

ADWEEK

J.C. Penney Shifts to Saatchi - September 01, 2006 **Article: Andrew McMains and David Gianatasio**

J.C. Penney today confirmed naming Publicis Groupe's Saatchi & Saatchi as its new lead agency, effective Dec. 1.

Saatchi succeeds Omnicom Group's DDB in Chicago, which late Thursday said it was splitting with the retailer [Adweek Online, Aug. 31]. Penney spends more than \$400 million annually in domestic measured media.

Saatchi in New York yesterday withdrew from the \$570 million Wal-Mart review in order to take on Penney.

"The perception of J.C. Penney lives in the hearts and minds of our customers and is shaped by every interaction they have with our brand," said Ken Hicks, client president and chief merchandising officer, in a statement. "Saatchi has a proven track record of working with clients to help them connect with customers. We welcome them as our partner in positioning Penney as the preferred shopping choice for Middle America."

Saatchi's scope of work will include consumer research and creative oversight to ensure cohesive messaging across all consumer touch points, including television, radio, magazines, preprint, direct mail and digital media.

Media chores remain at Omnicom's OMD, while interactive duties handled on a project basis by Tribal DDB will be reassessed in December.

"We want to help take Penney to the next level in connecting more deeply with its customers by inspiring 'love' for the brand," said Kevin Roberts, chief executive officer of Saatchi.

Consultancy Select Resources International in Santa Monica, Calif., yesterday had confirmed Saatchi's departure from the Wal-Mart review but offered no reason for its withdrawal.

Penney spent nearly \$430 million in major measured media last year, according to Nielsen Monitor-Plus.

DDB in recent months had been hustling to revamp its creative approach and staffing for Penney, according to sources.

Losing the account is another blow for the agency network's largest office. Earlier this year, the shop lost the consumer advertising portion of its Dell account and direct marketing duties for Home Depot. Last week, however, DDB Chicago won Safeway's estimated \$250 million account.

In a memo to staffers, DBB Chicago CEO Dana Anderson said, "We will continue to work with J.C. Penney through a transition period. Our deepest thanks to all of you on the team who have given your all these past six years on the business. Our agency remains strong and vibrant as most recently demonstrated by our win of the Safeway business. Be assured, we will be aggressively pursuing business in the retail department store sector."

Saatchi's withdrawal from the Wal-Mart review leaves four finalists to compete for creative, interactive and media duties.

The other contending teams are led by WPP Group's Ogilvy & Mather in New York, Interpublic Group's Draft FCB in Chicago, IPG's The Martin Agency in Richmond, Va., and Omnicom Group's GSD&M in Austin, Texas. Final presentations are slated for October.