New year, new hopes, new challenges, new resolutions, new stuff to read.

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OBSERVATIONS

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You Talkin' to Me?

The new year brings new hopes, new goals, new strategies and (hopefully) new budgets. But it's good to reflect on the old, underlying premises of advertising and how they stay the same or change. Here's a miscellany of recent thoughts, facts and speculations, roughly related to the old and the new.

AARP (speaking of old) has a magazine for the over 50 crowd called *My Generation*. The current issue has an interesting piece about the skewed perspective of most advertising agencies when deciding on target audiences. The basic facts: American adults over 50 have $750 billion in "spending power," more than 75% of the country's assets are held by over-50 households and almost 1/3 of American adults will soon be over 50.

Juxtapose those statistics against what you see on TV and in consumer print ads and you'll get a huge disconnect. The ads are largely targeted at the 18-34 demographic, which means they miss the money and the most-able-to-buy segments of the market. Jerry Della Femina, who once advised advertisers to "just follow the baby boomers throughout every stage of their lives (and) you can't miss," now thinks advertisers are "going where the money isn't. They are advertising cars to kids who not only can't afford them -- they are at home living with their parents."

The AARP article discusses why younger demographics are targeted by ad agencies, including some truly bizarre manipulations of data and logic to justify a predetermined point of view. But the main reasons are two: brand loyalty and the age of most advertising people.

The brand loyalty argument supposes that if you get people hooked on a brand early, you have them for life. This is the reported logic, for instance, behind Fallon's much admired BMW films campaign. But CBS has done research to indicate that brand loyalty is much less formidable, especially among the 35-54 demographic, and other research indicates that absolute loyalty to a brand over a lifetime is less and less common as technology changes and more brands compete for our devotion.

> Why do ads target young audiences when their parents are the ones with the spending power?

The relative youth of advertising professionals is an important factor in the mismatch between the audiences that are targeted and the ones that should be. It's always worth pausing when you (as an old person) criticize young people. It's been a common theme since Socrates and it's frequently wrongheaded. But in this case the criticism may be just.

One example: there's an *Ad Age* spinoff called *"Creativity."* It's a glossy review of recent advertising and full of awards for just about everything. In a recent issue a video editor says "...I still get a twinge of emotion and ultimately that's the only way to gauge if something's working."

He's half right. Good ads do evoke an emotional reaction. But successful ads evoke it in the audience, not just the production crew. This lack of empathy, and the inability to prioritize the audience over the creator, seem to me the biggest failings of youthful ad people.

There's a third argument for advertising below the 50+ demographic. It asserts that older people are led by younger trend setters, that baby boomers especially make purchasing decisions based on a younger idea of themselves. I think this is less true with every passing year. When you're 40 you may retain a mental image of yourself as 30. But when you're truly ancient (like when you start to actually read AARP mailings), ads directed at 20-year olds are very easy to ignore, even if their creators are cute, smart and hip (or is that hep?)

I'm with Della Femina: Find out who makes the purchasing decisions and try to think like they do.

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While weeding out some old files during the holidays I was struck by how much really good advertising has been done around this town. It was inspiring. In tough times we can lose sight of the fact that a lot of good people have worked hard and successfully at things worth doing.

Over the last 15 years or so Minneapolis ad agencies have produced some of the finest creative work in the history of the business. Carmichael-Lynch, for instance, has done excellent campaigns for Minnesota Tourism, Rappala fishing lures and, of course, Harley-Davidson. Martin Williams has done good work for 3M's office products (post-it notes especially) and Marvin Windows. Clarity Coverdale did excellent work for Mystic Lake casino (Remember the billboard, “Walk in a Democrat, Walk out a Republican”?)

Even Wilhide & Co. has a modest claim, with a couple B2B ads that were named best in the country and a direct response campaign for Tesseract schools that was best in the midwest.

But you’ll excuse me if I cite Fallon as the best of them all. From the days when they started the Perception/Reality campaign for *Rolling Stone* to the current Web videos for BMW (14 million downloads and counting), Fallon has consistently done what advertising is supposed to do -- mix big ideas with (usually) sound strategy and first-rate execution.

If you want to refresh your memory about what really good advertising looks like, go back about a decade and a half and start with Fallon.

To cite a few of my favorites: the Lee Jeans campaign that positioned Lee as a lifestyle choice among young people (“Four day weekend. Fifth day. Lee Jeans.”); a poster for the Minnesota Zoo’s winter ski trails -- a close-up of a tiger with the headline: "How fast can you cross country ski?”; a radio spot for the zoo’s jazz concerts that featured 60 seconds of singing monkeys; the Porsche campaign (“If this doesn’t excite you, check your pulse. You may be dead”). Fighting chickens for Gold'n Plump, a swimming elephant for Coke; Frank Sinatra singing “Strangers in the Night” for Timex indiglo watches -- these were all top notch efforts.

In one of the early “creative summits” held here to promote Minneapolis advertising, several local creative directors discussed their ideas about the industry. They were good, most of them, and interesting. But when Fallon’s top creative person spoke, the curtain was raised and the entire staff of Fallon was there to wave to the audience. That’s going beyond good to reach what we all strive for -- excellence.

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Entrepreneurs lead interesting lives --often riding cycles of failure and success. And some just seem to find success everywhere. A colleague sent me some background on Eli Callaway, the golf club magnate. He started his career in textiles and became president of Burlington Mills. Then he started a California vineyard and began producing Callaway wines, which became some of the finest available. Then he bought a small golf club manufacturer and revolutionized the game by inventing the "Big Bertha" club. Callaway golf products became a $1 billion company.

When Calaway decided to introduce golf balls, it could have followed Nike's lead and make it a marketing exercise -- outsource the manufacturing and market the brand. But Callaway wanted to keep its reputation for innovation, so it hired aerospace engineers to develop a new kind of ball. Another success. The lesson, I think, is that branding can only take you so far. If you want to string trogether successes, you have to live up to your brand, not off of it. (Thanks to Kim Schroeder for this info.)

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Do cyclical trends impede progress or do they keep us from going too far in any direction. The economist John Kenneth Galbraith argued in the '60s that, because of demographics and ideological positions the Democrats would not lose an election for decades. (Man he sure missed that one! But then he also said "nothing is so admirable in politics as a short memory.")

The swing to the right over the last 20 years has been a cycle within a cycle. It repeats in astounding detail the arguments at the end of the 18th century on what America should be about. The Founding Fathers were split along the same fault lines we see today -- should the Federal government have more or less power? Does individual freedom trump social obligation or must they be balanced? Does power rest with the few or the many? Are taxes an onerous burden or are they an inherent part of maintaining a democratic society?

In spite of their claim to being true followers of "the party of Lincoln," today’s Republicans are much closer to Jefferson who argued that a strong central government was a “betrayal” of the Revolution. Of course he also greatly expanded the country and its government... a gap between what is said and what is done that we still see among the Bushites.

Advertising also runs in cycles. In the terms of Stephen Fox’s history of modern advertising, *The Mirror Makers*, we’re now focused on “reason why” advertising rather than “image” advertising. For all the talk about branding and positioning, most budgets are aimed at short term results.

There are fundamental problems with this. First of all, the emphasis on results tends to drive shortsighted ad strategies: you produce what you can measure, not necessarily what you need to do to build long term success. You also tend to be too conservative with creative approaches, which keeps you behind the change curve. And you tend to look at advertising as an expense rather than an investment in your product, company and future.

I see less of an edge in current advertising, less emotional impact and a lack of clear strategy. In some of those ads from a decade ago you could see straight through to the strategy while still being moved by the execution. That’s a combination in short supply now.

So the question remains: do cycles keep us honest or hold us back? In hard times, the fact that cyclicality does exist is reason for hope: we’ll come out of this dull, gray time and start a new period of innovation and excellence. The question is when. To quote Lawrence Ferlinghetti (another '60s sage): I am perpetually awaiting a rebirth of wonder.

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Technology occasionally produces creative and useful customer service innovations. Surdyks liquor store, for instance, set up a program to offer year-end “tax rebates” based on purchases during the year. During November and December, Surdyk's paid the sales tax. They could simply have offered a 10% discount, but a tax rebate sounds more enticing, and this way they encouraged customer loyalty and built a useful data base.

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