EDITORIAL

An open letter to Rick Wagoner

DEAR MR. WAGONER,

Advertising Age is always pleased to see a CEO recognize the importance of marketing in his or her organization, and in that regard we applaud your decision to assume day-to-day control of General Motors Corp.'s American operations, and have the marketing leadership report to you directly.

But GM's real problems are not the going to be solved by hands-on management, but rather by some tough strategic decision-making by the company's leadership–that's you, Mr. Wagoner.

You must define what each brand in that enormous GM portfolio stands for in meaningful terms that resonate with the consumer. If each of them cannot own a clear, identifiably different position in the marketplace then it is time for some cuts and consolidation in that portfolio of yours.

Perhaps some brands must go. Whatever the decision, GM must get to a point where its brands are taking chunks out of rivals, rather than each other.

Then you have to stop those brands from producing more mediocre products. GM has too many of those already. The emphasis needs to switch to product innovation and design. Especially design.

Each marque needs to do as Cadillac did: Listen to consumers' views on the look of a vehicle. If they like that big, sexy grille, keep it. If they don't like that mundane-looking sedan, don't push it through regardless, as has happened in the past at Pontiac. Go back to the drawing board. Get a new drawing board.

Once GM has good product, pick a price point that is sustainable and make a real commitment to weaning consumers off incentives. Yes, it's going to hurt for a while, but you have to stand up to Wall Street and explain what discounting is doing to your brands, and how that addiction affects the company's bottom line. When it starts to work your rivals will not only follow, they'll thank you.

Everyone admires a man who rolls up his sleeves, Mr. Wagoner, but GM doesn't need you to prowl the halls. It needs you to have the courage to make some tough decisions.

Our Online Survey

Blockbuster brand strong

Sixty percent of AdAge.com voters said the Blockbuster brand has not been damaged by the late-fees controversy. The other 40% felt that this marketing strategy has had a negative impact on the video-rental giant.

CRAIG MITCHELLDYER

"With the growth of Internet companies like Netflix and Wal-Mart's ultra cheap online rentals, Blockbuster has been more damaged by the change in DVD renting tendencies than by anything else, although the perception of false advertising hasn't done it any good. It's a dying breed; 10 years from now video rental stores as we know them will be history."

–Kristen Fuhs/graduate student in critical studies/University of Southern California School of Cinema-Television/ Los Angeles

"It's obvious that it is false advertising, but I don't think it has really hurt them. Around here, you can argue your way out of the late fee. Otherwise, Blockbuster is all that we have for rentals. Consumers learn to ignore the hype."

–Erin Conner/drama therapist/SAGE program/Berlin, Md.

"Brick-and-mortar video stores are on their way out and Blockbuster is using underhanded means to save themselves. When I see a commercial from them now, I can't help but wonder what's in the fine print. They've lost face and instead of saving themselves, they've started digging their own grave."

–Shel Fishken/homemaker/Wynnewood, Pa.

Next week's question is "Do you agree with Bob Garfield's advertising 'Chaos Scenario' theory?" To submit your answer please log on to **AdAge.com, QwikFIND aao29v**

LETTERS TO THE EDITOR

Realistic view of industry in 'Chaos'

My heart actually thumped (did you hear it at 711 Third?), to read the two lead stories in the April 4 issue dealing with the decline of traditional media ("The Chaos Scenario" and "Video in Demand").

Having waded through the traditional, online, interactive, digital and now the broadband eras, it is exciting to see the industry's leading journal focus on areas of the business that have been enthusiastically adopted by consumers, waiting for them to be enthusiastically adopted by all agencies, media services and marketers. For sure, TV is not dead and will always have a place in our marketing plans, but this realistic view of our world to come was a breath of fresh air.

RUBY GOTTLIEB
Senior VP-affiliated media services
Horizon Media
New York

Better products are the new marketing model

RE: "Marketers must wake up and smell the $3.59 cup of coffee," Jonah Bloom, (*AA*, April 4). Starbucks has demonstrated to the world that the traditional advertising model of the '60s and the '70s is being replaced not by more advertising and positioning but by better products.

BILL BERGMAN
Founder
Bergman Group
Richmond, Va.

'Ad Age' was late to denounce Joe Camel

As a subscriber and devoted reader of *Ad Age* for nearly 30 years, I give the highest praise to the entire news, editorial and graphic design team for the best issue ever published by an advertising journal (*AA*, March 28).

However, I take issue with your assertion that *Ad Age*'s editorial denunciation of Joe Camel in 1992 was the opening salvo that led to R.J. Reynolds' pulling the campaign in 1997. In fact, the editors climbed on the anti-Joe Camel bandwagon fully five years after this cigarette-promoting cartoon character made his ubiquitous U.S. debut, and only after a prolonged hue and cry from the medical community.

Meanwhile, the Marlboro Man, a far more influential icon for America's youth, was riding off with record profits, with nary a discouraging word from *Ad Age* or the advertising community. Indeed, at one *Ad Age*-sponsored conference I attended in Chicago in 1980, former Burnett CEO Norman Muse received the most rousing ovation of the week after playing a reel of Marlboro and Virginia Slims commercials and commenting, "Aren't they marvelous!"

Ad Age has unquestionably set the agenda on key issues in the advertising community, but standing up to advertisers who have helped attract young people to cigarette smoking is not one of them.

ALAN BLUM, MD
Professor and Endowed Chair in Family Medicine
The University of Alabama Center for the Study of Tobacco and Society
Tuscaloosa, Ala.

Pick the qualities that resonate with consumers

RE: "Authenticity, not perfection, is key to reaching consumers," Jonah Bloom (*AA*, March 21).

As a consumer, I find that marketers rarely reach me with their messages. The problem is that they fail to reveal the true benefits of their products or their claims are false. The latter carries the risk of losing the consumer's trust and eventually their pocketbooks.

Marketing is like a puzzle, and pictures and words are the pieces. A good marketer should look at the product he is trying to sell and pick out the unique qualities that would benefit the consumers. From that he should find the best words and pictures to convey this message to the audience; the less the audience has to think about the message the more successful the marketer. The failure to reach an audience is the failure to use the pieces.

JACK G. JEHA
CEO-President
On The Line Productions
Alamo, Calif.

Pay the taxes when you give away products

RE: "Dead Giveaways," (*AA*, March 14).

The only guideline that you forgot to include is that when you actually "give" something away, make it so. The *lucky* recipients of the cars given away by Oprah Winfrey will be responsible for paying the almost $7,000 in taxes as a result of these "gifts." Additionally, the $30,000 value of these cars when added to the individual's or household's annual income, will most-likely vault them into the next tax bracket. I'm not one to research things such as the irresponsible use of paper when magazines are given away in whatever form, but call a spade a spade in this case. This advertising ploy was obviously a front made to look good on the part of Oprah and Pontiac. As a consumer, I take this as a slap to the face. Both parties should have been salivating at the chance to really step up and create a special segment about taking care of the people and covering the $1.9 million due in taxes.

That would all but make you guys create a new word for "buzz." As tl case is though, it seems that the go ernment actually benefited the mo out of the deal. Who is in charge ol their marketing department? Wh ever it is, give 'em a raise.

FOSTER McCA
Los Ange

Creatives need to think about clients, not reels

RE: "Mass market isn't really dead it's creative that's moribund," Ran Crain (*AA*, Feb. 28).

Creative arrogance has finally e an away the brains of ad agencies. The big shops make millions doing TV commercials that are designed t win awards, not help out the produc or brand. The reward system for many agencies and virtually all creatives is still awards; they really don give a damn about the client. The agency creatives just want to go to a exotic locale on an expense account and hang out at restaurants and rub shoulders with celebs.

Mass advertising does have a tough row to hoe. In some categories, 50% of TV ads are zapped within the first four seconds; 25% of viewers follow two TV shows at once; 13% follow three. And, only 18% of national advertisers believe they get a positive ROI on their TV campaigns. All the agency people should be forced to live with clients not vice versa. Maybe then they would actually focus on marketing efforts that benefited the client, not their own creative reel or portfolio.

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Share your view

Send letters to the editor, corrections and Forum submission or ideas to Viewpoint@AdAge.com or to Advertising Age, Viewpoint, 711 Third Ave., New York, N.Y. 10017. Please limit letters to 250 words. Ad Age reserves the right to edit letters.

Correction

America Online's advertising revenue was misstated in "Video in Demand," (*AA*, April 4). AOL's ad revenue for the first three quarters of 2004 should have been stated as $692 million, a growth of 19% over the same three quarters in 2003. Overall, AOL reported $1 billion in advertising revenue in 2004, 12% of its 2004 total revenue of $8.7 billion.