

ADWEEK

Penney, Saatchi Seek 'Middle America' - September 04, 2006 **Article: Richard Williamson and Andrew McMains**

J.C. Penney's desire to reposition its brand as the preferred choice in the "hearts and minds of Middle America" drove its decision last week to shift creative duties from DDB to Saatchi & Saatchi, said Penney chief marketing officer Mike Boylson. The shift came after months of presentations by both DDB in Chicago and Saatchi in New York.

"We believe that the hearts and the minds of Middle America are up for grabs," Boylson said Friday. "Middle America is really underserved. And we think there's a unique opportunity in owning the middle, owning the moderate space."

Omnicom Group's DDB and Publicis Groupe's Saatchi were tasked with developing creative ideas to support such a strategy, after years of "It's all inside," which takes a more upscale, fashion-orientated approach. Saatchi entered the picture in May, after Penney CEO Mike Ullman and Saatchi worldwide CEO Kevin Roberts met at a conference, and DDB was said to be aware of the competition. What's more, the incumbent as early as last month realized that the entire account was at risk, sources said.

Saatchi, meanwhile, also had been chasing Wal-Mart on a parallel path, reaching the finals of that retailer's \$570 million review last month before exiting Thursday to take on Penney, which last year spent about \$430 million in major measured media, per Nielsen Monitor-Plus. The win finally plants Saatchi into the retail category after years of fruitless pitches and ends DDB's six-year run with the Plano, Texas, client. The shift takes effect Dec. 1. [Adweek Online, Sept. 1].

"We're incredibly thrilled. It's a great American brand," said Saatchi New York CEO Mary Baglivo. Roberts, in a statement, added, "We want to help take J.C. Penney to the next level in connecting more deeply with its customers by inspiring 'love' for the J.C. Penney brand."

The blow to DDB's largest office was cushioned somewhat by the addition of Safeway's estimated \$250 million account two weeks ago. What's more, Penney's media duties will remain at sister shop OMD in Chicago and interactive duties will stay at Tribal DDB there, though Boylson plans to "reassess" the interactive assignment come Dec. 1.

Still, Penney's exit follows two other high-profile losses in Chicago this year: consumer duties on its Dell account and direct marketing duties on Home Depot.

The shop's chief creative officer, Michael Folino, also left in July, seven months after he was hired. "Our agency remains strong and vibrant, as most recently demonstrated by our win of the Safeway business," said DDB Chicago CEO Dana Anderson, in a memo to her staff. "Be assured, we will be aggressively pursuing business in the retail department store sector." The shop declined comment.

Ullman's introduction to Roberts came almost a year ago at the November 2005 WWD/CEO Summit in New York, where presenter Roberts spoke about "Lovemarks," which he defines as brands that create emotional bonds and inspire "loyalty beyond reason." The concept struck a chord with Ullman, whose long-range plan hinges on creating emotional ties with Middle America, Boylson said.

"Kevin is kind of the evangelist and kind of the prophet for Lovemarks. But at the end of the day ... you're working with their team. And if we didn't feel Saatchi had a strong team, we never would have made a switch," Boylson said.

The agency's first work is expected in February, and its first big campaign will break during the Academy Awards telecast on Feb. 25, Boylson said.