

## On Madison Avenue/Bernice Kanner

# DOG DAYS AT DDB

### The Runner Stumbles

IT WASN'T THAT THE BLOW CAME AS A surprise. Doyle Dane Bernbach executives had been trying to ward it off for a year. They had feverishly tested new concepts to replace the titillating—but, after eight years, shopworn—Mariette Hartley—James Garner repartee. They'd tried a sentimental sell—"sharing makes the memory sweeter." They had piled new people onto the account and even reorchestrated its management team to match the client's more closely.

But Polaroid's business had continued to plummet—amateur-camera sales that reached 9.4 million in 1978 had dropped to 4 million in 1983—and on Friday, July 20, William McCune, Polaroid's chairman, and I. M. Booth, his chief operating officer, marched into DDB chairman Joe Daly's office with the bad news. The \$30-million domestic-consumer-advertising part of the account was moving from DDB to Ally & Gargano, the Federal Express agency whose creative work echoes that of the Doyle Dane Bernbach of decades past. (DDB will continue to handle Polaroid's international and professional/industrial advertising.)

It was the end of a 30-year relationship and an award-winning streak that was topped in the annals of advertising only by the number of awards won by DDB commercials for another client, Volkswagen. It was also the nadir of a maddening 21-month descent for one of America's best known and most admired advertising agencies. Indeed, Doyle Dane Bernbach, the once undisputed hot shop on Madison Avenue—the creator of "Mamma mia, that's a some spicy meatball" (for Alka-Seltzer), of spots in which Volkswagen called itself a lemon and (when bigness was big) urged people to think small, and of the immortal "We try harder" for Avis and "You don't have to be Jewish to love Levy's"—was for years the agency you didn't have to be an adman to love.

The downward spiral began on October 2, 1982, when Bill Bernbach, the agency's founder, creative luminary, and central authority figure, died. Bernbach had left Grey Advertising in 1949

to set up DDB with Grey colleague Ned Doyle and Mac Dane, who had been running a small agency of his own. With his goal of "stating the product's advantages in a way never stated before," Bernbach extracted that extra ounce of effort from the agency's creative workers. The descent hit bottom this summer when DDB lost Polaroid and, shortly thereafter, Atari, another big spender. Under new owner Jack Tramiel, Atari shuttled its video-games account, which billed \$48 million in the glory days, to Wells, Rich, Greene, the agency for Atari's computers.

In between the death of Bernbach and the defections of Polaroid and Atari,

IBM, GTE, and Hershey. Some of DDB's new clients reveal subtle changes in the agency's philosophy. Once regarded as a largely Jewish shop, DDB produced the commercials saluting the Saudi Arabian soccer team that ran during the Olympics. And after years of refusing any accounts Bill Bernbach considered unhealthful, the agency went to work for Parliament cigarettes soon after his death. (However, almost two years later, no DDB ad for Parliament has appeared.)

While clients came and went, so did management. Seven presidents have served in the last ten years, the latest to depart being Neil Austrian. An earnest,

affable man who knew his way around debt and equity financing but not storyboards and Nielsens, Austrian arrived as a financial consultant in 1972 and was named president in 1978. He once said that he'd leave DDB only to run a baseball team or TV network—and on May 15 he resigned to head Showtime/The Movie Channel, having earlier tried unsuccessfully to buy the New York Mets with a group of investors.

He was more successful in his purchases while at DDB. In the last few years, under his auspices, the empire acquired agencies or opened offices in Detroit, Denver, and San Francisco,

bought the public-relations firm ECOM, the industrial-and-agricultural ad agency Fletcher/Mayo/Associates, and the medical-and-pharmaceutical agency Kallir, Philips, Ross. DDB also acquired agencies in London, Stockholm, Hong Kong, Singapore, Tokyo, Paris, Hamburg, Zurich, Sydney, and Brussels.

Some say the descent of the world's eleventh-largest agency—DDB bills \$1.3 billion worldwide—could have been predicted years ago, and that to some extent its fall was self-induced. DDB may be paying for the sins of its fathers, the high-handed arrogance of the sixties when the agency reputedly spurned assignments if the client threatened to meddle creatively, refused to do traditional backup campaigns, exceeded budgets, and occasionally shot without client approval.

But then, too, DDB's style and tone



**Soapy sales:** One of the best of DDB's current crop of commercials.

DDB lost Bankers Trust, a client since 1967, Teleflora, Shaeffer pens, and Bulova watches. Celestial Seasonings severed its four-year relationship with DDB soon after being acquired by Kraft, and the agency had to quit its association with Porsche when that car company ended its distribution agreement with Volkswagen. The agency was scratched from the mammoth Miller High Life competition. And El Al, for whom Doyle Dane Bernbach had created the memorable "lox that flies" and "my son the pilot" ads, flew away after 30 years.

Still, until the summer doldrums, DDB had been picking up more accounts and billings than it had been losing. Michelin tires and Coast Federal Savings came aboard. So did CBS/Fox Video, Magnavox, Bristol-Myers's \$15-million Excedrin business, and Western Airlines' \$20-million account. The agency also took on new assignments from

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had changed. "We lost our moral conscience," admits Barry Loughrane, the former president of domestic operations and, since Austrian's departure, chief of the empire. "We didn't give our product—that is, creativity—the same emphasis as in the past. In the beginning, our single priority was to create the best advertising around. That goal was never supplanted, but rather sidetracked by all the growth and diversification. We've reorganized our creative department, and I'm a born-and-bred advertising man. We've taken steps to put the agency back on the track."

Still, Doyle Dane Bernbach has been racked by the kind of turmoil that would put it atop the Holmes stress scale, turmoil that is exacerbated by rivals and observers who revel in its stumbles. "We're like Elizabeth Taylor," says Roy Grace, chairman and creative director of DDB/U.S. "Everyone wants to see us get old and fat."

While DDB's failures have received the publicity, the agency has also had its share of successes. Last year, though shops like Chiat/Day, Ally & Gargano, and Fallon McElligott Rice seemed to garner more favorable press, it was Doyle Dane Bernbach that, for the sixth year in a row, waltzed off with more Effies (awards for advertising effectiveness) than any other agency.

It's hard to see why, though, judging from DDB's current reel of commercials. While a cut above the norm, the spots lack the irreverent humor that was the agency's early trademark. The better ones include two rousing inventive commercials for Volkswagen. In one, the company's GTI cars race off into the sunset to the words of a Beach Boys tune—in German. The other takes us on a rip-roaring drive in a Scirocco to the pounding beat of a human heart. The only words are flashed at the end: "You get the idea. It's not a car. It's a Volkswagen." Then there's the spot in which seams on Gloria Vanderbilt jeans appear as the white line on a road, and the soundtrack suggests a car racing along it. "Nothing, but nothing, is designed to handle a woman's curves like Gloria Vanderbilt jeans," says the voice-over. For IBM, four old geezers on a park bench shake their heads over incompetent Fred—and envy his tying in with the computer giant. And there's a touch of the old humor when pushy Grace tries to persuade Brillo fan Aunt Rose to convert to S.O.S. These spots are all good, but not good enough to make the Video Storyboard Tests blockbuster list—or even to be widely recognized.

"What we have are invisible successes, not high-visibility TV accounts," says Roy Grace. (Polaroid was DDB's last mega-spender.) "We have no airline, beer, fast-food, or big soft-drink account to create the splash, and all our

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major accounts include seven or eight brands to dilute the clout. Also," he says, "we're no longer that feisty little agency of the sixties, when Volkswagen could afford to be irreverent. We're a big establishment agency now, and we don't have the kinds of clients for whom it would be appropriate to do that kind of work. The only way we could become the DDB of old would be to lose \$1 billion in billings and get scrappy again."

That's not the route back to vitality that management has chosen. Nor is being taken over, although London-based Saatchi & Saatchi Compton and the giant Interpublic Group have both reportedly poked their noses into DDB's books recently, contemplating merger. (On paper, the agency flourished through the first half of 1984—earnings rose 11 percent and revenues 10 percent—but Value Line recently ranked DDB stock, now selling at \$14.75, as average for safety and below average as a timely buy.) "Combining operations could have placed us in the murderous situation of resigning other accounts," says Loughrane, so DDB has tried to smother merger rumors by buying back 15 percent of its stock—or 914,910 shares—from the Bernbach family for around \$20.5 million. Bill Bernbach's younger son, Paul, who advocated merger, has resigned from the board and been replaced by his brother, John, under whose leadership the agency's London business doubled.

Management has decided to fight back. "We are now officially hungry... fighting mad," Loughrane declared in a memo to the troops on August 1. (Three weeks later, the only New York-based agency recognized in the book *The 100 Best Companies to Work for in America* had fired dozens of those troops in a cost-cutting purge.) "When Leo Burnett died," Loughrane says, "that agency had the same mournfulness and loss of confidence. J. Walter Thompson was in deep trouble a few years ago, and Ally & Gargano lost Pan Am, Fiat, Pentax, and Commodore in a few years' time. They all bounced back. We're going to use the No. 2, we-try-harder strategy we invented for ourselves. We're no longer the Yankees. Today we're the Mets. We think that strategy will play pretty well."

Maybe, but not well enough to resurrect the glory days. "I don't think we'll ever appear to be as singularly brilliant as the child prodigy we were, but I think we're still the best ad agency in America," says Grace. "We are competing with an impossible competitor, the Doyle Dane Bernbach of the sixties, an agency that came out of nowhere and dominated everything that was good about advertising for so long. It's an incredible piece of baggage to carry around."




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