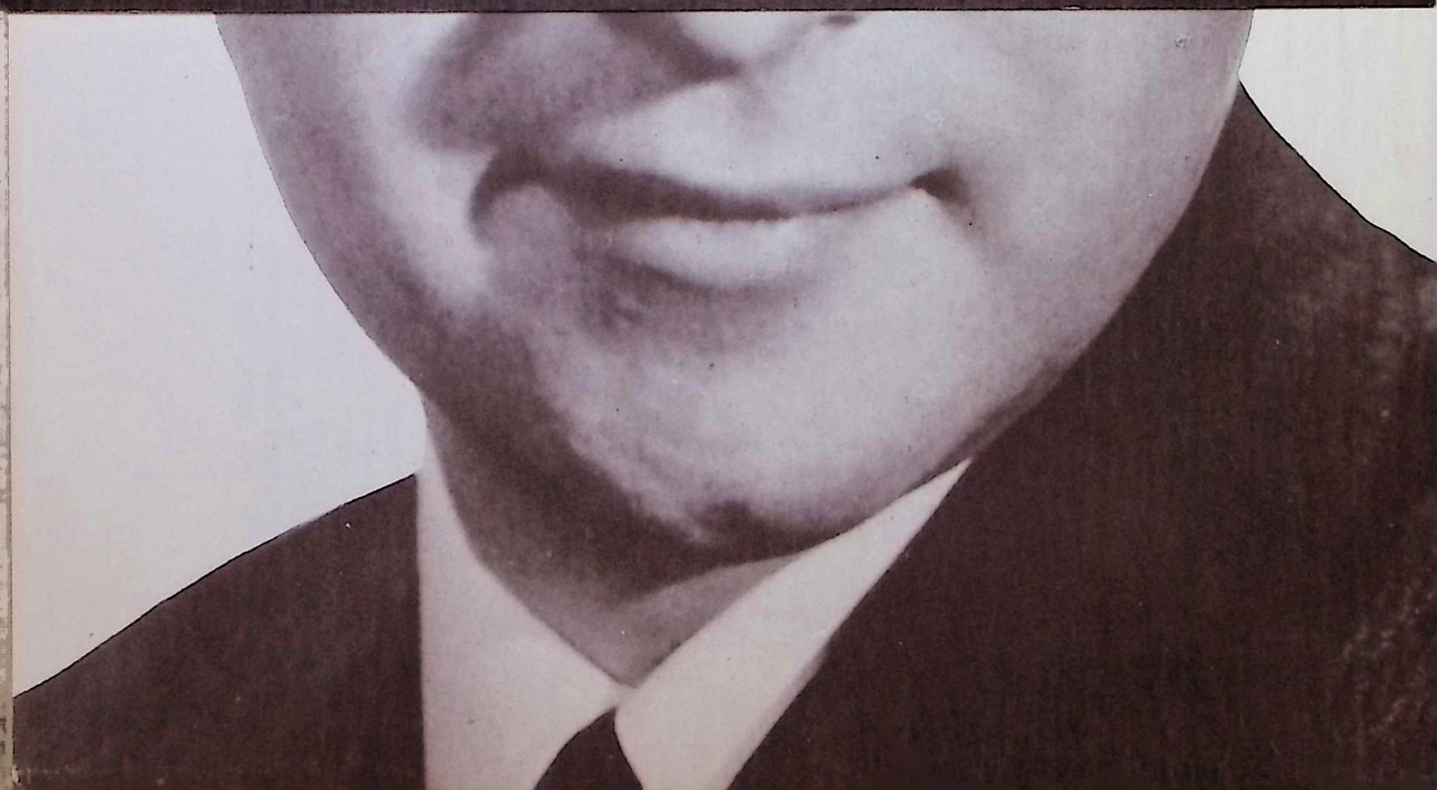
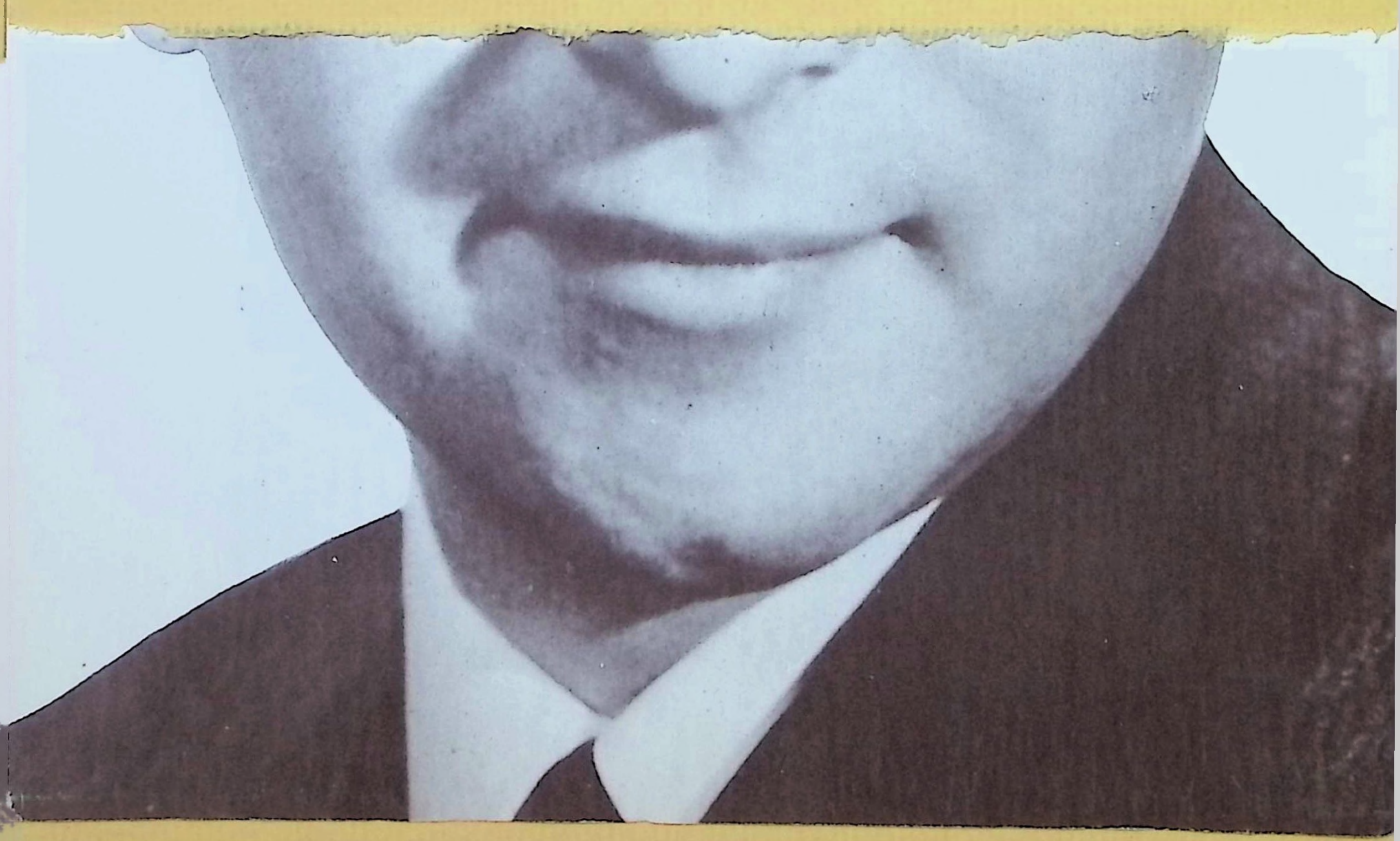
DO YOU KNOW THIS MAN?

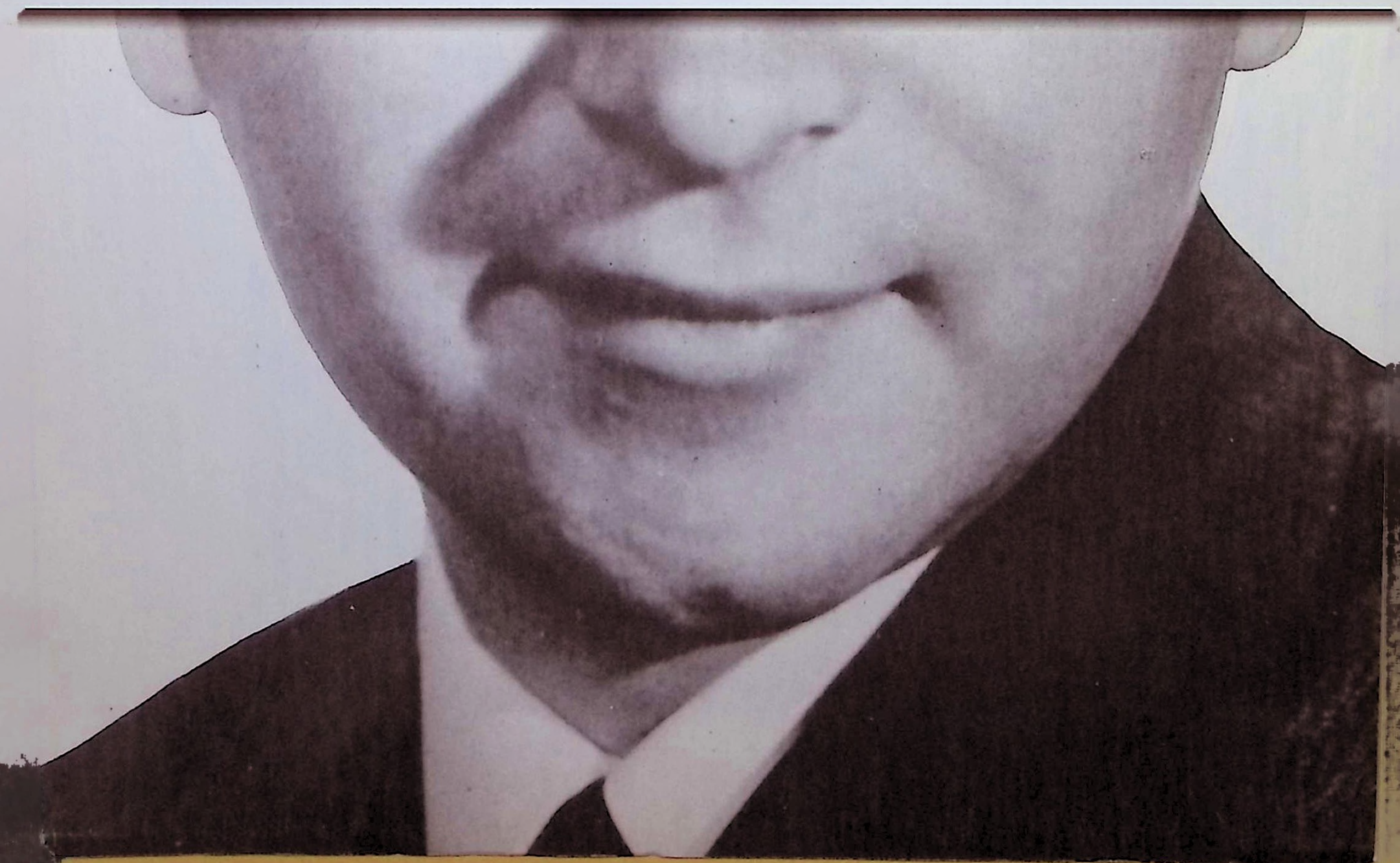
HE LIVES IN NEW YORK CITY



HE IS
AN EXPERT
ON ADVERTISING
&
MARKETING



HE IS AN ADVERTISING EDITOR



HE APPEARS EXCLUSIVELY IN THE CHICAGO TRIBUNE

...HE'S JACK O'DWYER

Jack O'Dwyer is a graduate of the University of Connecticut and received his early newspaper training on the Bridgeport (Conn.) Post-Telegram. In 1961 he joined the staff of the New York Journal-American and subsequently served for four years as advertising news columnist. He edits Ad Daily, New York's advertising and marketing newsletter, in addition to writing his Chicago Tribune column.

A good reporter's work speaks for itself.

On the following pages are recent Jack O'Dwyer columns, written especially for the Chicago Tribune.

Year of 'Young Turks' Passes; More Promised

BY JACK O'DWYER

[Chicago Tribune Press Service]

New York, Jan. 1 — "The Year of the Young Turk" — That's the way 1967 will be known as in advertising history. Nearly 30 new agencies hung out their shingles last year in New York City and the trend appeared to be gaining momentum at year's end.

O'Dwyer

The established agencies were not exactly overjoyed at the profusion of new shops. Asked for his thoughts on the subject, the president of a 50-million-dollar agency snapped to this reporter: "Maybe there wouldn't be so many of them if you didn't write about them." [His own agency has been having its troubles lately].

Jeremy Gury, senior vice president and creative director of Ted Bates & Co., fifth largest agency, has referred to the new shops as "mini-agencies" and "creative boutiques."

But it would be a mistake to dismiss the new entrants so lightly. At lease 10 have already either passed the 1-million-dollar mark in billings or have gone well beyond it. Lois Holland Callaway, which started only last Oct. 1, already has billings of more than 8 millions. Clients include the Usen subsidiary of P. Lorillard [for Tabby Cat Foods], Standard Household Products corporation [for Lestoil] and Redbook.

Offspring of P. K. L.

L. H. C. is an offspring of Papert, Koenig, Lois, which helped spawn no less than three other agencies in 1967—Chappell, Fiore, Endelman; David, Oksner & Mitchneck; and Scali, McCabe, Sloves. The four are among the most successful of the new crop. They also illustrate one factor behind the new agency trend: Clients who like "hot, little" shops [P. K. L. was one the hottest small shop in the ad world] may become restless when the agency gets too big.

Other agencies which are doing well in their first year include Berta, Grant & Winkler, which is fashion oriented; Boyce, Smith & Toback, founded by former executives of West, Weir & Bartel; Jerry Della Femina & Partners, started by a former Ted Bates creative man; and Lord, Southard, Federico, whose principles were at Warwick & Legler.

There are many other reasons for the trend. One big one consists of three little words — Wells, Rich, Greene. In 21 months, this agency has zoomed to 80 million dollars in billings. It has done so solely on its reputation for creativity. Many young ad men believe that they too can be as creative, if only they are freed from the layers of management and the creative review systems of the big agencies.

Pushed Into Being

It also must be admitted by the new shops that a number did not jump into existence—but were pushed. It has been a tough year on Madison avenue and quite a few high-priced creative and account people have faced the gangplank. Jobs with a similar salary have been hard to come by. It's been a case of either starting their own businesses or taking a big pay cut.

In going on their own, these admen have latched onto a strong trend. More and more of the biggest advertisers have been appointing small "creative" shops to supplement the work of their big agencies. The newer businesses, in a period of economic squeeze such as at present, can keep costs to the client low. They have no elaborate executive hierarchy to support. Frequently their offices are spartan and outside the high rental districts where most of the other agencies are.

Another reason is that "Duane Jones" no longer seems to be a cause for worry. In this long, drawn-out legal battle of the 1950s, the Duane Jones agency successfully sued an employe who left with several of the agency's accounts. But today's admen know they are safe as long as they do not solicit an employer's account while they are still working for him.

Magazines Show Revenue Gains in 1967

BY JACK O'DWYER

[Chicago Tribune Press Service]

New York, Jan. 8—The Ford strike and some economic uncertainty bit into magazine revenues last year. But a few were able to record significant gains in spite of the adversity.

O'Dwyer

This included magazines whose appeal is primarily to younger audiences, such as Playboy [up 18 per cent], Esquire [up 10 per cent]; Seventeen [up 6 per cent] and Glamour [up 9.3 per cent].

Also doing well were three magazines which have been registering strong gains in recent years—Newsweek [up 7 per cent], TV Guide [up 8.3 per cent] and Business Week [up 7 per cent].

The Magazine Publishers association said that total 1967 revenues will be eight-tenths of one per cent under the 1.16 billion dollar total achieved in 1966. Last year thus would be the third straight year that revenues have topped the one billion dollar mark.

John Herbert, president of the M. P. A., said magazines have experienced "another good year" and are "in an excellent position to take advantage of any improvement in the economic situation in 1968."

The newsweeklies — Time, U. S. News & World Report, and Newsweek — should do well in the year ahead because they traditionally are read with keen interest in an election year.

However, curbs on travel could hurt a number of magazines. Holiday and Venture are obvious examples, but travel also is the biggest category in the New Yorker, worth about 1,000 ad pages yearly —19 per cent of the magazine's total. Esquire, Playboy, Sports Illustrated are but a few of the other magazines that carry significant amounts of travel ads.

At this point, before any specific proposals have been made by President Johnson, many magazine and travel men are still hoping that his words were just a "trial balloon" and that few, if any restrictions or penalties will b placed on travelers.

Other publishers say that r strictions will merely brin about a shift in ad emphasi rather than a reduction in a spending.

Grace Lines, for example has already launched a cam paign pointing out that cruise in the western hemisphere a an excellent way to trave without contributing to th country's balance of payment problem.

Nielsen Competitor Plans Entry Into Chicago Market

BY JACK O'DWYER
[Chicago Tribune Press Service]

New York, Jan. 24—The A. C. Nielsen company is facing increasingly stiff competition for its long held crown as the leading supplier of grocery product movement data.

O'Dwyer

The Nielsen statistics, gathered by in-store researchers, long have been the definitive ones for industry and ad agencies. But firms which keep tabs on warehouse withdrawals, such as the Selling Areas—Marketing, Inc. division of Time, Inc. [S. A. M. I.] and the Speedata unit of Computer Applications, Inc., are fighting for a greater share of this lucrative market.

The Nielsen retail index of food and drugs is worth an estimated 60 million dollars annually in sales. A major company might spend $40,000 a year for the basic service and another $40,000 for special data. Other data firms have similar charges.

Invade Chicago

S. A. M. I., based in New York as is Speedata, will open the Chicago market in April. This will be S. A. M. I.'s twentieth metropolitan market and will give it coverage of more than 50 per cent of total United States food sales.

Speedata, which reports by regions that may cover several states, expects to have the entire country under coverage by the end of the year.

Competition among the data-gathering firms is intense. Each offers different breakdowns and services that the others don't—leading to conflicting claims over who offers what.

Speedata recently made a point-by-point comparison of itself with S. A. M. I., and drew a lengthy point-by-point rebuttal from S. A. M. I.

The new competition has brought about some changes at Nielsen. For one thing, the Nielsen food index is now available on a monthly basis rather than bimonthly as in the past. [A big selling point of the warehouse data firms has been their ability to report figures in a matter of weeks as opposed to a month or more for Nielsen.]

More Flexible

Nielsen also has become more flexible lately in allowing companies to buy portions of the full service.

A research executive at a major food company in New York says the new companies will supplement Nielsen but are not apt to replace Nielsen's method of in-store tabulation. Warehouse withdrawal coverage is still quite "spotty," he said, and Nielsen still has the best national figures.

Aware of its lack of in-store data, S. A. M. I. has just made arrangements with seven big research firms [Audits & Surveys, Reuben H. Donnelley, and others] to have them supply in-store data tailor-made to S. A. M. I.'s markets.

J. Clarke Mattimore, president of S. A. M. I., foresees a "fantastic" future ahead for the data-gathering industry. "Executives will be able to punch buttons on their desk and receive data instantaneously," he said. "Imagine how that will help a product manager or account executive."

Equipment leading to this capability is now being set up between the warehouses covered by S. A. M. I. and the Time, Inc. data facilities at 540 N. Michigan av.

TV Commercial Trouble—Old Spots, New Locations

BY JACK O'DWYER
[Chicago Tribune Press Service]

New York, Jan. 29—The huge TV commercial production industry here is one big reason why New York is the ad center that it is. But soaring costs are causing more and more agencies to look elsewhere for the production of their commercials.

O'Dwyer

A one-minute commercial that cost $6,000 to produce here in 1959 now costs $11,000. Many cost $16,000 to $25,000. The almost universal use of color is one factor and another is high labor costs. A new round of wage negotiations now is underway.

A "squeeze" has hit some studios. One has released more than 50 of its 100 employes in recent weeks and has had to move to smaller offices.

Used Again and Again

"Agencies aren't shooting that many new commercials any more," complained a studio spokesman. "They use the same ones over and over. Some have been on the air two and three years."

There also is a big trend toward 30-second commercials. But the agencies don't shoot new ones, said one production house. "They just cut the old ones down to 30 or 20 seconds."

An agency president who often directs his own commercials said: "The prices are ridiculous. There are 65 guys standing around when all I've ever needed were two guys—one to hold the camera and another to hold the lights."

[The "65 guys" was meant partly as an exaggeration but in actual fact there are 61 different job categories that could be involved in making a TV commercial.]

Locations Elsewhere

More and more commercials are being produced elsewhere—in Italy [very popular], other parts of Europe, Mexico, or on the west coast of the United States.

Harold Klein, president of the Film Producers association, said last year was the first time a significant number of commercials was shot abroad. "If this trend continues to gain momentum it could be a very serious problem," he added.

Said one agency: "We can fly a four-man team [producer, director, client, and agency man] to Italy, put them in the best hotel, use excellent production facilities and top American talent available there, and bring the whole thing in for less than it would cost in New York."

Agencies frequently want to escape the high cost of residuals which can add up to quite a bit when group shots are involved. For this reason, Papert, Koenig, Lois' directors recently journeyed to Ireland to shoot a commercial for Piels Beer which involved several hundred men standing on a mountainside.

CHICAGO TRIBUNE

ISING / MARKETING

'Buy People–Not Accounts': Corwin

BY JACK O'DWYER
[Chicago Tribune Press Service]

New York, Feb. 5 — Chicago agencies setting up offices in New York via the acquisition route should buy people — not accounts.

O'Dwyer

This is the advice of Betty Corwin, management consultant to top ad agencies here. The most common mistake Chicago agencies make in entering the New York market, she says, is buying an agency with X number of accounts and X million dollars in billings.

"The only thing that really counts is the people involved," she says. "The accounts can leave — and then where are you?"

Different Approach

Out of town agencies might be better advised to buy good people without any accounts at all, give them a "piece of the action," and set them up in business, she said.

The problem with buying a good, small agency in New York City, she noted, is that the going bus'nesses usually don't want to sell out.

There has been a trend in New York City lately for ad men to assemble themselves in "teams" and seek new jobs as a unit. Last month a top three-man team composed of copy, art, and account management executives moved from Ted Bates & Co. to Bozell & Jacobs.

Miss Corwin helped arrange the deal for the trio, who were given ownership interest in B. & J.

SOME BIG FISH are leaving small ponds. In several instances in the last few years, big name creative people have become partners in small agencies, hoping for a small assignment from a big company that would build into a substantial account. But it hasn't usually worked out that way.

Sandy Alan Haver, former vice president and creative supervisor at Dancer-Fitzgerald-Sample, is leaving the Keller-Haver agency after about a year. Paul Lee, former national ad manager of Volkswagen, is leaving Lee-Burdick Associates to join Adams, Dana, Silverstein.

Two Agencies Fold

Two of the small new agencies have folded. Charles Burch, having disbanded Angelus Advertising after 12 months in business, returns to Degarmo, McCaffery. It was too "small time" an operation, says Burch. Also out of business is Kitchell & Damon, which leaves a stack of unpaid bills behind. The New York State Supreme court is supervising division of the few remaining assets.

A statement to K. & D. creditors explained that certain financing "orally promised" had never "materalized." The firm was thus left "badly undercapitalized."

The moral would seem to be: Get it in writing.

CHICAGO TRIBUNE

ADVERTISING / MARKETING

Pen Companies See Handwriting on Wall

BY JACK O'DWYER
[Chicago Tribune Press Service]

New York, Feb. 7 — Ever since early man chipped that first message on a stone tablet, he's been looking for easier and better ways to write things. The search is not over yet—not by a long shot.

O'Dwyer

The latest rage to sweep the writing field is the so-called felt-tip, fiber-tip and porous-tip pens. They have had phenomenal growth lately and some industry executives estimate sales are approaching the 500 million dollar level.

"Fiber-tip pens are hurting the ball-point business," said a pen company executive who asked not to be identified. Many in the trade, he said, thought that total ball-point sales "plateaued" at the 1.2 billion dollar level last year.

No Changes Planned

However, one company which does not intend to shift emphasis from ball-points to porous tips is Waterman-Bic corporation whose 19-cent to 25-cent pens account for 41 per cent of unit sales of all ball-points.

Bic surprised the trade this week by staging a major press and dealers' party here [complete with dancing girls and songs] to help launch another Bic ball-point pen.

For the first time, Bic is entering the refillable market with a 49-cent model called the Clic. This market now is dominated by the Paper-Mate division of Gillette.

The writing instrument industry' has been expecting a porous pen from Bic for some time. The company is a sort of "wunderkind" in the field, having gone from less than two per cent of the ball-point market in 1960 to 41 per cent [by unit volume] at present.

Jack Paige, Bic sales vice president, said the company is working on a marker but will not bring one out "until we are sure ours will be better than others on the market." This could be in about 18 months, he said.

Paige said he thought ball-point sales were still rising in spite of the competition from porous-points. "The refillable market is worth 200 million dollars a year and there is no one at present competing in the 50-cent range," he said. "We felt we would be better off competing in that market than against 70 companies in the porous pen field," he said.

Others Enter Field

Paper-Mate reports rapidly-expanding sales of its Flair nylon point pen and claims leadership in both units and dollars in the fine-line porous tip category.

Parker Pen, meanwhile, has just introduced the Touche II, with fine, medium, and broad porous tips and 10 colors. The price is $1.98. Sales have been reported going "extremely well."

According to authoritative trade sources, Paper-Mate accounts for approximately 23 per cent of dollar volume of ball-point pens, about one percentage point above Waterman-Bic. In third place is Parker, with a12 per cent share, followed by Lindy Pen company with a 12 per cent share, then W. A. Sheaffer Pen company with a 5 per cent share.

Detroit-Based Agency Shifts Into New [York City] Gear

BY JACK O'DWYER
[Chicago Tribune Press Service]

New York, Feb. 12 — MacManus, John & Adams' approach in entering what it terms the "rough" New York market can be summed up in these few words: Do it slowly but surely.


O'Dwyer

In its first 10 years [1951-1961] the New York office did not make a single major new business presentation, Ernest Jones, chairman and chief executive officer, said Friday at an open house in the agency's new offices here.

"We didn't have the capability," he admitted. Tooling up with consumer and packaged goods experts has been expensive ["our treasurer went into successive stages of shock"] but has proved to be worth the investment, Jones said.

The New York office, now handling between 18 and 20 million dollars in billings, is second in size only to the Bloomfield Hills, Mich., office. Its growth has helped change the character of the agency from one with mainly Detroit billings to one with heavy Detroit billings, and heavy consumer billings.

In 1957, M. J. & A.'s 40 million dollars in billings included 75 per cent automotive, 14 per cent consumer, and 11 per cent industrial.

Today, its 110 million dollars include 37 per cent automotive, 47 per cent consumer, and 16 per cent industrial. Automotive billings are at a record high.

Jones believes M. J. & A. has a good future in New York City because it has fewer product conflicts that most big agencies. The office is now pitching the 3 million dollar Four Roses account against Wells, Rich, Greene, Carl Ally, and N. W. Ayer.

In moving from the Newsweek building at 444 Madison av. to 437 Madison av., M. J. & A. has doubled its New York City office space. The cost includes 8 million dollars for a 20-year lease for five floors [three are now occupied] and another one million dollars to furnish and electronically equip the office ["not one stick of furniture crossed the street," said Jones].

Also present at the opening were Charles F. Adams, president and chief operating officer, Donald E. Jones, executive vice president — New York, Robert Britton, senior vice president and director of media, marketing, and research [from the Chicago office], and Charles Felt, over-all creative head of M. J. & A.

In the last year, M. J. & A. has added 175,000 square feet of new office space, including other expansions in Bloomfield Hills and Los Angeles.

"That's four acres, I'm told," said Jones. "I'm getting a callus from ribbon cutting."