it's a great tragedy either. She's also referring to people in jail appropriately as people who need help, so she's making herself more empathetic. But she's clearly still a very strong woman.

Q: *People seem to be riveted by her story. They obviously love to watch her on television. But do you think people will actually like her again and buy her products?*

A: It's a better story than ever. A brand is a story, and I think you can say in this case that Martha Stewart's brand is enhanced by this episode. There's no question about it, she is more appealing, not less. Her style and products have come from an elite image to a more mass market image, largely from her association with Kmart, and this just continues that. She's going to be more popular and more in the public eye.

Q: *Has there been a shift in public attitudes about her character since she went into prison?*

A:I think the public has been very realistic in their assessment of Martha Stewart. They've seen her as a person who has great strength of character, determination and intelligence. They see that she made a mistake by lying to the feds, and I don't think there's anyone in our society who doesn't realize that people lie from time to time, and it's usually not an offense punishable by jail time. This has never been perceived as being in the same category of, for example, Bernie Ebbers, whose crime might be having lost billions of dollars of other people's money and ruining thousands of lives. Look at Ken Lay, for instance, or any of the Enron people. She did not do things like that, and I think the public is very able to differentiate between her and the CEOs who have ruined lives.

Q: *You are not a stock expert, but our readers are investors. What do you think about her company's stock price now? Will it ultimately prove to be a good investment, based on your enthusiasm about her brand?*

A: I think the easy money has already been made. Now, the stock is moving up nicely with fairly good volume. I

BusinessWeek online

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SEPTEMBER 28, 2005

NEWS ANALYSIS
By Pallavi Gogoi

Wal-Mart Crashes the Fashion Party

Sponsoring a fashion show and running ads in *Vogue* may be just the first signs of upscale ambitions. Is acquiring Tommy Hilfiger next?

It has been a turbulent few months in the world of fashion. First, Wal-Mart (**WMT**) dropped a bombshell, with its eight-page ad insert in the September issue of *Vogue*, the fashionistas' bible. Now, the buzz is that the world's largest discount retailer is in talks to acquire fashion icon Tommy Hilfiger (**TOM**).

Spokeswomen from both sides aren't denying the reports, only declaring they won't comment on rumors. Says Pam Danziger, founder of Unity Marketing and author of *Why People Buy Things They Don't Need*: "After proclaiming their entrance into the fashion world with the *Vogue* ad, this is a logical step for Wal-Mart."

Wal-Mart never does anything in a small way, and if the speculation is on target, this could be its latest step in an aggressive move to go upscale. CEO H. Lee Scott Jr. gave investors signals that a deal like this could be coming. At the annual meeting this year in Bentonville, Ark., Scott lamented that many customers shop for basic goods like food and paper towels at Wal-Mart but go elsewhere for apparel. "What we've got to do is make sure that those customers aren't bypassing [our] other departments," he said (see BW Online, 9/22/05, **"Wal-Mart's Scott: "We Were Getting Nowhere"**).

BEEFING UP BRANDING. Wal-Mart's ads in *Vogue* are slated to run for 18 months, according to Director of Corporate Communications Gail Lavielle, who says they're "designed to show that Wal-Mart is trend-right and fashion-forward." And the chain has already started targeting the higher-income demographic by selling high-end electronics like home entertainment systems and plasma TVs.

If the Hilfiger deal comes through, some wonder if it might just be the first among several high-end brands that Wal-Mart may add to its stores. "After all, Wal-Mart has already conquered the world and put the small guys out of business. Why not move upscale now?" asks Alan Siegel, chairman of brand-strategy firm Siegel & Gale.

The retail giant is already beefing up its brand and marketing departments. In April, it promoted John Fleming to chief marketing officer. Fleming had spent 19 years at cheap-chic retailer and archrival Target (**TGT**), where he was responsible for the famed fashion divisions, among other things. And on Aug. 31, Wal-Mart hired away Stephen Quinn, the chief marketing officer of PepsiCo's (**PEP**) Frito-Lay division, to develop Wal-Mart's marketing strategy and brand development.

FADED TOMMY. Tommy Hilfiger would give Wal-Mart an entry into the rarefied world of designer chic, especially among the sought-after younger demographic. "Wal-Mart is certainly looking to hitch its wagon to a brand that can lead it to an upscale consumer base," says Robert Passikoff, president of strategic brand consulting firm Brand Keys.

Hilfiger was already on the auction block, having hired investment banks J.P. Morgan Chase (**JPM**) and Goldman Sachs (**GS**). It has been struggling to regain its luster as a cutting-edge preppy brand, but sales and profits have sagged.

"The Tommy brand has lost a bit of its luster," says Wendy Liebmann, president of WSL Strategic Retail, a retail consultant. For its fiscal year ended March 31, 2005, Hilfiger's sales topped $1.78 billion, down from $1.87 billion in the

Wal-Mart redeems itself, but what's next

Experts say quick response to Katrina has softened its image some but deeper problems remain.

September 9, 2005: 4:31 PM EDT
By Parija Bhatnagar, CNN/Money staff writer

NEW YORK (CNN/Money) - Kudos to Wal-Mart -- on two fronts.

First, the world watched as Wal-Mart (Research) quickly galvanized efforts to help Katrina victims within hours of the catastrophe. Second, by doing so, the world's largest retailer seems to have achieved the unthinkable -- silencing its many critics.

Still, industry watchers and branding experts are divided as to how long the second effect will last.

As the nation's largest private-sector employer with more than 1.3 million workers in the United States alone, the company has attracted dozens of lawsuits against it alleging pay and labor violations and gender discrimination. It's also drawn fire for stifling small businesses and squeezing its vendors.

Then came Hurricane Katrina.

Marshal Cohen, chief industry analyst with market research firm NPD Group, thinks the storm will mark a turning point in Wal-Mart's ongoing efforts to fix its image.

"Short-term, you could think of all the media exposure as a promotional vehicle for Wal-Mart," Cohen said. "But I see longer-term benefits too. Most people who were dramatically affected were Wal-Mart consumers. They're going to remember Wal-Mart was there."

Cohen sees Wal-Mart capitalizing on its experience to help redefine itself to consumers .

"Hurricanes will occur again. The message they want to give people is that when the Red Cross

July 4, 2004

E-mail story Print

Will Female Shoppers Stray?

■ Regardless of their feelings about a discrimination lawsuit against Wal-Mart, many say they can't afford to put principle before price

By James F. Peltz and Dawn Wotapka, Times Staff Writers

Leahndra O'Neal doesn't like reading that the world's largest retailer, **Wal-Mart Stores** Inc., is accused of discriminating against its female workers. But a class-action lawsuit isn't enough to make her spurn Wal-Mart's renowned low prices.

"I still have to shop at discount stores in order to stay within my means," O'Neal, a 26-year-old personal trainer for a fitness chain, said during a recent visit to Wal-Mart's store at the Baldwin Hills Crenshaw Plaza in Los Angeles. "I hope it's not coming off as a bad attitude, but I'm more or less a realist."

Other shoppers echoed O'Neal's sentiments last week. And analysts predicted that the millions who flock to Wal-Mart every day would choose prices over principles.

As a ubiquitous peddler of inexpensive merchandise, Wal-Mart has become so woven into the nation's consumer culture that its name has morphed from noun to verb. Its patrons might sympathize with the women suing Wal-Mart, but ultimately most are probably still more concerned with saving a buck.

"I don't think a lot of people are happy about it [the lawsuit], but I don't think it's going to hurt their sales," said Alan Siegel, chairman of Siegel & Gale in New York, a leading provider of corporate brand and image strategies.

If there ever is a backlash, it could stem from the

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Despite 'baggage,' AT&T brand name lives on

By Leslie Cauley, USA TODAY

NEW YORK — So the AT&T name lives on, after all. After months of speculation, SBC officially confirmed Thursday that it will adopt the fabled brand name once the SBC-AT&T merger closes, likely later this year. (**Related item:** Justice clears phone deals, to critics' dismay)

Ed Whitacre, SBC's CEO, says the decision to take the AT&T name, one of the most recognized in the world, made sense because of the combined company's global interests.

"It was the right thing for the company," Whitacre told USA TODAY, which reported earlier this month that the name change was imminent. "It's a strong brand everywhere," he added.

"The people at AT&T are thrilled that the company's name lives on," Dave Dorman, AT&T's CEO, told USA TODAY.

The name change, Dorman said, should help restore some of AT&T's polish after years of sliding fortunes. Marketing experts agreed that SBC's decision to take the AT&T name was smart.

"It's one of the last iconic brands out there," says Karl Barnhart, a managing director at CoreBrand, a brand consulting agency that has done work for AT&T.

Barnhart says research indicates that 98% of consumers have a "general awareness" of AT&T's name.

But the name also "comes with some baggage," Barnhart says.

For starters, he says, "It's a bit stodgy." Part of that is due to AT&T's age — more than 120 years. Founded in the late 1800s, AT&T invented long-distance as a class of service.

Another hurdle: AT&T is known for "just being a phone company," Barnhart says. That could be a hindrance as the new AT&T courts younger consumers. AT&T's base tends to be older, he says.

Barnhart says it will be vital for the new AT&T to educate consumers about its range of products. Besides traditional phone service, it will sell Internet telephony, interactive video, high-speed Internet access, cellphone services, wireless Internet access and Wi-Fi services.

Lisa Pierce, an analyst at Forrester, applauded SBC's move to adopt the AT&T name. But she isn't so pleased with its plan to alter AT&T's famous logo — a blue-and-white globe. SBC plans to unveil a new logo once the deal closes.

"Why mess with success?" she says.

Alan Siegel, CEO of Siegel & Gale, a strategic branding company, says the most important thing the new AT&T can do is focus on serving its customers.

In the end, he says, "It's not what they say — it's what they do" that matters.

THE WALL STREET JOURNAL. ONLINE

January 31, 2005 4:23 p.m. EST

Will SBC Take Family Name? Ma Bell Exerts Brand Power

By RIVA RICHMOND
January 31, 2005 4:23 p.m.

Of DOW JONES NEWSWIRES

NEW YORK -- Mom has a way of getting the last word.

SBC Communications Inc. (SBC) is set to take control of its former parent, but experts say it would do well to keep to the family name. While SBC is the bigger and stronger company today, its name is considerably weaker than AT&T Corp.'s (T), a global brand among the best known in history. To compete in an international marketplace, some experts say SBC would do well to swallow its pride and make AT&T the primary brand name for the new company.

The simplification would make particular sense, they say, given the fact that the company must also support the Cingular brand, the name of the wireless service it co-owns with BellSouth Corp. (BLS) and has less leeway to change.

"Given the cost efficiencies, it would be desirable to fuse these into one brand at some point or two brands maybe," Alan Siegel, chairman of branding consultancy Siegel & Gale, a unit of Omnicom Group Inc. (OMC).

"You use the best name ... and you don't get involved in ego," he said. AT&T is "an iconic name. It's got an amazing heritage to it. It's got tremendous strength."

While SBC has a name that's strong in the markets it serves, it isn't well-known in the rest of the country, let alone in foreign markets. "It just cannot compete with the century-plus strength of the AT&T brand," says Rob Rich, an analyst at research firm Yankee Group.

It wouldn't be the first time an acquirer took a target's name. When America Online bought Time Warner Inc. (TWX) in 2001, it became AOL Time Warner, until it dropped the tarnished AOL part in September 2003. Chase's 2004 acquisition of J.P. Morgan gave the tony investment bank top billing in the renamed JPMorgan Chase & Co. (JPM).

But this time, such a move would have the additional element of a family drama.

SBC was the smallest of seven independent local telephone companies created by the breakup of the AT&T monopoly in 1984. SBC Chief Executive Ed Whitacre Jr. built up the company in part through an acquisition binge, including buying fellow "Baby Bells" Ameritech and Pacific Telesis. Based in San Antonio, Texas, SBC now provides service to 36 million households, making it the nation's second-largest telecommunications company after Verizon Communications (VZ). It is the dominant local telephone company in 13 states, including California, Texas and Illinois.

AT&T Wireless Acquisition Would Likely Further Fade Brand

By CHRISTINE NUZUM

Of DOW JONES NEWSWIRES

NEW YORK -- Friday could prove a historic day not only for AT&T Wireless Services Inc. (AWE), but for the iconic AT&T brand as well.

The deadline for bids on AT&T Wireless, which put itself up for sale last month after a difficult fourth quarter, is 5 p.m. The U.K.'s Vodafone Group PLC (VOD) said this week it is considering a bid for the company. Cingular Wireless, jointly owned by SBC Communications Inc. (SBC) and BellSouth Corp. (BLS), has also stated its interest, according to people familiar with the matter. Other suitors reportedly include Nextel Communications Inc. (NXTL) and Japan's NTT DoCoMo Inc. (DCM).

AT&T Wireless currently licenses the historic brand from AT&T Corp. (T) through an agreement set to expire in 2011.

AT&T could cancel the agreement before then for various reasons, including certain types of mergers or acquisitions, said AT&T spokesman Dan Lawler. The agreement, which requires AT&T Wireless to pay AT&T an annual licensing fee, dates back to 2001, when AT&T Wireless was spun out of Ma Bell.

The following year, Comcast Corp. (CMCSK, CMCSA) bought AT&T's cable division, and dropped the old brand, even though AT&T brought a much-larger subscriber base to the merger. Not since AT&T's regulated monopoly was broken up into the regional Bell system in 1984 had the business covered by that brand shrunk so dramatically.

Analysts and branding experts are skeptical that a buyer of AT&T Wireless would keep the brand, despite its resounding familiarity among Americans and history. AT&T's brand dates back to 1885, when American Telephone & Telegraph Co. was founded as a subsidiary of Alexander Graham Bell's American Bell Telephone Co.

AT&T and AT&T Wireless both declined to comment on what will happen to the brand if the wireless company is acquired.

Strategy would almost certainly require Cingular, which most of the financial media have designated the front-runner to buy AT&T Wireless, to scrap the old brand. After all, Cingular's parent companies - BellSouth and SBC - compete against AT&T for local and long-distance

http://www.latimes.com/business/la-fi-texaco2may02,0,4156356.story?coll=la-home-business

Texaco Aims to Regain Star Status in U.S.

Its parent company is converting gas stations, hoping to ride on the brand's long history.

By James F. Peltz
Times Staff Writer

May 2, 2005

Odd as it sounds, the U.S. arm of **ChevronTexaco** Corp. is getting back into the business of Texaco.

The Texaco brand of gasoline had withered in the U.S. market since 2001, when Chevron Corp. bought Texaco Inc. for $39 billion.

To get their merger cleared by antitrust authorities, the companies sold exclusive rights to the Texaco brand for three years to a group led by the Shell division of **Royal Dutch/Shell Group**.

There were about 12,800 Texaco stations in the U.S. at the time, including more than 700 in California. Most were converted to Shell stations over the next three years, and Texaco was poised to disappear from the U.S. market.

But San Ramon, Calif.-based ChevronTexaco regained the U.S. rights to Texaco last year, and it's bringing back the brand.

"Texaco still has incredible strength and awareness out there," said Danny Roden, head of ChevronTexaco's North American marketing operations. "Our strategy is to maximize that benefit."

It has already converted nearly 1,200 gas stations in the East and South to carry the Texaco banner. ChevronTexaco also plans to add 300 Texaco stations in eight Western states by year's end, including about 75 in California.

The oil giant is convinced that the Texaco name still attracts loyalty, even in a commodity business such as gasoline. ChevronTexaco said that was evident overseas, where ChevronTexaco has continued to supply about 9,000 Texaco stations.

The company also plans to issue dual-branded credit cards that holders can use at either Chevron or Texaco stations, which would give Texaco an immediate base of 7 million potential customers nationwide.

In California, Chevron has 17.9% of the gasoline market, second only to **BP**'s Arco brand with 18.7%, according to Pacific West Oil Data, a monthly analytical report published by Economic Insight Inc. Shell has 14.5% of the California market.

Some analysts also believed that the Texaco brand still had value. "With the right visibility, advertising and support, they can build a good story and resurrect it," said Alan Siegel, chairman of Siegel & Gale, a New York consultant on corporate branding.

Shell still supplies about 2,700 Texaco stations around the country, said spokesman Cameron Smyth, who otherwise declined to comment on ChevronTexaco's efforts.

ChevronTexaco says its consumer surveys show that Texaco's once widespread presence and its catchy advertising over the several decades still resonate with motorists.

One of Texaco's most enduring slogans, launched in 1962, urged drivers to "trust your car to the man who wears the star," a reference to the company's logo.

Raj Saran is one of the newest dealers to wear the star. The owner of five stations in Central California, he recently converted one

Los Angeles Times
latimes.com

http://www.latimes.com/business/la-fi-smoke19dec19.story

Philip Morris Image a Tough Sell

The top cigarette maker says it has changed. Many tobacco foes are not impressed.

By Myron Levin
Times Staff Writer

December 19, 2004

The reaction was passionate and swift when Western Michigan University crowned tobacco king Philip Morris USA its "Employer of the Year."

About 400 protest letters poured in from the U.S. and 37 foreign countries. Honoring Philip Morris "is not only a mistake but a terrible blow to humanity," fumed a writer from Nigeria. "I think to be able to teach and preach to your students about good moral, this robust romance with PHILIP MORRIS should stop."

Defending the award, bestowed in October, university officials said they weren't endorsing smoking, only recognizing the company's exemplary support for student job fairs and recruitment programs.

The uproar over an obscure award underscores what Philip Morris is up against as it seeks to bury its past and craft an image as a good corporate citizen.

The company and its parent, **Altria Group** Inc., have moved aggressively to separate themselves from the rest of the tobacco industry. Philip Morris has spent $500 million over the last five years on programs to fight underage smoking, such as paying incentives to retailers to keep cigarettes behind the counter. The company's TV commercials state flatly that smoking is dangerous and addictive.

Altria is the only major tobacco company to voluntarily stop advertising its brands in magazines. And it has broken ranks with its competitors by joining top health and anti-smoking groups in seeking authority for the Food and Drug Administration to regulate tobacco products.

Long known for charitable giving, Altria has donated about $60 million this year to 1,200 nonprofit groups involved in its pet causes: the arts, hunger relief and curbing domestic violence.

But many aren't buying Altria's new look. Tobacco foes — and some neutral observers — say there's a disconnect between the image it presents and the way Altria makes its living as the world's largest and most successful marketer of a deadly product. They contend that the company still promotes its brands in foreign markets by methods long banished here. And they say that in the U.S., the company continues to resist measures that would cut the death toll from smoking.

"The whole thing is sort of a semi-charade, in my opinion," said Alan Siegel, chairman of Siegel & Gale, a

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Close This Window

Wall Street Journal Weekend Edition makes debut

Sun Sep 18, 2005 10:56 PM ET

By Cal Mankowski

NEW YORK (Reuters) - The Wall Street Journal's debut Weekend Edition delivered a familiar mix of well-written business and lifestyle articles, but some experts said there was still some work to be done on the advertising side.

"It doesn't look like they've broken through to new categories of advertisers, which is one of their objectives," said Peter Kreisky, a New York media consultant and chairman of The Kreisky Media Consultancy.

The new edition posed a logistic problem for the Journal, published by Dow Jones & Co. Inc.. For months, the paper -- widely read at the office -- has been urging subscribers to let it know if they preferred a different address for Saturday delivery.

Howard Belk, chief creative officer of brand consultants Siegel & Gale, said the new weekend paper had a nice assortment of financial and lifestyle-oriented advertising but he sensed an opportunity to do more.

"As I looked at it I thought there is 'conventional thinking' going on here," Belk said. He said the Weekend Edition seemed short on advertisers such as consultants who can catch busy readers at a time when they are free to contemplate complex issues.

"It's a very high-quality product, but for a debut issue that's not surprising," said Bruce Eatroff. a partner at Halyard Capital. "The true test will be 12 weeks from now."

The Weekend Edition consists of a section that reports on Friday's business news, a section on Friday's financial markets and on personal finance, and "Pursuits," which contains life- style articles.

Eatroff said if Weekend Edition can develop four or five regular features such as a popular wine column that appears in Friday's Weekend Journal, it could do very well.

John Morton, a newspaper industry consultant and president of Morton Research Inc., said the Journal has to make a nationally distributed publication appeal to readers used to finding local content in their newspapers.

"It will be interesting to see how they focus the editorial content of the Saturday paper and make it pertinent to local readers and local markets."

Kreisky said he came away disappointed because he saw too much resemblance to the Monday through Friday Wall Street Journal.

"I can only think they're trying to play it safe and they've missed an opportunity to redefine themselves on the weekend," Kreisky said.

Close This Window

AT&T Wireless Acquisition Would Likely Further Fade Brand

By CHRISTINE NUZUM

Of DOW JONES NEWSWIRES

NEW YORK -- Friday could prove a historic day not only for AT&T Wireless Services Inc. (AWE), but for the iconic AT&T brand as well.

The deadline for bids on AT&T Wireless, which put itself up for sale last month after a difficult fourth quarter, is 5 p.m. The U.K.'s Vodafone Group PLC (VOD) said this week it is considering a bid for the company. Cingular Wireless, jointly owned by SBC Communications Inc. (SBC) and BellSouth Corp. (BLS), has also stated its interest, according to people familiar with the matter. Other suitors reportedly include Nextel Communications Inc. (NXTL) and Japan's NTT DoCoMo Inc. (DCM).

AT&T Wireless currently licenses the historic brand from AT&T Corp. (T) through an agreement set to expire in 2011.

AT&T could cancel the agreement before then for various reasons, including certain types of mergers or acquisitions, said AT&T spokesman Dan Lawler. The agreement, which requires AT&T Wireless to pay AT&T an annual licensing fee, dates back to 2001, when AT&T Wireless was spun out of Ma Bell.

The following year, Comcast Corp. (CMCSK, CMCSA) bought AT&T's cable division, and dropped the old brand, even though AT&T brought a much-larger subscriber base to the merger. Not since AT&T's regulated monopoly was broken up into the regional Bell system in 1984 had the business covered by that brand shrunk so dramatically.

Analysts and branding experts are skeptical that a buyer of AT&T Wireless would keep the brand, despite its resounding familiarity among Americans and history. AT&T's brand dates back to 1885, when American Telephone & Telegraph Co. was founded as a subsidiary of Alexander Graham Bell's American Bell Telephone Co.

AT&T and AT&T Wireless both declined to comment on what will happen to the brand if the wireless company is acquired.

Strategy would almost certainly require Cingular, which most of the financial media have designated the front-runner to buy AT&T Wireless, to scrap the old brand. After all, Cingular's parent companies - BellSouth and SBC - compete against AT&T for local and long-distance

As of Tuesday, February 17, 2004

ADVERTISING

A.G. Edwards Takes Stake in Wit

Brokerage Firm to Launch Campaign Using Humor To Stand Out From Rivals

By ERIN WHITE
Staff Reporter of THE WALL STREET JOURNAL

A.G. Edwards, the St. Louis brokerage firm, is betting that nice guys don't always finish last.

The firm is launching the first national advertising campaign in its 117-year history with ads that emphasize integrity and personal attention to clients. But some marketing observers think the message is too similar to what other financial firms are promising: integrity and personal attention to clients.

The new TV commercials rely on gentle humor to demonstrate how grateful A.G. Edwards's clients are to their consultants for their good advice. One spot shows a client thanking his consultant by giving him the shirt off his back. In another, a couple calls their consultant in the middle of the night to thank him for being their "financial sheriff."

Print ads, which will run in publications such as Fortune and Forbes, use a folksy tone to emphasize down-to-earth values. One says: "Treat people the way you want to be treated. How's that for technical financial jargon?" Another reads: "We believe a financial consultant can best serve the client by abiding by the golden rule. And not just because it has the word 'gold' in it."

The effort may help bolster the company's image among both clients and investors. It has been a rough few years for Wall Street, which has been tarnished by a string of scandals and a sagging stock market. As for A.G. Edwards, it caters almost exclusively to retail clients, so its stock suffered more than others as many small investors shunned investing during the

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A.G. Edwards Inc. (AGE)

PRICE	37.36
CHANGE	-0.29
U.S. dollars	11:53 a.m.

Interpublic Group of Cos. (IPG)

downturn. The company announced it plans to launch the campaign last fall.

CHANGE	0.11	
U.S. dollars	11:52 a.m.	

* At Market Close

RELATED INDUSTRIES

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A.G. Edwards is using humor to highlight the strong relationships between its consultants and clients.

A.G. Edwards believes the work, created by Minneapolis-based agency Carmichael Lynch, a unit of Interpublic Group, will enable the firm to attract more clients. The $20 million campaign breaks Tuesday with print and online ads, followed by TV commercials making their debut in early March. It's the beginning of what A.G. Edwards, a midsize brokerage firm with about 700 U.S. offices and one each in London and Geneva, says will be a long-term marketing effort to raise its profile. After several years of drought, financial advertising is coming back now that the economy is improving.

"If you look at the financial-services industry, it's a lot of handshakes, a lot of gray suits, and tire swings, believe it or not," says Peter Miller, executive vice president and director of sales and marketing for A.G. Edwards. A long-time tagline, "Trusted advice. Exceptional service," has been discarded because A.G. Edwards feels it is no longer distinctive. In its place: "Fully invested in our clients." Mr. Miller believes the new campaign will stand out in part because it uses what he calls "intelligent wit."

But at a time when TV shows are crowded with commercials and the audience is increasingly fragmented, some industry executives suggest that a promise to treat each client as an important individual lacks sex appeal.

"It's me-too," says Alan Siegel, chairman of branding consultancy Siegel & Gale, a unit of Omnicom Group. "They don't have a reputation as a big-time player, so they have to carve out a special message. But service is what everybody's saying."

Allen Adamson, managing director at WPP Group branding firm Landor Associates in New York, agrees that the message is a common one. Mr. Adamson, though, suggests that humor could be a plus. "It can help differentiate it and make it more memorable," he says.

The ad shop that created the campaign argues that its pledges will ring true. "Many people pay lip service to putting the client first," says Roman Paluta, chief marketing officer for Carmichael Lynch. A.G. Edwards "actually delivers it."

Research found that A.G. Edwards customers give their financial consultants high marks for personal attention and objectivity. The problem is that not enough people know the firm well. "We just want more people to know about us," says Mr. Miller. "It's really about amplifying our message to more people."

--Susanne Craig contributed to this article.

Write to Erin White at erin.white@wsj.com

The New York Times
nytimes.com

November 2, 2005
Our Towns

New Jersey Is O.K.? Sorry, Slogan Taken

By PETER APPLEBOME

O.K., so maybe New Jersey didn't hit the marketing jackpot when it paid a New York image and branding consultant $260,000 for research and a new slogan and ended up with the Rodney Dangerfield of state boasts: "New Jersey: We'll Win You Over." (Apparent runner-up: "New Jersey: Not as Bad as You Think.")

Acting Gov. Richard J. Codey, the one guy in state government who actually has won people over, decided last week that the slogan sounded a tad defensive and killed it off before it could do much harm.

Instead, the state is soliciting ideas from residents at a Web site (www.nj.gov/slogan) and with a phone number (609) 984-9893. It had received 2,218 by yesterday. Officials plan to narrow them down to a handful after the Nov. 14 deadline for submissions and then put them to a popular vote.

But like sausage making, this looks like one of those exercises that shouldn't be done in front of the children. New Jersey is a much better place than it is a brand. And its famous images - tunnels to New York, refineries along the turnpike - aren't exactly the Art Deco hotels of Miami or the Empire State Building. So, given the ubiquity of the Jersey joke and the zeitgeist booster shot of the Internet, it seems as if Mr. Codey has inadvertently affixed a "kick me" sign to the state's rear end.

Mr. Codey's spokeswoman, Kelley Heck, says most of the submissions have been serious. But the state is already awash in dubious slogans. One New Jersey blog, Mr. Snitch, has posted its Top 10 rejected slogans, big on references to "The Sopranos," environmental unseemliness ("The New New Jersey: Now With 10 Percent Less Toxic Waste!") and over-the-top contentiousness ("It's Jersey: Got a Problem With That?"). Mr. Snitch's promising wild-card suggestion was "New Jersey: Shoot Squealers, not Bears."

The NJ.com site, which includes content from seven daily newspapers in New Jersey, solicited suggestions and received a raft of them along similar themes, posted in its forums area. There was more contentiousness ("New Jersey: Where the Rottweilers Run Scared"), the obligatory turnpike references ("New Jersey: We Have an Exit for You"), and nods to political corruption ("Pay to Play: Reap the Benefits"). Special props go to the simple eloquence of "New Jersey: What's That Smell?" and the bold, clear lines of "Welcome to New Jersey: Don't Worry, We Hate You, Too." And on a more positive note, there was the stirring, if not entirely accurate, "New Jersey: Hurricane-Free Since 1944."

FOR what it's worth, a scientific study of three experts found two, Alan Siegel, chairman and chief executive of Siegel & Gale, a strategic branding firm, and Robert Passikoff, president of Brand Keys Inc., who thought it was a mistake for the state to concede that its image is glamour-challenged. "You don't want to begin by acknowledging the bad part; that's a lose-lose situation," said Mr. Passikoff. "You want to migrate from the joke to the more positive brand image."

But a third expert, Allen Adamson, a managing director of Landor Associates, a branding and consulting firm, said the rejected slogan might not be a bad thing. "Traditional marketing and branding wisdom is that you have to understand where your current target's head is at," he said. "If you start with something disconnected from what people already believe, they'll just assume it's ridiculous. You want to start where your target is already and then have a message that's aspirational enough to lead them where you want to go."

We're all for being aspirated, and these days, it seems - like a tummy tuck or a quick hit of Botox - that every state, city or government agency ("The New Supreme Court: Not for Girly Men Anymore") needs a little image remix.

Still, maybe there's a bigger problem. Residents profess to have fond memories of the 1980's slogan, "New Jersey and You, Perfect Together." There is less nostalgia for the Florio-era "You Should See Us Now," and the inscrutable Whitman-era "What a Difference a State Makes." But even some of the marketing types say a slogan for a state - whether North Dakota ("Legendary"), Nebraska ("Possibilities ... Endless") or New Jersey - has minimal chances of changing many perceptions. Would you be more likely to go to Poland if its slogan was "Poland Is for Lovers" or to Zanzibar if it was "Don't Mess With Zanzibar?"

"Other than 'I Love New York,' which was magic, I don't think any of these city or state or national slogans make any difference," Mr. Siegel said. "Usually, it's a way to chuck away money."

E-mail: peappl@nytimes.com

VISIBILITY

Case Study –

Siegel/Gale

Alan Siegel, Chairman

Projects

AdCitic – The New School
BusinessWeek – Parsons' New Logo
Communications Arts – The New School Identity
Print Critic – The American Theatre Wing

Alan Siegel – Profiles

Print magazine – Identity Master
Novum – Design's New Age of Enlightenment
GDUSA – A Long and Winding Road

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PRINT&DESIGN PICK OF THE DAY

The New School - Identity System

THE NEW SCHOOL
A UNIVERSITY

University Logo

Series of 16.
View entire campaign in large format PDF. (1.1 MB)

Get Adobe Acrobat Reader

Client:
The New School

Design:
Siegel & Gale - New York

Creative Director:
Howard Belk

Copywriter:
Peter Swerdloff

Designer:
Lloyd Blander

Design Directors:
Young Kim
Anne Swan

RATE THE AD

Current Rating: 60

VOTE

New York's New School University has officially become The New School, the change supported by a new, far-ranging identity system from Siegel & Gale. Based around what chairman Alan Siegel calls "hipster typography and blurry lettering designed to capture the irreverent, urban flavor of the university, the New School is not traditional and neither is its graphic identity," he says. "There is no one school color, as with most universities; the palette is a bold statement of bright reds, oranges and yellows. The logo is not fixed but rather it has multiple states to exemplify a school that is active, vibrant, and alive. The idea behind the new graffiti-styled logo is a simple one — activist voices engaged in dialogue, expressed in a vernacular that is integral to New York City and urban environments all over the world. This is, of course, a design that is guaranteed to create controversy, and I was absolutely floored by the immediate enthusiastic appeal of this design direction to the president, provost, financial office and deans." That'd be president Bob Kerrey, who's developed a new brand ID of his own, having gone from former Senate Democrat from Nebraska to a Big Apple mover and shaker, briefly toying with the idea of running for mayor against Mike Bloomberg. At any rate, the whopping Siegel & Gale package includes advertising, collateral, signage and even what it calls a new

BusinessWeek online

Close Window

AUGUST 31, 2005

Innovation

By Rob Giampietro and Kevin Smith

Parsons' New Logo: Bad Move

The renowned school of design is incorporating graffiti stylings to impart an "urban flavor." But that approach is loaded with pitfalls

With alumni like Marc Jacobs, Tom Ford, and Donna Karan, Parsons School of Design is no stranger to the power of a great brand. And since we teach there, we're certainly no strangers to Parsons. So our interest was piqued a few months ago when a faculty e-mail announced that the school would now be known as "Parsons The New School for Design," reflecting the fact that New School University would now be "The New School."

Since it preserved the name "Parsons" but clarified our tie to The New School, the new title sat well with us. The e-mail went on to explain that The New School's other seven colleges would be renamed accordingly, and a new logo would be introduced. Then we saw the new logo.

Created by brand veterans Siegel & Gale, it scraps nearly every convention of academic branding. It has no shield and not even a nod to heraldry. Instead of a school color, there's a school palette. Instead of a single mark, it has several visually similar marks. And instead of well-mannered, serif capital letters, there's stenciled, spray-painted, graffiti-inspired text that Alan Siegel, speaking to AdCritic.com, describes as "hipster typography and blurry lettering designed to capture the irreverent, urban flavor of the university." The net effect of all this misbehavior is something that feels less like a school and more like a soft drink.

LEGACY EMBLEMS. In a *New York Times* article about The New School's new name, our outstanding president, Bob Kerry, was asked about the recent trend of university rebranding and renaming initiatives. His answer was honest and direct: "My view is that you never argue with the customer about your name."

What some might argue with, however, is the idea of schools as lifestyle brands designed to appeal to students seen as customers. Advertising was once considered déclassé and unsuitable to the refined realm of the academy, and if schools did any selling at all it was based not on differentiation but on a common standard of excellence (think Ivy League). As a result, school logos have traditionally drawn on shields and flags and other heraldic imagery that suggested legacy, exclusivity, and academic honor.

The New School's previous logo reflects this, albeit with a twist. Eight turning squares, one for each college, form an abstract shield. Designed in the early 1990s by Chermayeff & Geissmar – which has created identities for PBS, NBC, and Chase Manhattan Bank – the shield was paired with Matrix, one of the first computer-created typefaces. The logo was celebrated as a modern take on a traditional symbol, uniting the past and future with elegance and simplicity.

CHASING AUTHENTICITY. The replacement of the shield with visual cues intended to link the school with a young urban culture reflects The New School's embrace of lifestyle marketing as a recruitment strategy. Which makes sense: As colleges refashion themselves as brands, their icons must shift from symbols of defense and exclusivity to symbols that identify and empathize with a target audience.

But the method is not without its pitfalls. In fact, the new logo exemplifies the dangers of exploiting pop culture forms such as graffiti. Like Alan Siegel, many a marketing exec has been enticed by the vibrant street art, but the problem with an institution's use of graffiti, as The New School case shows, is authenticity.

Though Siegel & Gale Chief Creative Officer Howard Belk has emphasized that the graffiti "was painted, not Photoshopped," that isn't enough. While dissertations could be written on what makes an artform "authentic," most everyone would agree that corporate graffiti isn't. Graffiti is almost always the critique of an establishment rather than the symbol of one. It's telling that one of the only shared marks for graffiti artists is the circled capital A of anarchism.

MUSEUM PIECE. While it may be true, as Belk went on to note, that "graffiti has been a medium for voices with alternative views," any institutional attempt to harness that subversive quality is doomed. British ad agency Saatchi & Saatchi learned this lesson back in May, when it tried to introduce a campaign via graffiti in London's East End. Within days, *The London Times* reported, street artists hostile to the ad campaign had begun defacing it.

What approach might The New School have taken instead? While designing a new identity for the Tate Museum in 2000, the British firm Wolff Olins created a logo that's remarkably similar to The New School's, with more successful results. Like Siegel & Gale, Wolff Olins was asked to create an identity that would unify several locations with different missions. They were also asked to create an identity that would empower museumgoers, rather than the institution of the museum itself. The resulting identity is all about shifts of focus: The "Tate" is blurred and the specific locations are sharp.

Parsons could also have learned from a logo closer to home: that of its biggest competitor, the School of Visual Arts . Created by SVA faculty member George Tscherny, it depicts the sun – a classic symbol of education – painted in fluid, Matisse-like brushstrokes by Tscherny himself. In so doing, the mark references both the hand of the creative artist and the tradition of the academic emblem.

FOLLOWERS OF FASHION. Like the Tate, the SVA logo succeeds by avoiding the thorny language of graffiti, which is impossible for any institution to control. Both reach out to their "customers" with big ideas rather than stylistic rationalizations. While it's true that higher education is a business of youth, exuberance, and constant change, it's hardly as fluid as fashion, which is seldom the same from one season to the next. Yet the Chanel logo , designed in 1925 by Coco Chanel herself, has remained unchanged and in fashion ever since.

Diagnosis? In choosing its new logo, perhaps The New School should have asked for a little advice from its more fashionable alums.

READER COMMENTS

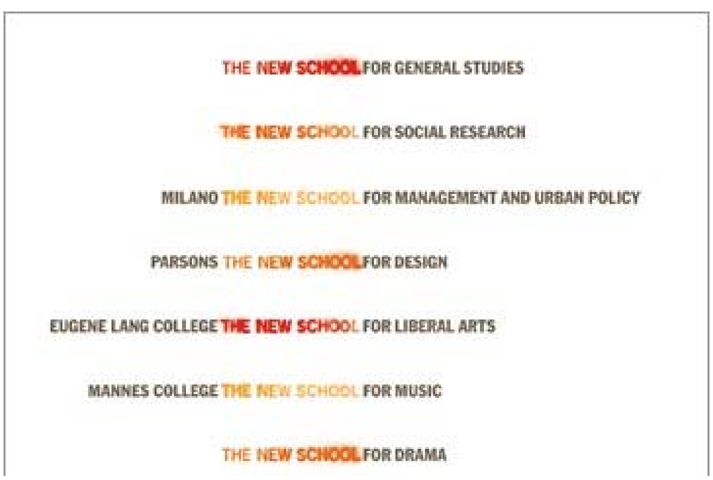
exhibit online

The New School identity

With a unique history of social activism and progressive thinking, this New York institution is diverse and multifaceted and embraces a broad range of ages and cultures. Originally named New School University, the school's original brand consisted of an uneven recognition of the eight schools that are part of its system. New York-based Siegel & Gale created a new visual identity that clarifies the relationship between the divisions and captures the irreverent, urban flavor of the university.

The concept behind the new graffiti styled logo is a simple one of activist voices engaged in dialogue, expressed in a vernacular integral to urban environments around the world. The students, faculty and alumni of The New School believe they can change the world. This identity is about that spirit.

University Stationery System



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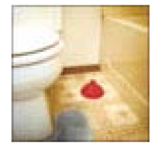

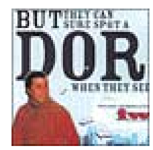

THE NEW SCHOOL FOR JAZZ AND CONTEMPORARY MUSIC

School Logos

Exterior Signage

Lloyd Blander, designer
Peter Swerdloff, writer
Young Kim/Anne Swan, design directors
Howard Belk, creative director

www.siegelgale.com
www.newschool.edu

Send examples of your collateral, packaging, print ads, web sites, multimedia, direct mail, shopping bags, CD covers, books, photography and illustration to: Exhibit, Communication Arts, 110 Constitution Drive, Menlo Park, California 94025. Describe the purpose, background and include creative credits. Pieces to be returned must be accompanied by a self-addressed stamped envelope or your Federal Express number.

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PRINT&DESIGN

The American Theatre Wing - A Tony Corporate ID

Client:
The American Theatre Wing

Design:
Siegel & Gale - New York

Creative Director:
Howard Belk

Chairman:
Alan Siegel

SWEETMETER
Current Rating: 0

VOTE

Series of 2.
View entire campaign in large format PDF. (0.1 MB)

The American Theatre Wing, founder of the Tony Awards, has a new visual identity system from New York's Siegel & Gale. "The striking, stylized wing symbol projects the uplifting sweep of a great performance and positions the American Theatre Wing at the center of American theater arts," says chairman Alan Siegel. "The elegant and distinctive purple color projects leadership and nobility." And the phrase "Founder of the Tony Awards" in the corporate signature surely can't hurt. "It provides instant recognition for the organization, whose unique name can be traced to its activities during World War II, when it provided a morale-boosting link between the entertainment community and those serving in the military," notes Siegel. "The new identity for ATW replaces a logo that has been virtually unchanged since its introduction some 65 years ago." See **www.americantheatrewing.org** and **www.siegelgale.com** for more.

DESIGN'S NEW AGE OF ENLIGHTENMENT

Since 1969 Siegel & Gale have been producing distinctive visual identities for complex corporate philosophies. This agency with its 80-strong team based in New York and Los Angeles takes Albert Einstein's phrase very much to heart: Make everything as simple as possible, but no simpler! Co-founders Alan Siegel (Chairman & CEO) talked to novum about the increasing significance of a corporate design strategy in the world today, and the difficulties involved in creating it.

RENAISSANCE® HOTELS

America's Second Harvest
Ending Hunger

During the past 10 years, I've often been frustrated by the obstacles to creating exciting design programs that remain firmly entrenched in the corporate psyche. The practice of empowering committees to structure programs, select designs and make safe, uninspired decisions compounded the »dumbing down« of the collective corporate design aesthetic.

Too many corporate executives aren't visually literate, are uncomfortable looking at design solutions and don't really understand or appreciate the economic benefit of investing in corporate design. The recent economic downturn didn't help matters, nor did the mergers of companies that regularly set high standards in graphic, industrial and advertising design.

Fortunately, today there are a growing number of inspired business leaders who recognize the value of design and who deploy it artfully as a strategic tool. Apple continues to lead in its product design, graphics and advertising. The superb iPod advertising campaign, for example, demonstrates how a great product showcased by a simple design concept, elegantly rendered, delivers a resonant message with visceral impact and lasting effectiveness. Apple's resolute commitment to creating design innovations places them among the elite in terms of quality and customer loyalty. BP has effectively repositioned itself via an integrated communications program with a powerful emotional approach, intelligent and honest messages, and a clean, distinctive look that supports and expresses the company's environmentally-conscious values. In the fashion and apparel categories, Gucci and Coach have employed exciting product design, sophisticated, alluring graphics and slick, chic advertising to invigorate their brands, challenge convention, generate demand and grow their businesses.

Retailers are also creating some refreshing innovations. Target, one of America's largest mass retailers, understands that affordability and great design aren't mutually exclusive. Thanks to its stylish advertising and high-profile relationships with such leading designers as Isaac Mizrahi, Michael Graves and Mossimo Gianulli – who create exclusive branded clothing and product lines for the chain — Target has forged a highly successful and differentiated positioning.

At Siegel & Gale, it's been our good fortune to work closely with many such discerning companies as Norsk Hydro, ESPN, Dell and American Express, to name but a few, that have the confidence and foresight to maximize design's communicative power to catalyze positive changes and strengthen their brands. These are but a few examples that make me cautiously optimistic that we're entering a new era of growth and opportunity for the design business. Another reason for my optimism is that the explosion of the Internet, the proliferation of media channels and the resulting fragmentation of mass audiences has companies scrambling to find new ways to fortify their fragile customer relationships and look for new ways to connect with them.

The abundance of choices (an overabundance, some might argue) has transferred power to the consumer and companies worldwide are scrambling to adapt. This dynamic shift is ushering in a more enlightened generation of corporate executives that will recognize and harness smart design to provide more holistic customer experiences, build brand advantage, energize their organizations, and engage harder-to-reach audiences in new and non-traditional ways.

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IDENTITY MASTER

Interview by Steven Heller

Alan Siegel, founder of Siegel & Gale, one of the leading corporate identity firms in the U.S., graduated from Cornell University in 1960 with the goal of becoming a labor lawyer. But after spending three unhappy semesters at NYU Law School, he enlisted in the U.S. Army and served in Germany as a first lieutenant in a Howitzer battalion. While overseas, Siegel developed an interest in photography, which he pursued upon returning to New York by signing up at The New School for two classes: Alexey Brodovitch's legendary weekly workshop, and Lisette Model's black-and-white seminar. To earn a living, he enrolled in a management-training program at BBDO, where he created packaging, sales promotion programs, and presentations for all of the agency clients. Following a year at the PR firm Ruder & Finn, he joined Sandgren & Murtha, a design-firm spinoff of Lippincott & Marguiles—his first introduction to the world of corporate identity. Before long, Siegel and fellow Sandgren designer Bob Gale set off to open a firm of their own (Gale eventually left the firm). The competition—Lippincott, Saul Bass, Chermayeff & Geismar, Landor, and Ansbach Grossman Portugal—was formidable in the '60s. But Siegel & Gale, now celebrating its 35th anniversary, has outlasted a few. Siegel, 67, built S&G on a desire "to push the envelope beyond traditional corporate identity, which was pigeonholed around design." In this interview, Siegel critiques the branding profession and addresses how he continues to practice good old "C.I." while looking into the future.

HELLER: I was recently reading a 1923 booklet called "The History of the Trademark" that was promoting the then-unlabeled branding field. The booklet is full of pseudoscientific bromides about brands (and branding) changing the face of American marketing. How do you feel the branding profession has progressed since those early days? SIEGEL: I have always been upset by the brand craze, because I believe that large corporations are more than a brand—or to put it another way, not *just* a brand. They are an employer, an investment, and, hopefully, a responsible member of society. I also feel that creating branding programs is still more an art than science. The overcommercialization of branding has caused a backlash.

Advertising agencies, branding firms, research firms, management consultants and others have fueled a branding craze that has gotten out of hand. Everything is a brand. There is so much noise and visual pollution from brands—it's out of control. HELLER: You have doubtless heard the critics who question why a logo should cost so much, and specifically why certain very simple solutions, like tilting the *E* in Dell [S&G, 1992], are right, while other solutions are wrong. How do you define the success of a brand and a mark, and why are certain simple or simplistic design decisions made over others? SIEGEL: In creating a visual identity for our clients, we first have to consider any equity there might be in the current trademark. You don't want to throw away a design that has high recognition, emotional appeal, and a comfort level with employees, customers, and other constituents. It's also hard to create a trademark without working from a strategy that provides the conceptual framework to create something that is distinctive and relates to the company. The tilted *E* in the Dell logo, for instance, grew out of the idea that Dell was "turning the computer industry on its ear" by selling custom-made computers direct to the consumer. The best trademarks are simple, but selling simple solutions can be difficult. HELLER: Who is the best person within a business to judge an identity program? SIEGEL: Most corporate executives don't feel comfortable evaluating designs. In order to get them to do so, you must show them alternatives, demonstrate how the trademark and visual identity system will transform their current materials, and in some instances, use research to show that there are not hidden problems that will embarrass them. But many senior executives have no taste, are frightened of making a statement, or show the designs to their family and come back with suggestions that are nonsense. HELLER: What determines whether your mark is a word, monogram, or image? What, for example, was the rationale for MasterCard's Venn diagram logo, or [the New York City MTA] MetroCard's vanishing point? SIEGEL: The MasterCard Venn diagram was created for security reasons and to accommodate putting a stamp or seal on cards that take on the identity of the member bank. The MetroCard's vanishing point was designed to suggest a speeding subway train. As a general rule, we try to create powerful, simple, distinctive trademarks that can be used as part of a system, that can maintain their integrity in large, small, or adverse reproduction environments. But we never let these constraints stand in the way of creating something unique. **HELLER:** Speaking of unique design decisions, there was some controversy on the design blog Speak Up over your rebranding of the New School University in New York. Your new system for identifying the unique and distinct colleges within the university is much more efficient. But your design shift goes from a somewhat classical university visual gestalt to a more hipster type treatment. What is the reason for the blurry and distressed letters? **SIEGEL:** The New School is not a classical university: It doesn't have a campus, student union, library, athletic teams, or very many dorms. The design communicates the nontraditional character of this urban university and its rich history of social activism. It's an environment where the faculty and students challenge the status quo and convention. This graffiti character to the design is essentially a timeless metaphor for personal expression. **HELLER:** Paul Rand is famously quoted as saying the logo is only as good as the company behind it. His Enron logo is a case in point; it has become a symbol of corruption. Have you ever branded a company only to learn they had a past or present that was not on the up-and-up? **SIEGEL:** We have worked for two companies that were real problems: The Silverado Savings & Loan in Denver, one of the largest institutions in Colorado until its infamous demise in 1988; and the now-bankrupt Centrust Savings in Miami, which counted among its officers David Paul, who used bank funds to support an opulent lifestyle, and Neil Bush, the youngest son of George H.W. Bush, who approved $100 million in loans to his close business associates. Both banks were run by dynamic, high-profile businessmen who ended up in jail. The government's case against Silverado was very complex. To help make their case, Silverado hired our simplification group to explain their position in terms the jury and media could understand. It didn't help. **HELLER:** Do you try to determine whether your clients have such pasts? **SIEGEL:** Through business profile and reputation, we can learn in advance if there is a potential problem. But who could have predicted that Arthur Andersen would have imploded so quickly, or that the CEO of Tyco was plundering the company's resources for personal gain? **HELLER:** What is the hallmark of a 21st-century brand? Is it different from the 20th-century brand? **SIEGEL:** As we moved into the 21st century, corporate executives realized that a successful brand must be built around a brand promise that grows out of the "truth" of the organization; is clear, credible, and relevant; and provides direction and insights for the employees in creating communications and interfacing with customers, distributors, stockholders, the media, and other core constituents. It must pay careful attention to deliver the brand promise at critical touchpoints with their constituents; provide consistent reinforcement of the brand promise in integrated media programs; and be resilient and flexible to the fast-changing business environment. Further, it must actively support social programs that are critical in the countries and communities where the company does business; and build meaningful relationships with customers. **HELLER:** What are these meaningful relationships? Are they tested concepts or risks that the business engages in with the hope that the customer will benefit? **SIEGEL:** Remember Chase's recent ad campaign "Relationships Are Everything"? Chase was expressing the value proposition to both customers and their financial services firms about what results from a long-term relationship. Obviously, the bank will improve its profitability by garnering the largest possible "share of wallet" from its customers. Those people believe in Chase and have confidence in its products and services. Likewise, customers should realize more personal service, lower fees and service charges, and access to new products and services by building a relationship with Chase rather than spreading their money around to other companies. When you are investing in building a brand, you must ensure that you deliver the brand promise at every critical point of contact if you want to build brand loyalty and a meaningful relationship with your customer. These days, this might even mean being proactive. Send customers an annual report or make new, valuable information available to them on your Web site. Learn more about them so you can customize your service and communications. **HELLER:** What about the next 35 years? How do you foresee S&G progressing? **SIEGEL:** These days it's hard to forecast more than two years or even six months. But my thoughts are that we will intensify our programs and staff to simplify communications; we will concentrate on helping our clients develop their brand voice; and we will acquire companies that specialize in public relations, crisis management, direct response, and technology delivery systems so we can provide turnkey programs for the brand voice. We will also continue to develop innovative technology programs that assist our clients to effectively implement, monitor and evaluate brand programs; we will continue to emphasize and invest in building our Internet services; and we will open offices in Europe and Asia to serve our global clients and generate new opportunities.

A Long and Winding Road
by Alan Siegel

Clearly we live in a world where branding is ubiquitous. It is one of those subjects that have become so overblown in business. There are gurus on every street corner. A flood of books have broken down branding into ridiculous paradigms.

The former big-time corporate identity firms have morphed into branding firms. Internet design companies have become self-styled branding agents. Advertising agencies are well-entrenched in the branding business, as are the big PR firms. Even research firms have entered the field. The branding marketplace, today so extremely competitive, has gone the way of the advertising business, where clients hire consultants to screen firms, send out RFIs and RFPs, stage beauty contests and even ask for speculative work. We are living in a completely different world than just a few years ago.

And the branding process itself has changed significantly from its early days, when there was a major emphasis on design — logos, annual reports, truck signage, packaging, etc. — having now become something of a science. Clients not only hire consultants, but also put together internal branding teams to work with the consultant and ask their agencies to put together elaborate programs. They get purchasing involved in the contracts. They play an active role in the evolution of the project, and, perhaps most significantly, as branding has become evolved and as decision-making has moved down the corporate ranks to middle management, there has become a dependence on research.

People lack the confidence to make decisions. Whether they are talking about positioning, naming, new graphic designs, messaging or advertising, research is king. Managers want assurances that what they are going to do will work, that they won't be embarrassed and that they will get, most importantly, an adequate return on their investment in branding.

The business has gone through a radical change. Silos that once existed between various specialties — design firms, ad agencies, direct marketers, promotional firms, research companies — have all become blurred and everybody is trying to position brands, to define brands, to dramatize brands, to deliver a strong brand package for their clients.

In some ways these changes have marginalized the traditional design business. The design of logos and corporate materials, product and service material, and permanent media like signage, has become commoditized. While exciting breakthroughs are being made in industrial design, the auto industry, housewares, and even such seemingly mundane products as washing machines, find companies using product design to differentiate their offerings, to make them more elegant and to move them up-market for premium pricing. In this new environment, corporate and graphic design and corporate communications no longer has the same élan, glamour and focus that it once did.

Part of this change is, of course, due to the Internet, where most up-and-coming designers focus on creating Internets, Intranets, online advertising and new formats. The whole ethic, our whole perspective on design, has been greatly influenced by the explosion in digital media.

Branding has gone through a major transformation, from a business that once had a lot pf passion and focus on graphic design, to our current environment with its preoccupation with integration, its focus on research to deliver the brand promise, its organizational changes to insure that you do so, and its reliance on guerrilla marketing and all kinds of new avenues to raise one's brand voice above all the noise in an extremely competitive environment.

The business of branding, and of design, is constantly being disrupted by technological and social change, and will likely continue to undergo major changes, without a shake-out in sight. Yes, we continue to live and work in very interesting times.

Since 1969, ALAN SIEGEL, chairman, Siegel & Gale (Omnicom), has championed the practice of branding for Fortune 500 companies, leading nonprofit institutions and emerging businesses.