

Kevin Roberts: It's an ad, ad, ad, ad world

The Saatchi & Saatchi worldwide chief executive knows how rapidly advertising and marketing are changing, and convinces Raymond Snoddy that his finger is firmly on the pulse

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If you ever wanted to make a feature film about the advertising industry, the adland equivalent of *Broadcast News*, there would be no contest on who should get the starring role. He can rant with the very best, inspire to an unusual degree, produce marketing babble in an endless stream, yet intersperse it all with genuinely creative ideas. And naturally he always dresses in casual black.

Kevin Roberts, 54, worldwide chief executive of Saatchi & Saatchi, is also a very now sort of person.

"Mass marketing is no more," says Roberts. "It is now. It is today." He is in a very apocalyptic mood at the moment about how there has been a historic transfer of power, first from advertisers to the supermarkets, but now on to the consumer who is in the driving seat.

"we are not going to take it any more. we are going to choose," Roberts declaims, in the spoken equivalent of headlines.

"I think the time is now. It's now. It's now. It's now. The marketing model is broke. It's splintering because we have seen this amazing transference of power," Roberts says, at Saatchi & Saatchi's headquarters in Charlotte Street. He is on a brief stopover in London before trips to Rome, New York, Cincinnati, Chicago, New York again, Cardiff for a rugby match, then on to Sao Paulo, Rio, Budapest, Geneva, Brussels and Los Angeles.

Roberts clearly takes the "worldwide" bit of his title seriously, but the Lancaster-born marketing-man-cum-guru is definitely scheduled to turn up in his adopted New Zealand on 22 December to be reunited with his wife, Rowena, and their four children for Christmas.

While in London, he made another live appearance on the CNBC business television channel's *Squawk Box* programme, and managed to give some live heartfelt advice to Ben Verwaayen, the BT chief executive, on the future of his company and the importance of third-generation mobile phones, complete with their screens and mobile pictures.

"Ben, mate, they are talking to you about costs and they are talking to you about efficiency and about pricing and they are asking you all the wrong things. You simply have to get those right. It's so... ummm... today. Let's talk about tomorrow, tomorrow your future," Roberts says, in an effortless reprise of his television performance.

The Saatchi executive believes that the telephone companies are about to become critical players in media and marketing because they are about to put the screen into the hands of the hardest market of all - teenagers. "I know it's a communications device. I don't care about that, but you are also enabling them to powerfully interact not only with their friends but with advertisers and products. It could easily be the new television set," Roberts says.

Does he really believe that? "I don't know. Like everybody else, I am in this total state of excitement and confusion, but it is possible."

But then again, he adds, why couldn't he produce segments of a lifestyle television show, or three-minute slices of *Pop Idol*, for downloading to mobile phones whenever the user wants it, funded by

sponsorship and product placement? It is part of what he means when he pronounces grandly, "It's now."

Roberts has form as a marketing and media prophet. A couple of years ago, he was staring at a blank sheet of paper over a bottle of wine at 3am, grappling for a concept that would encapsulate the idea that some products engender "loyalty beyond reason" in consumers - a loyalty that goes beyond mere respect and trust. "If you have a relationship with a product, it's somewhere on the love-respect line or you don't have a relationship at all," Roberts insists.

His initial idea was Trustmarks, but he felt that didn't have the right emotional appeal. Then, Roberts found himself drawing a heart, and the concept of Lovemarks was born. Lovemarks are about the emotions people bring to products they really like. "Science confirms that we decide with our hearts, not our heads. An emotional response to something new in the market takes about three seconds - that's 3,000 times faster than a rational response," Roberts told the American Association of National Advertisers Conferences in Florida in October.

He has got students to prove that people buy more of products that they love than of those they just respect. His trips around the world include teaching at the Judge Institute of Management at Cambridge University, and he is a professor of sustainable enterprise at the University of Limerick and in the Waikato Management School in New Zealand.

Lovemarks, the book, which came out earlier this year, has already been published in 15 countries, including Bulgaria. According to Roberts, Harley-Davidson is definitely a Lovemark, while Suzuki is still in pursuit; the Apple iPod is a Lovemark, but Sony is only following its lead.

Roberts, who likes to talk about love, inspiration, sensuality and intimacy, believes that conventional brands are as good as dead, and conventional advertising agencies and some of the television advertising they buy are in danger of going the same way.

But Lovemarks, at least in their initial form, are so 2003. Roberts has already moved on to his next big idea, which involves supermarkets, TV sets attached to supermarket trolleys and the opportunity to feel and compare the softness of toilet tissues before you buy. "I want to take Lovemarks out of branding and into the store and make the store experience full of mystery, sensuality and intimacy," Roberts says. He believes supermarkets are unpleasant places where there is too much confusing choice and where shoppers spend as little time as possible - 20 minutes and only 18 items purchased on average.

"The supermarket experience in the UK is a shocker. A shocker. It's the only place where you can still hear Phil Collins. The lighting is appalling. It should be a theatre of dreams," he insists. His new obsession with the moment of purchase and how you influence it beyond the use of conventional television advertising grew out of his closeness with some of Saatchi & Saatchi's most important clients, such as the consumer-products group Procter & Gamble.

Roberts can easily empathise with its problems, because he spent most of his working life as a client of the advertising industry rather than an ad man. He has had a variety of marketing and management roles around the world: at Mary Quant cosmetics in the UK; P&G in Europe and the Middle East; and Pepsi-Cola in the Middle East and Canada, among many others. In 1989, he moved with his family to Auckland to become chief operating officer of the Lion Nathan brewery group.

He was approached to become chief executive of Saatchi & Saatchi, now part of the French Publicis group, in 1997 after the company was rocked by the internecine squabbles that led to the departure of the founding brothers, Charles and Maurice Saatchi, who went off to create M&C Saatchi.

"Saatchi came to me and said, 'We are in deep doodoo', and that I was the best client they had ever had and the most inspirational," Roberts says; also, major clients such as P&G had wanted him to take on the job, or their account could have gone elsewhere.

"Television is still going to be there to build equity, to build brands and do all the things it does better than anyone else, but 80 per cent of the [purchasing] decisions are made in store. This is not tomorrow. This is today. It's today," Roberts says, his voice rising to the pitch of a jet engine.

The new Big Idea took shape in one of his regular meetings with A G Lafley, the chief executive of P&G, who said that 18 per cent of P&G worldwide turnover was accounted for by the US

supermarket giant Wal-Mart. "I immediately got on a plane and spent time with Wal-Mart in Bentonville to figure out what they were thinking and what was happening," Roberts says. He is spending more and more of his time in stores, talking to customers, trying to work out how to bring experiential marketing to the shop floor. "I can't remember the last time I had a meeting with a television executive," he says.

The problem, at least in the US, is that consumers are prone to break into a carton of toilet rolls so they can feel whether it is soft or firm enough for their tastes. The tampered-with box is then pushed to the back of the pile and becomes "slippage" that cannot be sold. The issue was handed over to the company Roberts bought in the summer, ThompsonMurray, now renamed Saatchi & Saatchi X, which specialises in enhancing both in-store media and the overall shopping experience. The problem was solved in an afternoon, and prototype dispensers were installed next morning allowing consumers to feel the various toilet papers in the store before they bought.

Roberts, who represents the P&G brand Charmin, believes the small innovation will lead to brand switching. "The Kleenex-user will feel ours and shift because it is a better product." And the toilet paper test can, of course, be adapted for other products.

Saatchi & Saatchi X has set up its offices close to Wal-Mart's Bentonville headquarters; there are plans to open up in Minneapolis close to the supermarket group Target; and a Cincinnati office has already been opened close to the retailer Kroger.

"No more London, Paris. No more Rome. You locate offices where the big retailers are located, and that's a new thought," says Roberts, whose mind roars into overdrive on the possibility of bringing media right down to the level of the supermarket trolley. When a shopper checks in and enters a PIN number, why could they not also pick up an iPod already programmed with "the soundtrack of your life"? Naturally, the soundtrack will last at least 30 minutes so that the shopper stays another 10 minutes to hear the next track and do some more shopping. Why not have a miniature television set attached to the trolley as if it were an aircraft seat? The special programme would both entertain and highlight the latest discounts and deals.

"The idea is to turn shoppers into buyers," says Roberts, who believes that greater simplicity and a curb on the endless proliferation of products would help. "One of the issues we have got with this brave new world, which is very exciting but also very challenging, is fear," he says. Most advertisers, he believes, are still more comfortable when they see an idea presented as a traditional storyboard or a picture. They find it difficult to recognise a holistic communications package that includes such things as product placement. There is fear also because there is a lack of data to prove, for example, how interactive advertising works as part of the overall media-and-marketing mix.

To add to the problem, the average tenure of a UK marketing director is only two years, and they are under enormous pressure to "prove" the return on investment on any money spent on advertising. "The marketing managers are frightened. They know that if they spend 80 per cent of the budget on TV, history tells them they will get this result. Unfortunately, history is no longer predictive of the future, so they are terrified," Roberts says.

Despite all his emphasis on the new and taking marketing closer and closer to the point of sale, Roberts does not believe that television advertising will become an extinct species. TV globally will be the dominant medium for the next decade because of the millions and millions who have joined the television revolution everywhere from China and Brazil to India.

"We will have another decade of the 30-second commercial, but in the more developed UK and US environment, I think you are going to see a business model shake-up and change for media owners. Is advertising going to be the sole revenue generator? It's not, is it?"

As personal video recorders, which allow viewers to skip the ads, become more common, the ads are also going to have to become more special to get noticed. "We are going to continue to invest in high-profile creative on television, but it will become more engaging. It will become more emotional, and we are going to have to think about how to use the screen much more," Roberts concedes. "If the ads are really good, you will not skip through the ad break. The ad must be so exciting that you want to watch it. If it's crap, you won't." The sort of thing he has in mind is the £18m spent on the Chanel ad starring Nicole Kidman. "It's a movie. How fantastic is that for our industry?" he beams.

But Roberts doesn't award many Lovemarks to his own industry - and certainly not to one of his

most influential rivals, Sir Martin Sorrell, chief executive of WPP, who worked at Saatchi & Saatchi as an accountant years ago. "I don't like the guy but I respect him," he says. "He's tough and stute but I do not think he truly understands and values the emotional, intuitive, creative renegades that we need in our business. I think he is trying to make the business more like a management consultancy."

And then he is off, proving that he is one of those creative renegades, discussing the regular column he writes for *Rugby World* magazine and for *L'espresso*, in Italy, where he is cultural affairs correspondent at large. He has recently told his Italian readers how "design is the new black" and how it was really time that the Italians woke up to the fact that it's a woman's world.

But right now the worldwide chief executive of Saatchi & Saatchi is contemplating something rather different. "Navels. Girls are showing them all the time, and they are plump navels, not skinny navels. Why is that?"

THE LIFE AND TIMES OF SAATCHI & SAATCHI

Saatchi & Saatchi was set up in 1970 by the Iraqi-born art patron Charles Saatchi and his brother Maurice, now a Tory peer and joint chairman of the Conservative party.

Legend has it that, in the agency's infancy, Charles Saatchi hired a dozen strangers off the street to pose as advertising executives, to give the impression of a busy office to an important potential client. The stunt worked and the company took off.

In 1979, Saatchi & Saatchi launched the campaign that made its reputation, claiming "Labour Isn't Working", and playing a significant role in Margaret Thatcher's sweep to power. In a piece of photographic trickery, the poster showing a 100-strong queue of the unemployed was shot using just 20 Young Conservatives.

By the mid-1980s, the agency had grown to become the biggest in the world. At the peak of the advertising boom, such was the company's success that it launched a bid, which turned out to be unsuccessful, for the Midland Bank, one of the largest banks in the UK.

The agency was the first to cross the Berlin Wall. Shortly before the wall was dismantled, Saatchi made headlines by advertising on it.

In 1986, Paul Arden created the "It is - are you?" campaign for Saatchi which accompanied the launch of *The Independent*.

Saatchi & Saatchi was involved in three campaigns that helped to change the face of South Africa, including the 1983 drive to allow non-whites into parliament, the 1992 referendum on power sharing, and the country's first democratic election two years later.

The agency, which prides itself on its inspirational ideas, made a strike against Italian football violence when they persuaded all of the Serie A teams to wear the opposing side's strip before a match on one Sunday.

As the economic boom drew to a close, a combination of debt and rows with major investors led to the Saatchi brothers being forced out of the company in 1995. The brothers established a new company, M&C Saatchi, where they are determined not to expand by acquisition and so have not recaptured their former global dominance.

Saatchi & Saatchi initially changed its name to Cordiant, but two years later the old name was reinstated when the company split into Saatchi & Saatchi and Cordiant Communications.

In 2000, Saatchi & Saatchi was bought in a £1.3bn deal by the French advertising network Publicis, which is run by Maurice Levy, part of a wave of consolidation that has swept through the industry.

Saatchi & Saatchi, which is now run by the chief executive Kevin Roberts, operates from 134 offices in 84 countries, employing about 7,000 people around the world, and making adverts for clients ranging from Guinness and Toyota to Unicef. In the past five years it has won nearly 3,000 awards.

Ciar Byrne

Catch Kevin Roberts live in conversation with the US business guru and author Tom Peters, online