

**Planning Begins at 40.
JWT, July 15th, 2008.**

‘What would Steven say?’

Good evening everyone.

I have to admit to cheating a little bit in the writing of this speech. In fact I have to admit to cheating quite a lot since I arrived at JWT. My cheat is to ask, ‘what would Stephen King say?’ In my office I am lucky enough to have files of his writings to get a strong sense of his views on things.

CHART; PICTURE OF STEVEN KING.

So, what would Stephen King – our Planning conscience - advise us to do with Planning over the next 40 years? By the way, I don’t think this question would have fazed him. Remember, this is the man who, in his paper ‘What is a brand?’ wrote the sentence, *‘First, then, let us look briefly at the development of the brand over the past 100 years’!* So I think this is an easy question for him.

I sense and perhaps fear that he would want to remind us of certain fundamentals that we should abandon at our peril, and should look to help guide us.

He would probably ask us that tricky question, ‘what business are we in?’ He would remind us that we are in the business of helping Clients make more money from their money. He would go on to remind us that our primary vehicle for doing that is a thing called a brand. And we would discover how to evolve Planning by addressing a question he himself had asked

many times during his career; *‘how can brands yield ever-increasing profits?’*

CHART; ‘HOW CAN BRANDS YIELD EVER-INCREASING PROFITS?’

There are several worries that immediately spring to mind when I think about our industry’s current behaviour; has our debate slipped from being about brands to being about communication? Are we so obsessed with all the exciting new channels that we are just creating a lot of bits but not a lot of brand? Are we too obsessed with consumer insight? Why do we do so much Powerpoint? Is our ability to segment messages to people leading to a fragmentating of the brand? Are we handing over brand management to consumers who are now, apparently, ‘in control’?

Just quickly, while I am on that last point, let me just conduct a quick piece of market research amongst you all. How many people here believe that they themselves are ‘in control’ of their life? Hands up if you do...

It is strange how the industry speaks about the consumer being in control. Perhaps, in fact, the consumer is out of control, just as we all appear to be. And maybe brands need to try even harder to make sense of themselves to the world.

I digress. Let me leave all these worries aside for another day and return to the steer that Stephen has given us. If we are to follow his belief in brands and their ability to yield increasing profits, I think it takes us quickly to think about global brands. And that is the subject I wanted to focus on tonight.

CHART; PICTURE OF GLOBE

The future growth of most big Client companies is going to come, to a significant extent, from geographical expansion. Western brands moving into the BRIC markets and beyond. And indeed brands from the developing markets coming back the other way. The growth prospects are huge, the efficiencies of scale are very significant, and the opportunity to spread one's business risk across markets is an irresistible cocktail. It's a marketing Mojito!

This era of globalisation was not a significant part of the industry during Stephen King's day. So we find ourselves on our own now. This is the chapter of Planning that has yet to be written. We must pioneer it.

So far, it strikes me that there has been relatively little focus on this aspect of brand management in our industry.

Again the debate often descends into one of communication rather than brands. Funny stories abound of how foreign brand names and advertising end lines have been badly received in local markets. Just this week I was told, true or not, that the pronunciation of the Peugeot 416 in a southern Chinese dialect is, 'die all along the road'.

The very subject of global brands has actually become a source of concern, or even embarrassment. A survey published just last week amongst influential figures in business, media and politics showed that 80% of them thought global brands had a negative impact on local cultures.

There is a danger in thinking that as technology and the internet develops the issue of geography disappears; global consumers gorging themselves on a unified global diet of Facebook and Twitter. We should be careful to remember that more people in the world do not have a mobile phone than do have one, only 13% of people in the world have a computer, and global penetration of broadband is just 4%. As has been said many times before, there is no such thing as a global consumer, only local consumers enjoying more and more globally available things. The persistent dominance of strong local beer, food and media brands is testimony to that.

If we define a ‘global brand’ as something that has built a strong connection with consumers across many countries and regions, there are in fact relatively few of them. And Millward Brown have compelling evidence that on average, local brands are stronger than global ones. So there is a fair bit of work to do. The days of just exporting a good quality product and international heritage are long gone.

The last big debate about global brands dates back to almost the 80s when people were trying to resolve the conundrum of whether a global brand should be global or local in how it presents itself around the world. Rather unhelpfully the answer that emerged was that brands should be ‘glocal’. I am not sure that this is good approach to answer questions when there are two options. Vote Obama or McCain? Vote McBama. Doesn’t help.

We have several people to thank for refining that down to ‘think global, act local’ but even this answer is twenty years old.

Planning needs to create some more advanced learning about how global brands should represent themselves around the world.

I cheated again for this speech and asked some of JWT's Planners around the Network to tell me what makes brands tick in their markets. What are the characteristics of brands that people want to spend their precious time with? This is what just a few of them said on their web cams...

PLAY VIDEO AND RETURN TO GLOBE CHART

As you can hear from these Planners there are important emphases that brands have around the world that makes them resonate with local cultures. Brands need to have culture-neutral brand ideas that are capable of flexing for different market needs. This means that ideas for global brands will need to be rooted less in consumer insights and more in human truths.

But the management of global brands is not just about cultural sensitivity. And this is where the 'local-global' construction is misleading. There are other factors at play; in some markets global brands are introducing an entirely new category; for others the category is familiar but the brand is not; competitive offerings may differ round the world; advertising tastes and sophistication vary hugely. And of course every brand has its own unique internal set of beliefs that can drive a way of representing itself.

The task is to correctly segment the world up on the right criteria to best know how global brands should operate.

For example, should a global food brand segment countries into Muslim and non-Muslim given the cultural importance of Halal? Should a beer brand segment the world on its differing approach to humour? Should fashion brands segment together the countries that have a strong appetite for celebrities in advertising? Or if a brand has a belief that the people of the world should be united then perhaps there should be no segmentation at all?

This is not an overly complicated task but it does need some thinking about. Yet how often is the world lazily segmented up for global brands so that it simply mirrors Client organisational structure?

To get really good at this kind of thinking for global brands the skill sets of Planners will have to evolve a bit.

We will need Planners with an unshakeable belief in brands. That is a minimum.

They will have an international outlook and intense curiosity about how humanity works. They will have a passion for comparing and contrasting different cultures. They will possess a global mindset and will not just service a Client who is responsible for projects called, 'global'. Most importantly, they will know how to connect different people around the world to different brand ideas.

If previously Planning was often about strong individual talent, who possessed deep pockets of knowledge, and who looked for differences in people, Global planning will have a gregarious and generous spirit, a wide base of knowledge and an ability to assess similarity and difference.

It will not be about a type of person, but a type of people.

The truly successful Planners will benefit from a web of connectivity to others around the world. They will be in touch with local cultures as a matter of course. They won't wait for the parade of multi-country focus groups. They won't need to sit behind one-way mirrors to sense how an idea will connect.

This isn't about the 'wisdom of crowds' or 'smart mobs' or 'wikinomics'. It is about professional, experienced people sharing the same goal.

This connected group of Planning talent will be capable of working fast, as a team, sharing experience, and working across the time zones. Brand problems will be attacked and devoured in double-quick time. Planners will be like Piranhas. Apologies to Stephen King for re-naming Account Planning, "Piranha Planning"! Here's a photo I use to brief the headhunters for new Planners at JWT.

CHART; PICTURE OF PIRANHAS.

We will need a lot more great Planners from places other than the UK and the US. The notion of centres of Planning, or indeed creative, excellence is becoming outdated pretty fast. To believe that the best ideas must come from London or New York is simply 'idea racism'. Investment in training in less Planning developed markets must be a priority.

Finally, these Planners will be more creative than the generation that preceded them. Some recent scientific studies from Asia and America have found a strong link between

exposure to other cultures (outside your hometown) and creativity. People with richer multicultural experiences were found to perform significantly better in the generation of new ideas.

Global planning will be more creative planning.

So the new breed of Planners will be able to stimulate and inspire creative departments and creative teams better than ever. Creative work on global brands will get better and better. How long, I wonder, before Cannes consistently award the Grand prix to global brand campaigns?

So despite the fact that Steven King cannot pass down to us all first hand knowledge of how to make global brands successful, he can point to his definition of Planning, which he used at the 20th anniversary of Planning, as still as definitive as ever -

CHART; 'STRATEGIC IMAGINATION ON THE GRAND SCALE'

– *'Strategic imagination on the grand scale'*. That is how Planning can best help brands yield ever-increasing profits in the next forty years.

Thank you Steven for starting this wonderful job called Planning, for giving me everyday cheats in my job, and thank you all very much for listening.

Guy Murphy
JWT