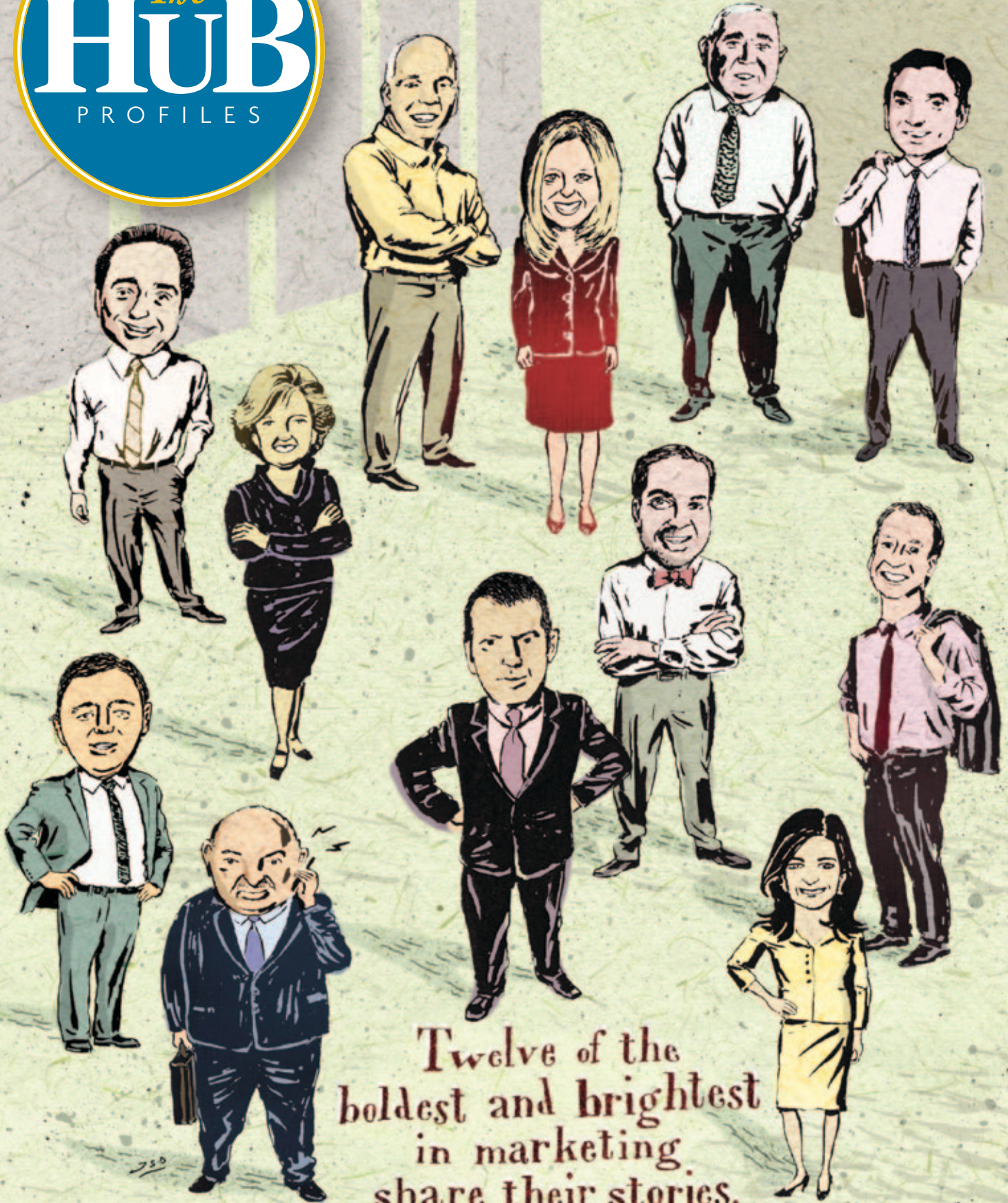


The
HUB
PROFILES



Twelve of the
boldest and brightest
in marketing
share their stories.

Our Brain Trust

Six years and 37 issues ago, when we launched the *Hub*, our vision was for a different kind of magazine. We looked around and saw an industry of ideas and a culture of thought leadership that needed a home. We saw an opportunity to create conversations where they otherwise might not happen.

We also knew that we would need the spirited voices of the boldest and brightest in the business to realize our vision. If the *Hub* were to live up to its promise to explore innovation as the ultimate

And now a word from our collaborative sponsors.

driver of success in business, we needed to collaborate with some really outstanding movers and thinkers.

The *Hub* would be their opportunity to create and sustain a thought-leadership message over time, and build their reputations through white papers, research reports, roundtables and essays. They could create conversations and make connections with our readers, the top marketers at America's largest companies.

Just one rule: No self-serving claptrap. The *Hub* is an "exchange of ideas," and its organizing principle is presenting problems and offering solutions, not selling products or services. Of course, not selling can be something like an out-of-body experience for some marketing people—but not our Brain Trust!

So, after more than six years on the straight and narrow, we thought it was high time to bend the rules a bit, and give our collaborative sponsors an opportunity to tell their stories and explain why they are in business.

In these pages you'll meet Alan Elkin of

Active International, who reinvented an entire category of business, and William Rosen of Arc Worldwide, whose mission is to understand and affect consumer behavior.

Peter Cloutier of Catapult will tell you about his bias for bottom-line action at retail, John Paulson of G2 USA speaks of his newly integrated suite of companies, and Henry Rak of Henry Rak Consulting Partners will impart the secrets of growing businesses organically.

Spencer Hapoienu of Insight Out of Chaos gets into the many ways in which data and technologies are changing marketing, Tanya Domier of Integrated Marketing Services talks about her pragmatic approach to innovation, while Michael Harris of Marketing Drive says it's all about being vital, imaginative and bold.

You will get to know Ken Barnett of Mars Advertising, who was one of the first to unleash the potential of shopper marketing, and Beth Ann Kaminkow of TracyLocke, who brings a relentless focus on building brands and driving volume.

Greg Murtagh of Triad Digital Media details his innovative approach to reaching shoppers online and Dori Molitor of WomanWise articulates her game-changing view of marketing to women.

Along the way, you'll learn about their company cultures, client work, and how they see the future—their own stories, in their own voices. I'll bet you'll find it as fascinating and valuable a journey as I did.

Happy reading!



Tim Manners, Editor
tim@hubmagazine.com

Contents

- 4** **ACTIVE INTERNATIONAL**
A Company of Ideas | Alan Elkin, Co-Founder and Chief Executive Officer
-
- 6** **ARC WORLDWIDE**
Moving People | William Rosen, President and Chief Creative Officer
-
- 8** **CATAPULT**
Action-Biased Marketing | Peter Cloutier, Group President
-
- 10** **G2 USA**
Maximizing Brand Commitment | John Paulson, Chief Executive Officer
-
- 12** **HENRY RAK CONSULTING PARTNERS**
Competitive Frame | Henry Rak, Founder and Chief Executive Officer
-
- 14** **INSIGHT OUT OF CHAOS**
Understanding from Data | Spencer L. Hapoienu, Co-Founder and President
-
- 16** **INTEGRATED MARKETING SERVICES**
Practical Innovation | Tanya Domier, President
-
- 18** **MARKETING DRIVE**
Ideas That Deliver | Michael Harris, President and Chief Executive Officer
-
- 20** **MARS ADVERTISING**
Unleash the Potential | Ken Barnett, Chief Executive Officer
-
- 22** **TRACYLOCKE**
Build Brand; Drive Volume | Beth Ann Kaminkow, President
-
- 24** **TRIAD DIGITAL MEDIA**
Marketing Where It Matters | Greg Murtagh, Chief Executive Officer
-
- 26** **WOMANWISE**
Me, We, Higher Purpose | Dori Molitor, Founder and Chief Executive Officer
-

Editor-in-Chief
Tim Manners

Senior Editors
Peter F. Eder
Jane Harris

Managing Publisher
Joseph McMahon

Art Director
Julie Manners

Design Concept
Alexander Isley Inc.

Illustrator
John S. Dykes

Circulation Director
Bertha Rosenberg

Brain Trust
Active International
Arc Worldwide
Catapult Marketing
G2 USA
Henry Rak Consulting Partners
Hoyt & Company
Insight Out of Chaos
Integrated Marketing Services
Landor Associates
Marketing Drive
Mars Advertising
Ryan Partnership
TracyLocke
Triad Digital Media
WomanWise

The Hub
David X. Manners Co.
107 Post Road East
Westport, CT 06880
203-227-7060 ext. 227
hub@hubmagazine.com

■ *The Hub* magazine is dedicated to exploring insights, ideas and innovation as the ultimate drivers of business success.

■ Published bi-monthly since July 2004, *The Hub's* circulation is exclusive to Reveries' proprietary database of approximately 3,500 senior-level, client-side executives in *Fortune* 1000 marketing departments and major ad agencies.

■ Advertising: For more information on *The Hub's* collaborative sponsorship and advertising opportunities, please contact Joseph McMahon (joseph@hubmagazine.com) or 845-238-3516.

To subscribe, please visit:
hubmagazine.com/subscribe

A Company of Ideas

Prior to starting Active, I spent many years in the corporate world. While I realized the successes that went hand-in-hand with working my way up the corporate ladder, I also realized that I didn't enjoy the bureaucracy that went along with it.

I didn't want politics and I didn't want bureaucracy. I wanted to innovate and drive growth through innovation, which we did. But then I found something else: the very thing I wanted to escape from, politics and bureaucracy, I created on my own!

I never wanted Active to be more than a one-floor company. Today, we have five floors, and each floor is like a different world. And so, you do create the politics and the bureaucracy.

But it's a kinder, gentler politics. What makes it a little more gentle is that we decided, about 10 years ago, to sell a percentage of the company to the employees, so we're an ESOP company. We try to do the right thing with people and we also give back to the community.

In my corporate life, I ended up feeling limited in my ability to be creative and decided I wanted to focus my career on driving growth through innovation. My vision was to develop an organization that was entrepreneurial, nimble; a cutting-edge organization built on innovation and creativity. In looking at the marketplace, I saw an opportunity in corporate trade.

Because I came out of the media side of the business, I had great confidence in being able to create trade deals

with media providers here in the United States and around the world. When we came on the scene 26 years ago, we were number 34 out of 34 corporate trading companies. We were the last guy on the block.

Today, there are just a handful of our original competitors still in business. I believe our longevity

is based on the one core concept that remains fundamental to our business: delivering measurable value to our clients and making sure they're able to retire trade credits.

There are manufacturers and service companies everywhere that, for one reason or another, have excess assets. It could be due to a packaging change, seasonality, the economy or a host of other reasons that impact businesses every day. But the bottom line is that these assets are only worth about 20 cents on the dollar.

The assets we acquire fall into four asset categories: consumer product, real estate, capital equipment, receivables and bad debt. Each one of those asset classifications has excess assets.

That's important, but it's the solution that really matters. We sit down with the client, work our way through the issues and come up with a solution.

At its simplest, Active buys the asset for its full wholesale value and issues the client a trade credit, which our client uses to purchase products and services through us.

These are products and services they would be planning on purchasing anyway — such as media, travel, freight, event planning and retail marketing. Instead of paying 100 percent cash, they buy through Active, using their trade credit to offset some of their cash costs.

Our clients realize the full wholesale value of their



excess assets as they use their trade credits, which is why having the infrastructure—a way to use the trade credits—is so important. If there's no infrastructure, ultimately the client doesn't receive the value they were promised. This is why so many of those original companies are no longer in business. They didn't have a scalable way for their clients to use trade credits.

Active's products and services are available globally and we service clients from our 11 international offices. We offer all forms of media: electronic, print, out-of-home, newspaper and digital, and place more than \$1 billion in media on behalf of our clients annually.

We also have a robust retail-marketing offering, which we consider another form of media. It includes everything from shopper marketing and strategy to the execution of displays and fixtures.

We also provide individual business travel and event planning services as well as truck, ocean and air freight. Of course, we're always looking ahead to develop innovative new products that will enable our clients to accelerate their use of trade credits so that they recognize value as soon as possible.

We use our ingenuity, from a financial or marketing solutions standpoint, to find a way to dispose of the underperforming asset. We're a consultant to the client, but one who not only gives a report but also executes on what we identify. Consultants don't execute. We do.

One of our goals is to retire trade credits for our clients while delivering measurable results. This is where our creativity comes in to play. What's particularly rewarding is sitting down with a potential client, getting a full understanding of their business challenges and the goals they are trying to achieve. We strategize together on how our model can best help them achieve these goals, and then we execute what we've agreed to.

For example, we have a client who had real estate, a former supermarket location that had closed. They needed to sell this property but had no buyers. Active purchased the property at their target value in exchange for a commitment to place an agreed-upon amount of media for the client as well as their selected vendors.

Through this media placement and the purchase process, Active was able to provide real-estate services at no incremental cost to the client.

This example also illustrates the way we work with our clients' partners. Our goal isn't to replace

a longstanding relationship, but to work together to help our clients' businesses. In some cases, our clients use their assets as a way to fund new programs. So, if they have a limited media budget, they can use their inventory as a way to increase their budget without using cash. This is a value-add that's impactful and measurable to our clients and their brands.

Not every idea is going to work, but our employees are given the freedom to explore new ideas and opportunities. It's a culture where there is flexibility and the ability to participate in creating value.

In our earlier days, we were transactional, and that was good for us then. Today it's all about relationships. We're focused on creating relationships and trusted partnerships, not only with our clients, but also with our clients' partners. We analyze our clients' issues within their industry and come up with solutions, using technology and smarts, that aren't just about the execution.

By the way, Active has worked on developing relationships with advertising agencies and helping them understand the value of corporate trade. Some of them have now decided to enter into our space, which further validates the industry as a whole.

The economy and the recession have caused CEOs to look at their businesses from a much different perspective. Active is no exception; as a company we are working harder and smarter. We remain committed to understanding our clients' needs and developing solutions that work for them. We are focused on long-term relationships, not a one-time transaction.

Through gathering and collecting information and analyzing it, everyone ends up looking smarter. We're a thinking company and it's all about how we expand our clients' businesses. We are constantly thinking about how to benefit our clients—and how to have fun doing that.

Even after all this time, I'm still passionate about this business. Our vision, which began as a dream, has come to life, and I couldn't be more excited about the possibilities for our industry and for Active. ■

ALAN ELKIN is co-founder and CEO of **Active International**, the global leader in corporate trade. Alan began his career at Kaiser Broadcast, which later became Field Communications and then Katz Media Group. He can be reached at (845) 735-1700 or aelkin@activeinternational.com.

Moving People

We believe in the power of creativity to transform human behavior — not just what people think and feel, but what they do. We're in business to be the world's best creator of ideas that truly move people — bar none.

We move people to experience, to purchase, to recommend, and to return. Because at the end of the day, every marketing challenge begins and ends with two things: people and their behavior.

By unearthing deeper insights into how and why people do what they do, we develop creative solutions that measurably impact their behavior. People today don't live their lives online *or* offline, shopping *or* consuming, alone *or* with their social network.

They just live — and move through the world in a way that defies the traditional discipline silos. Forward-thinking marketers understand that they need an agency that can move people everywhere they move — an agency that has real expertise in cross-channel activation.

Our legacy of thought leadership in digital, direct, promotion and retail/shopper marketing informs everything we do. By putting an activating idea at the center of our marketing efforts — an idea that triggers involvement — and uniting all the marketing disciplines and media channels around it, we connect more effectively with people and inspire them to act. That's always been our focus and that's why clients call us.

A brand has to have a purpose in people's lives. It's not about positioning and targets. It's about manifesting a brand's purpose in a way that resonates with real people to such a degree that they actually want to participate, engage and become part of something.

Many clients feel that people are aware of and

understand their brand, but they are not necessarily buying it more often, trying new varieties or recommending the brand to friends.

They are not getting behavior change. The recession really forced clients to take a hard look at the ROI on their marketing efforts and realize that whatever they do has to not only build the brand but also build sales. We've always believed the best work does both.

But engaging people these days isn't that easy. People have more options, more control and higher expectations. In this new world, getting people to change their minds, and ultimately their behavior, requires a real understanding of people.

We have a history of being on the forefront of developing new levels of insight. We launched a multi-channel shopper study, which was featured in the *Hub* (see: *Precision, Prudence & Passion, The Hub*, November 2009). We

were the first to look at all aspects that could potentially affect a shopper's journey — even those outside of the store.

Everybody tended to think about shopping as only happening in a retail environment. They weren't thinking about how the "likes" and "dislikes" of your Facebook friends or some mobile content on your phone can impact what you ultimately buy in the aisle.

One interesting insight from the study is that people shop differently based on the channel and product category. A shopper might be more price-sensitive in a certain category or retailer, and on more of a treasure



hunt in another category and at another retailer. Understanding that kind of shopper “segmentation” allows us to deliver more powerful creative.

We recently won the Walgreens business and one of our first tasks was to help drive their seasonal flu shots. They had set an ambitious goal the previous year of giving one million flu shots, but they wanted us to quintuple that and help them reach five million flu shots.

We actually did it, and we achieved that result through a true cross-channel activation idea. But it began by connecting with the right people—in this case, “intender” moms. These are moms who each year truly intend to get their flu shots, but because of how busy their lives are, never actually get around to it.

The strategic insight was that these moms consistently put their families’ needs ahead of their own. So while her children’s flu shots are at the top of her “to-do” list, *her* flu shot keeps moving further down the list as other family activities and events pop up, until she either gets the flu or misses the window.

So, we reframed the discussion to show her that her flu shot was something she could do for her family, to protect the ones she loves from getting exposed to the flu and to make sure she’s healthy enough to continue caring for them.

We did this by creating an iconic way for her to show that love. We created special heart-shaped band-aids to be placed on her arm after the shot where she could write the names of the people she’s protecting with her shot.

It looked like the classic heart-shaped tattoo, and we took her picture, flexing her muscle in the iconic Rosie-the-Riveter pose. We then uploaded a stream of actual photos to the digital outdoor billboard in Times Square.

As each mom walked around with this band-aid tattoo, it let everyone know who she got *her* shot for, which prompted them to think about who *they* should get a shot for. Then *they* would get a shot, get a sticker, and the whole thing would repeat in the best sort of viral way.

The program literally brought to life Walgreens’ brand purpose of wellness while driving five million flu shot visits in just five weeks and capturing a 70 percent flu shot market share. It’s a Walgreens branded property now that they can activate year after year.

Our advantage is that we were born out of several specialist companies that were aggregated. The reason we have truly best-in-class in shopper/retail, promotion,

digital and direct all under one roof, is that the individual companies that formed Arc were leaders in one or more of those areas.

As a result, when we diagnose the multi-channel shopping behavior that represents the critical barrier or opportunity, we can develop the core activation idea and actually execute it in all channels in a best-in-class way, from shopper marketing to social media. That enables us to connect with people when and where it’s most relevant to change their behavior.

What drives it all is our insights into people.

For example, in our retail group, we’ve developed a substantial environmental design capability with a group of specialists whose expertise is designing stores and physical environments. It came out of our analyses of the way people move through spaces. People are not standing and statically viewing a series of two-dimensional posters from a consistent point of view. They are moving through space and time in uniquely identifiable ways, with all of the associated shifting of perspectives and need states.

That led us to bring an environmental design perspective to our retail communications which has elevated the solutions we’re bringing to clients like Coca-Cola and Procter & Gamble. In the case of our 40-year relationship with McDonald’s, it is not only driving messaging innovation, it is enabling us to help them develop a digital menu board system and design their stores of the future.

Bringing together people from different backgrounds and disciplines mirrors the way people live and interact today, which leads to measurably more impactful solutions for our clients. Whether the idea plays out in-store, online, over the phone or via underground networks, we’re connecting with people when and where they’re most receptive, and changing what they do.

It all starts with insight into people and what has value to them, and the ability to leverage the right touchpoint in just the right way. That’s the recipe for the agency of the future, and that’s what we’ve set out to build. ■

WILLIAM ROSEN is North America president and chief creative officer at **Arc Worldwide**, the marketing services arm of Leo Burnett Group, specialists in shopper, digital, promotion and direct marketing. He may be reached at william.rosen@arcww.com.

Action-Biased Marketing

We're doing well because today's marketing model has shifted from an almost blind emphasis on awareness and attitudes to a greater focus on the bottom line — actions. That was our proposition when we launched Catapult five years ago, and why we call ourselves an action-biased agency today.

Action-biased means that we're all about building brands and supporting brand equity, but only if it also drives purchases. Certainly, the economic times are ripe for that approach, but it's been a core proposition that has worked very well for us right from the start.

The results so far seem to support our approach. Last year, *Promo* magazine named us Agency of the Year. We've also been ranked as one of the top 12 shopper-marketing agencies in the *Hub*.

Within the last nine months we've been awarded new business assignments including Kellogg, Gerber, Hennessy, The Avon Foundation, Crystal Light, Kool-Aid, and Capri-Sun.

The fundamental issue facing marketers today is an over-reliance on price as a means of driving action.

It's a fundamental shopper truth: People want to save money. While broadly true, it's not a tremendously imaginative insight on which to build real brand growth. You've got to dig a bit deeper than that.

What's needed are insights that lead to more brand-

focused communications and higher order benefits. What other needs and wants can the brand be fulfilling against? What else can we bring to our shoppers and consumers to help drive purchases? To get there, the insights-generation piece becomes key.

We're in the process of unveiling a new insights tool called Catapult Shopper Lab that will help us answer many of those questions. Shopper Lab is a virtual community of 3,500 shoppers and it is the largest of its kind in the world. We can ask questions about shopping barriers within certain categories, or even ask the respondents to upload pictures from their last shopping trip

and comment on them. We're building our ability to see clearly through the eyes of the shopper, in a given category, in a given retailer.

Shopper Lab is also an incredibly powerful tool that can be used to test concepts with Walmart, Target or Kroger shoppers, or even nationally. This becomes really powerful when it comes time to discuss the concepts with our clients' retail partners. It's helping us create better solutions for our clients both nationally and at the account level.

While shopper marketing is core to what we're about, clients are increasingly asking us to connect the dots across the entire purchase cycle — from awareness to purchase to loyalty.

At the top of the funnel, we're working to move a consumer's passive awareness and interest to a shopper's active consideration: from websites that consumers visit at home to mobile phones on-the-go to in-store kiosks or scanners in-store to CRM back in the home.

Plenty of agencies have these same communications tools in their arsenal, but so many are just too siloed to



see the larger picture. Here, I just walk down the hall to talk with some of the best and brightest in shopper marketing, promotions, insights, or digital. Having all this reside in one agency truly is part of our value proposition.

Digital is a natural means of driving action with shoppers. Digital is how people communicate, search for information, and spend leisure time. When shopping, that can mean any number of different things: texting, engaging in social media, using GPS to provide aisle-specific messaging via smart phone, or just scanning a QR code.

In fact, a simple QR code was the core activation for a wonderful promotion we did last year for a leading wine and Gordon Ramsay. It was based on the simple insight that people are often unsure about wine pairings with various meals or recipes. So, we brought Gordon Ramsay in-store to help.

It worked like this: When people were looking for the right wine pairing for a meal, they could get a great suggestion by scanning a QR code at a standee of Gordon Ramsay, or on a bottle necker. Gordon became your personal sommelier right in-store. It was very engaging, got lots of display with retail partners, and helped solve a need for consumers in a fun way. Price wasn't part of the equation.

We also see the importance of search marketing growing in the shopper space. We're co-authoring a white paper with Google around digital shopper marketing that looks into how people are using various digital tools as they shop different channels and categories. We think we can leverage the power of search to bring even more powerful programs to our retail-focused clients.

At Catapult, we value and reward people who see an opportunity and chase it down. Our people want to make a difference by stepping forward, participating and being in the thick of it. We have a very impressive bunch of people, and while we all work hard, we're also something of a family.

The plasma screens around our Westport office help show our latest work and welcome clients. But much of the time we tend to show photos of our people at company gatherings, meetings, and events. It's a bit like a family photo album, and sets a nice tone.

We're not just family friendly; we are also dog friendly. Each Catapult office allows and encourages associates to bring in their dogs. Thank goodness one of our clients markets a carpet cleaner. Sometimes that comes in handy.

With or without our dogs, everyone looks forward to our wine and cheese gathering, each Friday around 3:30. Not everyone can make it every time, as client work always comes first. But it's a great time to chill, catch up with people before the weekend, and just catch your breath. You'd be amazed how many clients have begun scheduling meetings at Catapult on Friday afternoons! Hey, the more the merrier.

We have several full-service offices across the US, anchored by our headquarters in Westport, CT. This office remains our largest and perhaps most diverse in terms of client work. Our Los Angeles office was built on a consumer packaged-goods heritage, but is fast building a wine & spirits and consumer electronics expertise that's phenomenal.

Our Phoenix office specializes in quick turn-around, field-activated collaborative planning for tier-two retail customers where the level of collaboration and ROI can be incredibly strong.

Our Nashville office is engaged on the front lines with our Mars Petcare business, doing truly outstanding work across a broad portfolio of pet brands. They're quickly growing into new consumer packaged-goods and retail client businesses as well. We've been in Bentonville since 2005, heavily engaged in all things Walmart and Sam's.

Internationally, we opened a shopper-marketing office in Singapore a few years ago, given the huge economic growth in the Asian Pacific region. Shopper marketing is just beginning there, and we're thrilled to be getting in on the ground floor.

I guess the thing about this business that's most fun is that we're looking out the front of the windshield 99 percent of the time and glancing in the rearview mirror only now and again. We are very focused on what's next. We couldn't be luckier to be working at a place that truly appreciates that kind of passion for innovation.

We're the agency that drives action. We help grow brands for tomorrow, while getting consumers and shoppers to buy today. The "today" part of that equation is what we take to the bottom line. ■

PETER CLOUTIER is group president of **Catapult Action-Biased Marketing**, and has helped deliver award-winning results for clients including Gold Effies, Reggies and Global Marketer's Diamond Awards. He can be reached at pcloutier@catapultmarketing.com or (203) 682-4015.

Maximizing Brand Commitment

Ask five people “What is G2 USA?” and you might get five different answers. That’s because — in many ways — today’s G2 bears little resemblance to the legacy brands and companies from which we were forged.

Our deep roots extend back more than a decade, when we were first born as the marketing-services division of Grey Advertising. However, in the intervening years since the launch of the original G2 brand, we have transformed into the full-service brand-activation agency that we are today, a member of WPP’s family of marketing-services companies.

Up until the end of 2008, G2 was comprised of four separate business units: G2 Branding & Design, G2 Direct & Digital, G2 Interactive and G2 Promotional Marketing. Today we are a single agency, G2 USA, with practice expertise in branding and design, data and analytics, experiential, interactive, media, promotional/shopper, and relationship marketing.

Historically, our clients were principally engaged with just one of our businesses, and depending on the engagement, viewed G2 as simply a direct marketing agency or an interactive shop or a promotional marketing company or a design agency.

By realigning our business units under a single P&L and a unified management structure, we’ve been able to coalesce our service offerings and capabilities, while maintaining the high level of discipline expertise that our client partners expect.

There have been massive changes in the marketplace when it comes to consumers’ commitment to brands. Now more than ever, consumers are able to ignore, tune out or de-select brands. Traditional advertising alone can

no longer be expected to transform ordinary consumers into the committed consumers that marketers covet most. Committed consumers, after all, are less price-sensitive, will go out their way to find brands they love, and — ultimately — will become loyal brand advocates.

At G2, we maximize brand commitment for our client partners but we understand that brand commitment doesn’t come easily; it has to be earned and constantly repaid. Through the depth and breadth of our marketing-services expertise, we’re able to deliver on this promise.

As the marketplace has changed, so has the nature of what marketers are asking of their agency partners. We see a tremendous opportunity to fulfill the changing needs of clients who are hungry for a different approach to marketing communications. The scale and scope

of capabilities that we have within our organization are well-suited to address these changing needs. In the past, the capabilities of activation-marketing companies were often viewed as simply tactical in nature, but now we have an interesting opportunity to lead at a more strategic level. That’s because building brands today is about creating holistic, integrated brand experiences. Our activation-marketing heritage is better suited to delivering the two-way/interactive marketing programs that are necessary today.

Because we are channel and approach agnostic, we know there is no such thing as a silver bullet. Indeed,



we deeply understand that there are various points-of-influence where consumers can be reached on their paths-to-purchase.

Our proprietary planning process maps out what we call the consumer's "Purchase Decision Journey," and determines exactly when, where, and how to most effectively communicate with them to ensure context-relevant communications.

Marketers are challenged to recreate the perception of value between their brands and consumers. This is particularly true when consumers have been trading down because of hard economic times. Consumers don't necessarily see significant value in a premium brand when their budgets are tight.

Brands that proactively demonstrate value through a set of experiences and interactions will ultimately lead consumers to recognize and pay for that value because every time they engage with brands they like—that give something back, that they are *committed to*—they can see the difference. Therefore, creating a set of platforms on which consumers can interact with brands at multiple touchpoints has become paramount. Otherwise, the consumer is left to experience lesser-priced options that may fit the bill functionally, but lack deeper experiences.

As marketers, we have to give consumers a reason to believe that functionality isn't enough; a positive experience with the broader brand persona is ultimately where the value of the brand truly shines. Legacy structures at client organizations continue to challenge those of us working in the marketing-services space. Most client organizations realize that they must become less reliant on traditional marketing approaches, but organizationally they haven't made it easy for the people in charge of brands to make vastly different decisions. I think that client organizations will start to change themselves over time, but it's the responsibility of agencies to change first, to anticipate and meet client needs.

G2 is especially adept at adding value when we are engaged with a client across multiple disciplines. In some cases we can help bring together disparate parts of a client organization simply because we happen to be engaged across those organizations.

We encourage a strong sense of entrepreneurialism because our go-to-market strategy requires it. We're taking advantage of what we believe is the best way forward, and not something that is rooted in a legacy structure. If someone has a strong idea—regardless of its origin—we will rally around new thinking in service of a better model.

It's important that we foster a sense of success via collaboration as opposed to success in an individual's own back yard or in a particular silo. So, our direct marketing team, which in the past had little, if any, interaction with our promotional marketing team or shopper-marketing team, is now actively engaged with them—in multiple businesses, in some cases. For us, collaboration is key. An entrepreneurial spirit is key. An open and creative mindset is key. We try to reinforce those ideals in every way we can as we continue to evolve as a company.

We've been the interactive and shopper/promotional marketing agency for CoverGirl for more than a decade. Now, we're also working with them on in-store design. In many of the campaigns that we've launched, digital has informed the in-store experience and vice versa.

Following the launch of CoverGirl's Lash Blast, shoppers were directed through in-store displays to view user reviews from the CoverGirl website, which were delivered via mobile application. This approach effectively married an online experience with a traditional bricks-and-mortar retail one. It's a small example, but it unfolded because of the active collaboration between our shopper team and our digital team, and it highlights the lateral connection points within our organization.

As an agency, there's always going to be an evolution to ensure that we have the right skill sets in-house. Today, it's having people who really understand social media. In the next few years we might have people who are focused exclusively on place-based networks in retail.

We'll continue to evolve our suite of services, which will be primarily driven by technological innovations. Beyond that, G2 will be increasingly engaged on a higher strategic level—even if we are not activating for a particular client. We definitely see an opportunity to engage clients in the context of overall communications planning.

Our clients are not just asking us whether we can execute a promotion-marketing plan in a particular part of the country; they're asking us for the insights that deliver bold and focused plans across all channels of communications. ■

JOHN PAULSON was named CEO of **G2 USA** in October 2008. Previously, he was president of G2 Interactive and has worked at agencies including DDB Worldwide, GREY, JWT, M&C Saatchi and MVBMS. He can be reached at jpaulson@g2.com.

Competitive Frame

When I started Henry Rak Consulting Partners ten years ago, I felt that many companies had lost their way in terms of how to grow their businesses organically. IRI and Nielsen numbers, showing that 95 percent of new products fail, underscored this.

At a lot of companies, the approach to growing the business is through acquisitions instead of organic growth. Profit growth is basically generated by overhead reduction.

I came from the old General Foods school of thought, where I had been for nearly 30 years. I believed that volume-driven earnings growth needed to be the objective. I had also experienced different approaches to creating a systematic way of growing one's business.

I thought there was a way of putting together different constructs and ideas that could be the kernel of a way of doing things quite differently than the way I saw them being done in most companies.

The big idea was to identify a strategic way to approach organic growth. The ultimate goal was to get to volume-driven earnings growth. To accomplish that, I thought one of the most critical constructs was the notion of "competitive frame."

A lot of people were guessing at their competitive frame, or not dealing with the issue directly. They were just implicitly thinking about it. Or, they were using the segments that Nielsen and IRI had built into their

syndicated data and assuming that those were correct.

My belief was that the competitive frame was central to growing the business. You had to know exactly who to take business from, and who should be viewed as complementary to your business. That's not to ignore the strategic use of attitudinal, benefit and need-states information and so forth, but I felt we needed to answer the question of *why* after we address the question of *what*.

The first question we address is, what are

consumers doing? In other words, we focus on behavior first, because behavior aligns with volume. If you know what consumers are doing, and if you increase the share of their requirements met by your brand or get more household penetration, that will drive volume growth. Segmentation studies and identifying need-states are important, but they need to be looked at within the context of consumer behavior.

Beyond that, I felt there were ways of identifying what the growth strategy was worth by linking the recommendation to volume and profit goals. Our basic notion was that we

were in business not to give people interesting ideas, thoughts or insights, but rather to motivate them to activate our strategic recommendation.

For V-8, a Campbell's Soup brand, we used our understanding of the broad behavioral landscape of the beverage world. We combined an understanding of how juices and drinks competed with attitudinal and need-state work. We identified a very powerful positioning for V-8, which you can now see on air.

V-8 is fundamentally about vegetable juice and that's an important component of people's health. It's a nutritious beverage that people should be having



every day. We showed V-8 exactly where they competed and identified a strategy to improve their competitive leverage within the market.

We also identified the basic positioning and strategy behind V-8 V-Fusion and some ways to reignite the Splash business, which is tied to V-8. The taste profile of V-8 is driven by tomato juice and there are people who don't like that. So we said, why not give them vegetable juice that has some fruit in it? V-8 V-Fusion is about another way to get V8's vegetable nutrition benefit with a thinner texture and a variety of flavors.

And lastly, on Splash, we wanted the brand to go back to its original positioning which was a juice drink that had the nutritional value of V-8. Campbell's is now enjoying long-term growth with the brand. These businesses have grown dramatically and very profitably over the last five or six years.

We created a set of values before we started the company. There were basically five of us who started the practice, and we're all old friends. Most of us had worked at General Foods. The values reflected what we thought was going to be important for the company to be successful. We now have 40 people.

A lot of it had to do with putting in the time and effort to do whatever it took to deliver an exceptional end result. It was also about recognizing that all our work had to be collaborative, that none of us individually could do what needed to be done.

It was clear to me that we would need a multi-functional team, and not just research and analytics people. To be successful, marketing and sales people were going to have to be part of the team and we had to work together as a multi-functional team.

So, we have marketing and sales people working closely with research people and analytics people to get the job done. You need all of those skills to get to breakthrough ways of growing the business.

We all have different perspectives and experiences and the idea was to work together to come up with pragmatic—but breakthrough—ideas. We also said that we were going to apply absolutely the best techniques, methodologies and approaches from a professional standpoint.

We would not be trapped in one particular approach or another. And we had enough experience to know and defend what we were doing as best-in-class. We

committed ourselves to advising our clients in a very objective way, to give them the benefit of our best thinking, and to do so even if the client didn't want to hear it.

Clients not only appreciate that, but they also value that. They can count on us to say what needs to be said and say it in a very action-oriented way.

From the beginning, we were a virtual company and we continue to be a virtual company. Our people work out of their houses. There are a lot of good reasons for that, and also some potential pitfalls, but so far we've been able to make it work. We want to continue to work this way.

We just had a leadership meeting and we feel that we have the potential to grow exponentially. We think that there is tremendous growth opportunity both in terms of new verticals, and the consumer packaged-goods space.

Internationally, we haven't even scratched the surface. We have developed best-in-class approaches to pricing, as well as promotion strategy and how to use strategic planning. We help our clients be more effective with their customers, through things like shelving and assortment. So, we're very bullish about our future.

Over the years, we've also developed internal work processes that are much better than the ones that we had at the outset. So, we've learned how to be a better company. We've learned how to build out and communicate an idea in a much more compelling way.

People now understand the importance of competitive frame, which is number one. Number two is they believe that an understanding of the competitive frame can help them grow their business organically, make better decisions and be more profitable.

You need to establish the competitive frame and understand consumer behavior to identify innovation opportunities as well as a strategic positioning that can grow the business organically.

We can make a material difference to a business. We have the best methods and approaches, and what we deliver is pragmatic and yet breakthrough. This gives our clients confidence that they can grow their businesses profitably. ■

HENRY RAK is founder and CEO of **Henry Rak Consulting Partners**, a growth strategy consulting firm. Henry can be reached at [hrak@hrcpinsights.com](mailto:hkak@hrcpinsights.com) or (847) 816-1578. To learn more about HRCPP, visit www.hrcpinsights.com.

Understanding from Data

First and foremost, we consider ourselves to be a marketing company. We just happen to use data, technology, and creativity to help our clients achieve their goals. We make a genuine connection with customers in a highly targeted and results-driven environment.

Twenty-five years ago, when I was still at Ogilvy, it became clear that advertising was no longer going to be the core component of marketing, as a result of customer segmentation and the explosion of technology innovation.

Our point of view was that the ideal company to leverage these changes would be one that understands consumer behavior, has the technology skills to manage large volumes of data, and cultivates a culture of creativity that makes our client's brand relevant to customers.

Creativity is not only important in the classic sense of designing communications to reflect a brand's ethos, it is also about using creative techniques to build technology that provides our clients with the greatest flexibility. Technology platforms tend to be highly rigid and do not allow for the necessary nuances required for every business.

As a result, brands are forced to adapt to the technology. We built our technology platform from scratch. This allows us to provide our clients with maximum flexibility to add, edit, or adjust everything from websites for consumers to data warehouse structures and analyses.

Every client has the same goal: how do I reach customers efficiently to maintain their loyalty and increase my share of their business?

Almost ten years ago, True Value hired us to design a loyalty program for them. Over the previous 20 years, the independent hardware industry had suffered huge losses, as a result of the big boxes and discounters.

Most of these independent retailers, even though they were good operators, were looking at the world and thinking that they didn't know how to compete anymore.

They didn't have confidence that they should investment-spend in their business, that they should maintain a full shelf of inventory. As a result, there were out-of-stocks and old-fashioned looking stores, which further depressed sales.

True Value learned that a loyalty program provided a competitive advantage, by allowing them to know more about their customers than the big boxes knew about their customers. While the big boxes bludgeoned the market with high-spend mass marketing, the local True Value hardware store owners fought a guerrilla battle on a one-to-one basis, and won.

We help each True Value store owner learn what a customer is buying or responding to, and how to get a customer to add one or two visits that would have gone to a big box. One or two extra visits per year become a significant incremental lift to their business. As these independent hardware retailers see that happening, it changes their mindset about their business.

Once they could see the marketing working, as a result of having the data, they grew in confidence. They started to investment-spend in the business. They kept the shelves stocked and remodeled their stores. By doing so, they began turning inventory and increasing sales.

The majority of the 700 True Value stores that became members of the loyalty program and operated



the program successfully have enjoyed growth in their business. They have outpaced the average for the industry and for other True Value stores.

We are being given more and more tools every day to talk to customers. With every turn of the technology wheel, we're given a new tool to work with. Social media and location-based technology, like Foursquare, provide new methods of immediacy. The iPad provides an entirely new mobile experience with a high degree of creativity.

We're working with a company that has developed an HTML-like platform for text which will provide another new creative platform to reach customers with a sense of urgency.

The skill is in blending the new communications channels with traditional channels to create the optimum experience for the consumer and the highest productivity and effectiveness for the client's business. At the end of the day, we cannot rely on any one channel, due to its low cost or immediacy, because it's always about making an impact on the client's business.

For example, if you send a direct mail piece through the US Postal Service to customers, you may get a 15 to 50 percent response, depending on what you're sending. If you send that same communication through email, you'll probably get a 6 or 8 percent response. While email is so much more efficient, we still have to drive sales. We have to consider everything. Everything is on the table.

Another one of the companies we're working with is a software firm that's a leader in understanding pricing optimization and all that goes into consumer decision-making. We can collect information on why a customer walked into a store or placed an order on any given day. Did it come from a radio spot, a direct mail coupon, or Twitter? Importantly what impact did it have on the customer's behavior? Can we replicate it and apply it to other segments?

When we put all that data together it makes our clients much more efficient and more effective in the marketplace. It also increases customer gratification, because they're getting communications, information, and offers in a way that is relevant and convenient for them.

The concept of junk mail and spam shouldn't exist. If all businesses understood the concept of relevant marketing, we wouldn't have the need for "don't call" or "don't email" lists.

IOOC is a little like Avis: always trying harder to over-deliver. We're not a billion-dollar company, even though we work for billion-dollar companies. We hire people who are capable of making only good decisions, who always put the client first. We make sure they understand what we expect of them and what our clients expect. Our clients expect that whatever it takes, we get it done. We instill that point of view into everybody who works here, and then we just leave them alone to do it.

We have a very flat organization. There are two founders and department leaders. We don't use officer titles. There's always a fair amount of excitement, as there should be in entrepreneurial companies. We have very little turnover, because we treat our employees like we advise our clients to treat their customers.

We do everything we can to make it convenient and profitable for our employees to work for IOOC. Many of our staff work from home, from all over the country. This allows us to hire great people, regardless of where they are, giving them the freedom of no commute. In turn, having low corporate overhead allows us to be a low-cost provider.

The most important thing to know about Insight Out of Chaos is that we know how to execute. In most companies, there's too much talk about strategy and analysis, and too much time is spent on meetings to determine how to do something. We work primarily (but not exclusively) in retail. There isn't time to overanalyze and perfect anything. Because we've done it so many times, we have a faster response time in getting "it" done—we don't require as many meetings.

The difference between us and everybody else—and we hear this from every client—is that we get it done, we execute. One of our clients said that we provide flawless execution.

When Lou Gerstner took over IBM, he changed the mentality from strategy to execution. Even though Lou started his career at McKinsey, he said the dirty little secret was that it was always about who could execute better, not who had the best strategy. That's IOOC. ■

SPENCER L. HAPOIENU is president and co-founder of **Insight Out of Chaos**, a database and direct marketing company. He can be reached at spencer@iooc.com or (212) 935-0044.

Practical Innovation

It's hard to believe that nearly a decade has passed since we launched Integrated Marketing Services as the marketing services division of Advantage Sales and Marketing. We've been very busy during this timeframe, executing over 10,000 programs and earning a place in the top 10 of the *Promo 100*.

At the time, Advantage was—and still is—the largest sales agency in North America. Some of our sales clients were coming to us for information about retail formats and then using that information to create programs with their marketing agencies, who themselves lacked a linkage to sales.

We realized that this knowledge was critical to building successful shopper-marketing programs. Since no one possessed more knowledge than we did because of our sales agency expertise and access to data, we could grow creative capabilities and compete in this space ourselves. We could leverage brand, retailer and shopper insights to really link sales and marketing teams together.

As Integrated grew, we made a few strategic acquisitions of companies specializing in areas such as custom publications, event marketing, and in-store execution—all falling under the umbrella of turning shoppers into buyers either in a retail setting or along the path-to-purchase. This has enabled us to offer clients a comprehensive suite of shopper-marketing services, delivering greater synergy and consistency across tactics, more executional control, and more efficiency.



The shopper-marketing agency/client relationship is evolving to a point where one size doesn't fit all. Some clients are highly evolved in shopper marketing and some are just trying to learn. We understand that every client needs a different range of support depending on that client's level of involvement and how much of the process it wants to own.

Our services begin at a basic level, which includes the planning and execution of events. But our services extend to that fully-integrated relationship where the agency acts as the client's shopper-marketing strategic interface with the field sales organization, the retail buyer, and the marketing department.

That flexibility allows us to evolve with our clients as they continue to evolve in shopper marketing. In fact, for some clients we've innovated completely new service models. About a year ago, GlaxoSmithKline made a huge decision to reposition 17 of its non-strategic, yet profitable, brands around everyday value.

They told us they were interested in outsourcing the brand and sales functions of these brands to operate them more profitability and free up resources for other initiatives. So, we built a completely dedicated team of marketing and sales associates that serve as their fast and flexible, self-contained, sales and marketing unit.

We manage *every aspect* of these 17 brands. We define the value proposition. We do the packaging. We plan the shopper and equity-building executions. We lead their cross-functional teams through the advertising, communications and packaging development efforts. We even manage the brand P&Ls.

This ability to evolve and adapt to our clients' needs and stage of growth exemplifies our passion for client

service. When you meet someone from Integrated, you really feel that passion for client service excellence. You realize that we are willing to go that extra mile to do what the client needs and that we won't be satisfied with delivering anything less than excellence to our clients. Integrated was founded on that client service mentality and that same spirit is the cornerstone of our business today.

Integrated Marketing fosters a dynamic, entrepreneurial culture built on teamwork and mutual respect. You can feel the passion, the collaborative spirit, and the client service mentality throughout our hallways. You can feel it whether you're in our creative hub in Norwalk, Connecticut, our headquarters in Southern California or any of our satellite offices across the country.

Whether you are an entry-level associate here or the most senior-level associate, if you come up with a breakthrough idea, it's like a Montessori school: you have the ability to build that idea. That's one aspect of our culture I'm particularly proud of. You truly control your own destiny at Integrated.

Our agency will continue to evolve by expanding services to new clients and channels. Consumer electronics is a big part of our field-marketing business and we've recently followed suit by adding shopper-marketing clients that compete predominately in the consumer electronics and office-supply channels.

We will also develop new capabilities. We talk a lot about "practical innovation" here at Integrated. Rather than tasking ourselves to create the next big thing, we examine different disciplines and service models and contemplate how small tweaks might make meaningful differences.

We try to think like the pilot who looked at his suitcase and said, boy a couple of wheels would make this easier to haul. This, after all, is the same thinking process that inspired us to create a customer-centric agency model. It's the same one that drove us to approach in-store sampling events differently by using direct labor, better calendar integration and branding opportunities. It also led us to turn the classic brand management model on its head at GSK. This is really what has been responsible for our growth and you can expect more of it from us in the future.

As a part of our expanding capabilities, we have committed dollars, resources and personnel to a dedicated planning and insights function we call the "Customer Integration Team." This division acts as strategic consultants, providing support to field teams as they engage in program development across all classes of trade.

We operate through a proprietary, three-step model: INtelligence, INtegration and INmarket effect. For the first step, the team explores the business issue at each customer and consistently connects brand with customer insights to identify the shopper sweet spot. The team then collaborates to ensure it is carried throughout the conceptual, creative and customer activation processes.

As a final step to understand and amplify in-market effectiveness and efficiencies, programs are evaluated with the goal of making each more successful than the last. This is an important step of the process as we work closely with our clients to understand the best way of measuring their return-on-investment and program success.

We have shown our dedication to strategically-sound programming through our investment in resources ranging from syndicated sales data to consumer survey data to the most current retailer information.

In addition, our Customer Integration Team develops proprietary resources on a regular basis to help arm our clients with competitive insight, current trends and industry developments. This department, and our strategic approach, provides us with an edge in an industry where relevant shopper-centric programming is necessary to maintain a leadership position.

While there are suddenly scores of agencies practicing shopper marketing, our experience and scale sets us apart. We are the only agency offering a comprehensive set of buyer-focused solutions from custom content, to in-store demos, to field events, which can be leveraged to execute 360-degree campaigns with maximum efficiencies, executional control, and communicational consistency.

Every agency produces great ideas. But I believe that because we have grown organically from within a retailer-focused organization and were developed specifically to be a world-class shopper-marketing agency, we have the best understanding of sales and marketing practicalities. We have the best retail data, relationships and knowledge through which to strategically filter our great ideas. This makes us the best at serving up programs that "close the sale" with all stakeholders so that they can, in turn, "close the sale" with shoppers. After all, the point is purchase. ■

TANYA DOMIER is president of **Integrated Marketing Services**, the full-service promotions agency within Advantage Sales and Marketing. She can be reached at tanya.domier@asmnet.com.

Ideas That Deliver

If we don't add value, we're of no value. At Marketing Drive, we partner with our clients to help them reach new levels of success. I want our clients to see that Marketing Drive is the agency that's vital, imaginative, and bold. Delivering ideas that matter is the core principle we always adhere to.

I've been in the promotional marketing business for 24 years and I've always liked it. But I'd like to see it come of age. It has enormous potential as an industry. Too often, people approach the work tactically and executionally. And that's a shame because when it's done well it brings together branding and activation.

It's fairly easy to get a response from consumers if you put a big enough incentive in front of them. But if you do it in a way that doesn't differentiate the brand, then you are merely undermining it. Marketing Drive is taking promotions to a higher level and we aspire to be a beacon within the industry towards that goal.

We are at an epoch-changing period within marketing because of two big factors. Obviously, we all know about the economy; we could have a period of fairly slow growth for the next few years. At the same time, we've got rapid technological change going on.

Combined, those two things are making some marketers take a safety-first approach, which can be challenging. With no rising tide to float your boat, then what better time to break out and stand apart from your competition?

I am a glass-half-full person and I think the best is yet to come for our industry. I definitely think there are enormous opportunities for marketers if they seize them. But we need to have the courage of our convictions to do so.

I see too many people in our industry who are

almost hamstrung. It seems they are trying to go forward by looking back. I see them try to protect their current revenue streams while wishing that things were as they used to be, but it's not going to come back.

At the same time, the more we go forward, the more we sometimes forget core lessons from the past. If you look at the industry as a whole— whether it's advertising, promotions, digital, direct, public relations, experiential—in some ways we've gotten away from truly creative ideas.

I see a lot of television commercials that are technologically amazing, but there is no creative, compelling idea behind them. It's technology for its own sake. Marketing Drive is orientated around genuinely creative ideas—ideas that matter, ideas that will deliver.

I've always been a huge supporter of genuine creativity and empowering creatives. Creatives are not just people who execute visually or verbally; they

are people who generate ideas.

When you conceive such an idea, you see it immediately. I want our competitors to look at our work and say "oh, I wish we'd thought of that." We are challenging ourselves to be fearless and to seek that deeply compelling idea that's not constrained by a discipline or a medium.

Some of the work I'm most proud of is the Susan G. Komen "Running on Hope" campaign for New Balance. In many ways, New Balance is a hard-core runner's brand. But in working with the client, we found



an opportunity to connect on a deeper, more emotional level with a younger, more female audience.

Our insights led us to an idea that manifested itself in a 20-minute documentary on YouTube that featured a mother-daughter duo that has been directly affected by that great evil of mankind, cancer. It was authentic to the company and its founders *and* it made the brand relevant to a new audience while raising funds to find a cure for this terrible disease.

On the flip side, we have a lot of drinks clients. We're tapping into the social aspect of sharing a drink or a cocktail, the camaraderie of friends and family. Then we align that with cause marketing as well as digital and social networking-type activities to take it to a higher level.

I'm also really proud that we've also helped make energy and environmental sustainability mainstream through the work we've done with the Environmental Protection Agency and the Energy Star program. We've even worked with national retailers to make it a priority to promote energy-efficient products. Fundamentally, we believe that marketing should tap into the zeitgeist and be relevant. It needs to be meaningful.

It's all about striving every day to challenge ourselves and reach for a better answer. The origins of our agency were an entrepreneurial venture called Market Growth Resources, which eventually became Marketing Drive via a couple of corporate takeovers. Today, we're back to being privately held and that's unleashed our entrepreneurial spirit.

Don't get me wrong: I'm not criticizing the big, public agencies and holding companies. But I think you have got to have an entrepreneurial spirit about you to grow and flourish. You've got to be looking for new solutions and not feel constrained.

Since we went private and joined together with the RiverNorth Group, we've gotten our "inner-entrepreneur" back and re-instilled those values. If you ally that with being bold, imaginative and fearless, that's what we bring to our clients every day.

One of the things I've always loved about Marketing Drive is that no two days are the same. No two clients are the same. We are passionate about our clients and

their businesses. We are innovative, always looking forward, but also underpinned by sound strategy.

We live in a hyper-competitive world and you have to constantly exceed expectations. To do that you need to be prepared to seek out and do more than is asked, and in many ways do the unexpected.

This is a talent business. It's all about talented people coming together, working together, enjoying being with each other and doing something that has purpose and that is very important.

For me, a lot of it is about empowering people to feel that they can bring it all. They can challenge and stretch themselves. They can learn more, develop more and bring more. It's about creating the kind of environment where they feel comfortable doing that.

We live in an ever-changing world which seems to be moving faster every day. We know that our clients' needs are constantly evolving and therefore we must advance and adapt. But we need to do it in a way that is underpinned by enduring core principles.

No one knows what the future holds, but we should embrace it. We need to see all of the changes that are going on as positive changes. We should put together all of these new tools that are available to us and create something vital.

I'd like our clients to consider the work that we do for them to be vital. I'd like for the people who work on our clients' businesses to be considered by our clients as vital, as well. I want Marketing Drive to be the agency that the best people want to work for and the best clients want to work with. It's as simple as that. If we bring that vitality then we can achieve that objective.

Be vital. Be imaginative. Be bold. Be fearless. Bring the unexpected because it's not acceptable anymore, in 2010, to just deliver what's expected. You have to deliver ideas that matter. ■

MICHAEL HARRIS is president and CEO of **Marketing Drive**. He has started and built groundbreaking promotional agencies on two continents, developing campaigns that have run in markets around the globe, and working on some of the world's finest brands. He can be reached at michael.harris@marketingdrive.com.

Unleash the Potential

Manufacturers and retailers have forever been in a power struggle to balance their relationship for mutual gain. They are locked into this power struggle because they have this thing called “the shopper” who counts on both of them to serve their needs.

The challenge is to make sure that the shopper experience is what the shopper wants, as opposed to who has the upper hand in negotiating the relationship between the manufacturer and the retailer.

This has been elusive for the industry. It’s like a tug of war between two behemoths with a red cloth tied in the middle of the rope. The cloth keeps moving back and forth over the center line, but nobody’s pulled the other into the water yet.

The shopper keeps that cloth in the right spot by forcing both sides to maintain functional equilibrium. The biggest struggle is adding value to that equation so that we can keep the two sides working together.

Campbell’s “Labels for Education” program is a perfect example of how Mars, our clients and retailers have worked together. The first thing that Campbell’s incorporates is the fifth “P,” which is Purpose. We’ve always spoken about the four “Ps” in this business and the fifth “P” is becoming ever more present. Why are we doing this, what do we stand for and how deeply do we stand for it?

Campbell’s has a great portfolio of products that

goes beyond soups, beverages and snacks. It is as wholesome as you can get as a company. The idea is to take that wholesomeness and provide supportive resources for education, which is a crushing need right now.

About two years ago, Campbell’s gave us the opportunity to re-invigorate their great program to support American education and foster learning. Campbell’s values the shopper-marketing space and has made a commitment to it at a senior level. They are committed to what we’re doing to evaluate, measure, re-energize and then improve it each year.

We have redefined “Labels for Education” to bolster learning overall, and enrichment programs in particular. It’s now even more relevant with arts, academics and athletics. This is based on shopper research that says that parents care about their kids’ extra-curricular activities, which are all being cut. Research shows that kids who are involved in enriching afterschool programs, perform better academically over time.

Campbell’s has allowed us to go out and secure a relationship with the

Grammy Foundation, which is committed to bringing music into schools. They have allowed us to develop other relevant partners, so that we have an even better solution for the retailer and the shopper.

To do this, we have vertically integrated our community of companies at Mars: Our digital, fulfillment, custom-publishing companies and our social-marketing division are involved, as well as our shopper-marketing business, which is central to what we do.

We’re doing the right thing for the right people with a product that is absolutely central to people’s lives. We are touching the shopper in so many different ways—whether it’s through their academic, digital, or store



environment — with the retailer as our partner.

The fifth “P” is something we all need to be thinking about. Young people today want to know what these companies stand for. If they don’t stand for anything, they are not as attached to them. And it’s not just young people. Some of the biggest participants are grandparents. It’s a multi-generational program.

At Mars, we are always thinking about “could we,” or “what if” or “how about.” If somebody walks into my office and says: “I’ve got a great idea,” it doesn’t involve a board meeting and red tape to get an approval to try it. That’s part of the undercurrent of everything that happens here.

There is a tremendous amount of passion that manifests itself in healthy tension. I don’t mind if voices are raised and people are going at it in a professional way. It is a very passionate culture here. People care deeply about what happens.

Our clients, in many ways, have created that because our clients are good. They care; they send thank-you notes. They appreciate good work and there is nothing like the appreciation from a client to inspire even more great work.

It’s a pretty down-to-earth environment at Mars. We keep our doors open and answer our own phones. We are committed to being as smart an organization as possible and that translates to a tremendous commitment to resources in research and planning.

We started off as more of an executional-based resource. We have now coupled that with a highly developed strategic resource. We continue to add powerful channel people to our company, but we’ve added a significant layer of account planners, too.

As the shopper-marketing discipline grows, the agency-client relationship will increasingly mirror the way the marketing department works with their ad agencies. We’ve added about 15 planners at various levels in the last 12 months.

We have three sister companies that are aligned with the digital space as well as a huge commitment to digital shopper marketing. We are providing social-marketing solutions in the shopper-marketing environment, for example. We are now tapping into the social-marketing network for each retailer across the US and Canada to begin to seed our clients’ products within social communities.

We had been primarily a consumer packaged-goods agency in the classic food, drug, and mass arenas. We

were almost 100 percent classic CPG in terms of our billing and it’s now maybe 60 percent of our billing.

We are expanding into health services, for example. We are seeing consumer-electronics clients coming into the fold with significant changes in the way they are marketing through conventional retail.

We want to be a single-source supplier for clients who want to handle everything from product development and package design right through planning, communications, social networking, warehousing, fulfillment, digital strategies, back-end, search engine optimization and marketing.

We are also expanding internationally and are committed to opening up an office in London in the next 60-90 days, which is our first outside the North American continent. We do have an office in Toronto, but I see the international market adopting shopper marketing quickly.

Then there’s the world of analytics, which is probably the most elusive part of shopper marketing. Analytics is woven into everything that we’re doing and we’re going to see more and more back-end focus as well as front-end focus.

We have an internal mantra of unleashing the potential of ourselves and our clients. Externally, my challenge to our people is to be the smartest, most connected person in the room, who can provide a breadth of solutions that nobody else in the room would be able to provide. We are doing that through training and research, so that we are as connected to the consumer and shopper as we can possibly be.

We believe that the evolution of shopper management is the next phase of shopper marketing. There are going to be some executional resources that everybody is going to need to have, but more importantly there are going to be strategic resources that are aligned with the brand and interpreted for the retailer.

Mars Advertising is evolving shopper marketing into a truly strategic discipline within the manufacturer’s operations. We are a performance-based culture. We are business people and we are here to produce results for our clients. ■

KEN BARNETT is CEO of **Mars Advertising**, a leading agency that for 35 years has offered brand-building strategies through key account knowledge, from shopper insights through program activation. He can be reached at barnettk@marsusa.com.

Build Brand; Drive Volume

TracyLocke is coming up on its 100th anniversary in 2013, but our story is more about the clients that we've served over the years. When you think about the iconic work we've done for brands like Frito Lay, 7-Eleven, and Tabasco, we've played a pivotal role building their brands and their businesses. Our best work has always been based on true insights into how people behave. It hasn't just been about building big-brand awareness.

"Occasions-based" communications was also central to our early work. We've built on that with clients ranging from Starbucks to PepsiCo to HP. There has always been an understanding of how to be relevant. Integration and collaboration are core competencies for us. As we became part of the Omnicom world, we began collaborating with other Omnicom agencies to build ideas and express them through a number of media.

Today, we call our positioning "brand-to-retail, retail-to-brand" engagement marketing. We arrived at that positioning because our client stakeholder has always straddled both marketing and sales departments. So, quite naturally, we developed an understanding of what it takes to please both entities.

We understood that the biggest tension, especially as retail became more powerful, was the manufacturer not wanting to lose brand equity at the point-of-purchase. The retailer didn't really care about brand equity (outside of their own), at least at the point-of-purchase. It was really all about satisfying the retailer requirements.

Because we've been so close to the sales side and the retailer for so many years, we had enough understanding about the dynamics and connectivity needed to satisfy the retailer. At the same time, we need to serve the needs of the brand.

The idea is to create a big enough platform so that retailers get excited and marketers believe their brand needs were satisfied — all while driving volume. As a company, we focus on: build brand, drive volume;

drive volume, build brand. That is what ultimately led us to "brand-to-retail, retail-to-brand." We integrate, collaborate and align with a maniacal focus on how to engage the shopper.

We produce breakthrough creative but we make it relevant at the places it matters most. This can be online, at the store shelf or anytime or anyplace people decide what they're going to buy. That's when our creative is making the difference and moving people. Creating engagement in ways that are meaningful and that moves people along the path-to-purchase is

our "special sauce."

Gatorade, which PepsiCo has re-launched as G, is a great example. PepsiCo has taken an established brand and reframed how people think about it without necessarily changing the formula. The advertising, which is great, has created awareness. But, for TracyLocke, it's more about who's actually buying the product and why.

You have to give people a reason to believe. You have to answer the question, why Gatorade — or why G — at this moment in time? Right now. Who actually buys the product? Why? Sure, in a convenience store, it's



sometimes the kid. But more often it's the mom who is making the purchase decision.

We helped PepsiCo understand how a mom of athletic kids is a nuanced personality. Different insights go into really understanding her, speaking her language and influencing her choices. The brand has to create a relationship that wasn't there before.

It's a journey of understanding—from the time that she's thinking about her kids' activities, to what takes her to the store and how to get her into a shopping mode where she's thinking about buying Gatorade.

We've found that a lot of research is very consumer focused but doesn't get at the core questions of shopper. Consumers and shoppers may be the same person but they're not the same frames of mind or levels of receptiveness. So, when shopper decisions are made, how are they made, and how are they different for one category versus another? What are the things that are having an impact on shopper decisions? At what moment does that matter most?

We take a disciplined, strategic approach to this. We have strategic people craft the research and ask the right questions. But they really dig deep into finding core insights that drive the best creative product. This may seem simplistic, but shopper-driven insights can be profoundly different than consumer-driven insights.

The single biggest challenge facing brands right now is the power struggle with retailers. Brands have to make sure they are not losing their brand equity or being hidden at that all-important moment when purchase decisions are made. There is more competition from private labels, and retailers have so many of their own objectives that are not aligned with those of the brands.

On top of that, brands are going through major shifts and changes between marketing and sales. They're building new layers of people to bridge those two areas. These integrated marketing folks on the client side are working with agencies like ours to build commercial programs. Agencies that understand that dynamic and can really take hold of it in a strategic way are few and far between. But those are the agencies that are going to win and be the trusted advisors. We put ourselves in that category.

You can take the approach of just bringing in new agencies, boutique agencies, specialists, or young people who are living it. But what happens is you lose the fundamentals. You lose the ability to bridge these

worlds. It's still about many different kinds of media; it's not just about one new thing. Integration, collaboration and alignment are critical in this context, too.

One of the wonderful things about TracyLocke is that the place is always buzzing. There is an "always be learning" sensibility here. There's a sense that we can always improve. So we do. We are constantly re-assessing and tweaking what we have to do to continue our evolution and transformation as a company. Now more than ever we need to stay ahead of our clients. They look to us to apply next-generation tools and thinking.

We are very open to new people who are bringing a new competency or a new way of looking at things. We don't have delineations or divisions between functions, levels, job titles, and between creative—account—strategy. There is a strong sense of camaraderie, teamwork and pulling together for something.

As we're going through the digital and mobile transformation, we're finding that it is not about an individual, a team or an acquisition. Digital understanding has to permeate every single person's function, level and job. If you're active on Facebook, you need to think about its commercial value for our clients. We need to be transforming from the inside out.

We're building on all the values that go behind creating a truly open agency. We need to be able to scale and have a deep bench strength of talent. That is something TracyLocke is best-in-class at. It is not about an A team and B team.

This is our time. We have never been more fortunate than we are now. We've never had more opportunities. Brands have never been more important than they are now. The ability to start to create connections is way more work. But it can also be way more fun depending on how you cut it.

This is a fantastic time to be in the business for us because our most fundamental values and competencies align remarkably well with the needs of our clients and their shoppers. We enjoy having a big impact on how people perceive and purchase brands. ■

BETH ANN KAMINKOW is president and chief operating officer of TracyLocke. A strong advocate of insights-inspired marketing programs, she is a pioneer in strategic-planning research methodologies. Contact: (203) 857-7616 or bethann.kaminkow@tracylocke.com.

Marketing Where It Matters

Triad Digital is the only media company that helps national brands turn browsers into buyers on the world's largest retail websites. We deliver unique advertising opportunities for brands to reach consumers while they're in the shopping mindset.

We have two sets of clients. Our primary clients are retailers. Our clients include Walmart, CVS, Sam's Club, Toys R Us, Barnes & Noble and many more. Retailers want to drive sales, both online and in-store, by integrating brand messages on their websites to reach and engage consumers.

They want to maximize the value of their digital communications—their websites, email, kiosks and social and mobile programs. Our retailer client sites reach more than 100 million shoppers every month.

Retailers choose us to create, represent and manage their online media programs because we work in close partnership with them on a custom basis. We create the kind of advertising opportunities brands really want to invest in versus the other options they have, such as just plugging into an ad network where they would just get what everybody else gets.

Retailers that control their own custom ad platform keep control over their site experience and can more effectively integrate brand advertising on their sites. That drives revenue for the retailer and the brands. In fact, a recent *Forbes* article pointed out that brands that integrate retailer online programs to support their other

brand ad activities are experiencing fast sales growth.

An example of a retail media program is CVS' *Savings Central*. This is a hub that is promoted on the homepage of their site and in their email campaigns. Consumers visit the area for special savings as well as to read articles, view "how-to" videos, link to brand sites, engage with interactive new-product showcases and so forth. It gives brands an opportunity to advertise their new products to CVS' best customers—those who visit their website.

Our second group of clients are the brand advertisers. We executed more than 1,200 branded online ad campaigns across our portfolio of major retail sites last year. Our clients include all of the largest CPG companies as well as the leaders in financial services, consumer electronics and travel.

We offer them the ability to advertise online in the best environment they could possibly choose, which is in

partnership with their largest retail customers. Brands are able to go far beyond the banner, engaging their consumers with custom microsites, content sponsorships, brand showcases and interactive promotions with coupons, samples and more.

We offer a safe environment, where a brand's equity is completely protected. Most importantly, the timing is ideal, because they are reaching their consumer targets just before they are going to the store to make a purchase. This is the best time to engage, inform and convert browsers into buyers. Our clients get a custom approach with not only display ads but also unique mobile, social and content components.

This concept developed in 1999 because brands had content that they could syndicate. But they didn't necessarily know they had this opportunity. I told them



that they had an opportunity to syndicate the brand content that was on their websites but that was getting no traffic. They had brand websites but nobody was coming to them.

The idea was if they couldn't get the customers to come to their site, they should put the content from their site in front of their customers on the sites that they were visiting. At that time, back in the late '90s and early 2000s, there was much more traffic to retail websites than to brand websites.

So, taking brand content and putting it on retail websites made sense. As that evolved, retailers began to understand that partnering with brands on their websites was working because consumers liked it. They spent time on that content, they hung around. They bought more merchandise.

That concept is alive and well today. E-commerce sites typically do not invest in rich content experiences, video, interactive tools *etc.*, that major brands do. There's a bigger opportunity than ever to get a higher return on brand assets by sharing them with major retail customers.

As display advertising emerged in the mid 2000s, it was a natural thing to take the next step and begin standardizing these advertising placements by offering IAB-standard ad units on retailer sites because consumers wanted it and the advertisers were getting excellent results.

Our click-through rates were ten times what they were getting with ad networks that weren't as relevant as our retail sites. For instance, if a shampoo brand placed a banner ad on a typical web publisher's "style" page, they might get a .1 percent click-through rate. If you put that same shampoo ad on a retailer site, you would get a one percent to three percent click-through rate. If you added a coupon or free sample to banner, the click-through rate would routinely exceed 10 percent. It's a hugely better option.

As a company, Triad is fast paced, fun, collegial and intense. We're in the digital advertising business which changes at an extremely fast pace. To continue to be successful, we hire smart people who are passionate about online marketing and are curious and excited about all of the new things that happen in the online space.

When they work here at Triad, they know they're

going to get to work with the biggest brands and the biggest retailers in the world. It's a great opportunity for them. We give our people all the best available tools to become successful, and then we get out of their way. The biggest measure of our success is customer satisfaction. It's not about us; it's all about the customer.

Our headquarters is in beautiful Tampa, Florida, and we have a total of five offices. In addition to Tampa, we operate offices in Chicago, Los Angeles, New York and San Francisco.

We also have a host of best-in-class strategic partnerships that allow us to deliver complete solutions seamlessly for our clients. Our goal is to offer a full set of options to enhance our clients' advertising campaigns. So, we work with specialized partners to deliver an integrated solution — whether it's content, ad serving, video, online coupons, sample fulfillment, or something else.

The end result is that our clients get the best service and our partners get to work with the biggest brands and retailers in the world. We believe that if you serve the customer well, the customer will be good to you.

I see Triad Digital Media evolving in a couple of different ways. We will continually add new retail clients. Our sales growth rate in the past three years has been 677 percent, landing us a spot on the latest *Inc.* 500 list. We just found out we made the list for the second year in-a-row.

We'll also be doing significantly more business with media agencies, especially in New York, attracting advertising dollars that are migrating to online from television and print. We expect that to double the company within the next few years.

So, the end result is our advertising is extremely effective. It works. We offer an innovative way to invest digital advertising dollars to get the highest return on investment available. That's the bottom line. People spend on things that work, and what we do works. ■

GREG MURTAGH is CEO of **Triad Digital Media**, an *Inc.* 500 company that manages and operates online media programs for retailers including Walmart, CVS, Sam's Club, Dell, Barnes & Noble and Toys R US. Greg can be reached at (813) 286-6586 or gmurtagh@triaddigital.com.

Me, We, Higher Purpose

When I started the company 22 years ago, we were all about integrated marketing and helping brands to have that one voice. It was about driving the brand and behavior in a single spend and eliminating those turf wars.

All of that really changed about 12 years ago, when I was working on a rebranding assignment for SnackWells. During that assignment, I had a transformational moment that forever changed my business and my life.

We were doing ethnographic research in people's homes and I saw first-hand the passion and emotional connection that women had with this silly box of cookies. They were actually hoarding and hiding these cookies behind cereal and pasta boxes to keep them away from their children and their husbands.

We found this change in the world with women having more authority and decision-making power in the workplace and yet nothing had changed at home. She was struggling in her efforts to redefine priorities — and it really came down to this box of cookies being a first step of permission to do something for herself.

Based on this insight, we recommended that SnackWells become the brand that would act on behalf of women of all ages. This revolutionary platform for the late '80s led to an integrated strategy that supported women and girls through a series of intellectual, physical and spiritual initiatives. My efforts were positively impacting women and girls' lives, and the brand was seeing double-digit growth.

This was my transformational moment. My business expertise and personal passion would become one. Through our efforts, women would be more deeply understood and their brand relationships could bring greater personal fulfillment. In the end, our clients



would have a competitive advantage because they would have more meaningful relationships and relevance in women's lives.

The biggest challenge for marketers is women's indifference to their brands. There is growing irrelevance of perceived parity products and undifferentiated brands. There no longer is information overload because she has basically just stopped listening.

Most marketers say that they're targeting women and recognize that women are the chief purchasing officer for the household, and yet there

is this huge gap. She is buying 93 percent of everything, and yet, 85 percent of women will say that they do not feel understood by marketers.

Add to that the economic downturn. Harris recently published a survey finding that 63 percent of people feel that they are savvier since the financial crisis. If you look at those who rated themselves as being savvier, nearly 70 percent feel marketers haven't adjusted their marketing to keep pace.

An insufficient understanding of women is the fundamental reason for marketing failure today. We're solving for that, in part, by specializing in insight mining and using that knowledge to develop and shape businesses.

We look at it as three "I's": Insight, Inspiration and Impact. From an insight standpoint, we have a unique process that helps us to get to disruptive insights. That is the ability to dig deeper to get to her subconscious motivators to behavior.

We are looking for what we call the *emotional truth*; that single subconscious emotional trigger within the context of a brand and her life. The emotional truth defines the intensity of the relevance your brand owns in her life. The deeper your brand's personal relevance, the more intense her response.

Getting at that subconscious truth is ambitious, but it's not magic. It requires a unique approach to mining insights. We're not listening in a dark room behind a two-way mirror. We're observing and interacting with women in their homes, when they're shopping, during girlfriend get-togethers, through psychological exercises and more.

Girlfriend Groups allow us to leverage women's gender traits and social communication dynamics. It allows us to dig deeper. We use proprietary projective techniques, which means we don't rely on women to be able to articulate why they do what they do.

As marketers, we all agree that emotions drive most, if not all, purchase decisions. And yet, traditional tools rely on women to articulate what they are not consciously aware of. Our unique approach to insight mining helps us to get at gender, cultural, sociological and psychological factors that drive behavior.

We don't present our findings in a traditional bullet point report, but rather in a dynamic presentation that elicits a sensory "felt understanding." The result is a deeper emotional understanding of who she really is and the inspiration to propel innovative thinking. It turns uninformed or complacent stakeholders into passionate visionaries.

The third piece is impact. Insight is only helpful if it truly helps the brand team and key stakeholders see their business in a new light and to be able to put it into action to make a difference to the bottom line. We inspire activation.

Part of the impact is to know the cultural shifts that are happening and to have a vision for how consumers are changing. Right now we're in conflicted and uncertain times and confidence in institutions is at an all-time low.

Consumers are moving forward in a new era of responsibility. They expect business to have a social responsibility beyond just profit. They expect the same of themselves. They are seeking ways to make a difference and to bring more meaning in their lives. It's a principle we call, "me, we, higher purpose."

The "me" is the opportunity for the brand to find that emotional truth so that they can fulfill a deep aspirational desire. From a marketing standpoint, it is about a shift from *what* to *why*. It's no longer about features, benefits, and promises. It now becomes more about *why* the brand is relevant.

Why is your brand so important to her that it becomes intrinsic to her life and she's willing to advocate for it? Understanding "me" is the critical part of enriching her life, showing her she matters.

The "we" is fulfilling her sense of belonging. She is seeking a sense of oneness with others and wants to be part of something that's bigger than herself. She is looking to join people, brands, institutions that have the same ideals and values as she does.

From a marketing standpoint it's a shift from *us and them* to *we*. Together, we are at one with the consumers. We have these shared ideals and values and can make a difference and move things forward.

"Higher purpose" fulfills her desire to leave a legacy and make the world a better place. She really is looking to make a difference. She wants to transform her community and society at-large. She wants to help bring that higher meaning. From a marketing standpoint, it's a shift from focusing on a *transaction* to *bringing meaning in her life*.

WomanWise is a group of people driven by a common purpose. Each of us here was drawn to the company and stays at the company because it is making a difference in our lives. We want to help businesses and brands see that they have an obligation to make the world a better place.

Marketing to women is our profession, our passion and our cause. We are enriching women's lives and transforming the relationship between a consumer and a brand. We are helping our clients gain a competitive advantage because they are more relevant to what women really care about.

Women don't buy *what* you do, they buy *why* you do it. That's where we can help businesses get to the higher level of answering that question of *why* and bringing that more relevant engagement and connection with women. ■

DORI MOLITOR is founder and CEO of **WomanWise LLC** (womanwise.com) a WatersMolitor Company, a consulting firm specializing in marketing brands to women. Dori can be reached at dmolitor@womanwise.com or (952) 797-5000.

