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**Title:**           **The Mad Men We Love to Hate:  
Our changing relationship with  
advertising**

**Speakers:**       **Nicola Mendelsohn, president, IPA and  
executive chairman and partner, Karmarama;  
Sam Delaney, writer, journalist and broadcaster;  
Lord Watson of Richmond CBE, chairman,  
Havas Media UK**

**Chaired by:**   **Matthew Taylor  
Chief Executive RSA**

**Date:**            **7<sup>th</sup> July 2011**

**Venue:**           **RSA, 8 John Adam Street, London WC2N 6EZ**

## **NB**

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**Matthew Taylor:** Hello everybody I'm Matthew Taylor the RSA's chief executive and I'm delighted to welcome you here for this evening's special event. Today's event is part of the RSA's Annual programme of 150 free talks and debates made possible due to the support of our fellows. So if you want to know more about the RSA Fellowship which is a fantastic organisation visit our website or speak to a member of staff.

Now our events are made possible due to the support of our fellows but also due to the partners that we have and we're delighted to be working with the Advertising Association on a series of workshops and debates exploring the role of advertising in influencing good behaviours. So tonight in our first public event together we've brought together a fantastic panel of speakers to look at how the role and value of advertising have evolved since the days of *Mad Men* and in particular how the consumer relationship with advertising has changed especially with the advent of new forms of communication. So at that point I'm going to ask you to welcome our panel.

Our first speaker will be Nicola Mendelsohn who is the new president of the IPA, the Institute of Practitioners in Advertising. Nicola embarked on a career in advertising in 1992 and by 2003 she had risen to become a board director of BBH before moving into Grey London and being promoted to deputy chair in 2004. She is currently executive chairman of the creative agency Karmarama.

After Nicola we'll hear from Alan Watson of Richmond. Alan Watson is Chairman of Havas Media and CTN Communications and for over 10 years was European Chairman of Burson Marsteller. He advises many major UK and international companies on their communication strategies. His business career began with four years as CEO of the advertising agency, Charles Barker City. He worked for many years in broadcasting and was a regular presenter for *The Money Programme* and *Panorama*. A former president of the Liberal

Party he was appointed CBE in 1985 and created a life peer in 1999 and he is also the deputy steward of the University of Cambridge

Our third speaker is Sam Delaney. Sam is a journalist, author and broadcaster. He's also the editor of *Heat* magazine. He was the editor of *Heat* magazine until 2010. He's written extensively in *The Guardian* and has presented his own show on Channel 5 called *The Edit* before becoming a special reporter for *Five News* at ITN. His first book *Get Smashed The Story of the men who made the ads that changed our lives* looked at the golden age of British advertising. He's now completing a third book which should be published towards the end of the year and developing a new TV show for *Comedy Central*.

So those are our three speakers and can I ask you first to welcome Nicola Mendelsohn.

**Nicola Mendelsohn:** Well it seems to be a day about crowds doesn't it I very much apologise for being late that was the power of the *Harry Potter* crowd that has gathered around Trafalgar Square and we know what the other crowd on Facebook and Twitter have been up to over the last couple of days as well, so apologies for that. But it's a real pleasure for me today to be welcomed to the home of 21<sup>st</sup> Century enlightenment and I'll try and live up to the RSA's aims as best as I can.

I was asked to talk about how the industry has changed since the days of *Mad Men* and my first response to that is that *Mad Men's* a drama and not a documentary and the industry has profoundly changed since the days of Don Draper. Now hopefully I'm a living example of how the industry has changed. As a Jewish woman from Manchester I think that my employment prospects at Sterling Cooper would have been somewhat limited.

*Mad Men* alludes to the slipping away of an old order and the rise of the new and in the 60s the industry in the UK and

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the US changed completely as society changed and at that time the Madison Avenue institutions of JWT and McCann were WASP institutions. In fact there was an old joke that you needed to actually have a trust fund income in order to be able to afford to work at JWT. However those fortress-like agencies were challenged by plucky new entrants like Doyle Dane and Bernbach who brought a Lower East Side hustle and a European influenced design to a stage Madison Avenue. Bernbach's work reflected the rising aspirations of the Kennedy and Civil Rights era. His famous work for Levi's rye bread in some ways reflected back the changing face of America and this advert featured a black child eating a sandwich and having black kids in a mainstream advert for what was a niche Jewish product shocked some but spoke to the dawning of a more liberal age.

Now in the UK in the 1950s the traditional ad man was a minor officer who'd had a bloody good war and these individuals were replaced, I'm quite pleased, by pushy working class kids like David Puttnam, Alan Parker, Frank Lowe and of course the Saatchi brothers. And their work at CPD in the 60s spoke to an irreverent, socially mobile culture where people didn't know their place. And in their work the upper middle classes are frequently lampooned as feckless. Do you remember the work for Harvey's Bristol Cream or their later work for Heineken? These young turks laughed and parodied the establishment just as fiercely as *That Was The Week That Was*.

And what both of these examples show us is advertising's role as cultural signifier not cultural shaper. They send out signals of how our society's changing and that signal reflects and does not refract.

And if the 20<sup>th</sup> century was the American century it is fair to say that the 80s in the UK was the Saatchi decade and their work most accurately reflected the surface of our changing society. They started the decade in 1979 with *Labour Isn't Working* and closed the decade in 1989 with the

British Airways face. The BA face advert was a signifier of a more confident, shiny and sophisticated British corporate sector ushered in by Thatcher and in some ways the Thatcher era came to a demise not with her end in '89 but with John Major's devaluation in '92. Hundreds of thousands were stuck with negative equity, life felt grotty and we all listened to grunge.

Now this era was dominated by a new wave agency Howell Henry Chaldecott Lury and they were in my opinion the first truly postmodern agency, a mixture of posh boys and working class kids. They had the first black creative director. They were eclectic. And their which others aped was stripped down for ads like *First Direct* and *Ronseal* but also highly irreverent, remember *Tango*. And their working processes of hot desking or creative collaboration with clients and the use of anthropologists was also copied by the competition.

The noughties in many ways is quite hard to typify because of the enormity of the financial crisis which had a profound effect on how we all see the world which brings us to today and I would argue that the deluge of nostalgia-driven advertising speaks to a sense of loss in the UK right now. M & S, Sainsburys, and even Virgin have all run anniversary ads and I think that that's culturally significant for a number of reasons.

First the credit crisis was a crisis of trust, in fact the Latin derivation of credit is actually trust. Institutions we were told to trust gambled our money away and this didn't just create a crisis in trust in banks but in all business. Hence why we see companies today reminding us of how long they've been around.

Second if you look at the Virgin Airways ad with its nostalgic parody of the 80s it's reminding us of a more glamorous carefree past and we can also see real nostalgia for the 80s today in things like fashion with the bright colours or in the big

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sunglasses that we're choosing to wear because in an age of austerity we demand glamour, even if it is from the faded past.

When I became IPA president I was disturbed that there was great nostalgia within the advertising industry and that's because people were scared of the future and when we're scared we look to the past, to programmes like *Mad Men*.

Now I look to the future and I'm excited by what we see before us and I think we're about to enter a new golden age.

Now much has been made about the impact of digital on our business but all the other evidence suggests that it doesn't destroy jobs in our industry but creates more as there's more channels to communicate and this observation has been validated by the London School of Economics.

In addition I think that the new communication channels like social media in actual fact complement old media like television and I think one of the most interesting complements is between Twitter and television and we know from our own experience that if we see a bad ad or a TV programme it's likely to get talked about by our friends on Twitter. But this is just touching the surface of how technology's changing all our lives.

With websites like Facebook and Twitter and Flickr we're able to share information far more quickly. Just look at the role that technology has had in the Arab Spring or slightly closer today with the demise of the *News of the World*. The transparency of these tools means that power is more distributed and it's harder to claim trust. If your brand screws up it will be shared real time across the world and I think this creates a more distrustful, less hierarchical society.

And as society changes so must the industry and as IPA president I'm excited by the innovation going on in agencies today which are bringing together technologists with creators who are practised in the more

traditional advertising and we're starting to produce vital, original, multi-platform work and this makes me very excited and optimistic about our future.

And as I look to the purpose of the industry I think it will be radically the same, advertising creates value for brands by providing information but also by imbuing products with values and associations. That's what Don Draper did and what we will continue to do but how we do it will be different. Technology will play a greater role in creative origination and in creative distribution. It will continue to transform how agencies structure themselves and as IPA president I want the industry to be radically the same. I want it to radically reach out to adjacent industries like the games and entertainment industry. I want to develop bold partnerships around training with the likes of Facebook and Google and if we do this we'll be radically relevant.

But there are some things that I want to stay the same, a devotion to working with the best interests of our clients, a devotion to ensure that our advertising is decent, honourable and truthful and that we respect the privacy and intelligence of our audiences.

So looking at past, present and future we can see that certainty has changed and creativity requires change. Our industry will be able to win the future but only if we change and if our industry becomes trapped by one group of people or one discipline we'll fail. However if we regenerate the gene pool and constantly seek new connections to adjacent industries we'll be able to create a new generation of creative pioneers who will define our future today. Thank you.

**Alan Watson:** Right well *Mad Men We Love To Hate* the changing relationship between customers, consumers and advertising. George W Bush was not known for his wit, known for many other things but he did produce one really remarkable line, "You can fool some of the

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people all the time and these are the people you want to concentrate on.” And he did of course to huge electoral effect. And indeed it is a suspicion that that maybe is what advertising has often done, namely to concentrate on the people that you can fool. Now that's an unfair criticism of course and my own experience of advertising has been quite different but to be fair and to be honest about this advertising as I've encountered it, both as a practitioner and as a recipient and consumer, has had one overwhelming objective the objective to sell, to sell the services, to sell the products of the client that's placing the advertising and this objective the assumption has been that it is best achieved by exposure and paying for exposure and indeed by creativity to which you've referred and both have been major factors. For example spending a lot as you go into a recession to maintain the viability and the recognition of the brand is one obvious thing. The search for new creativity which is very much at the front now but a rather frustrating search just currently.

In the United Kingdom we spend about £18bn I believe on advertising but is it working? Now I currently am chairman of Havas Media here in the UK and Havas Media worldwide has completed three years of surveys of how consumers think about brands and our fourth survey I think, it is the fourth, is coming out in October. We cover 300 global brands and we interrogate 50,000 consumers worldwide so this is a very big database and I thought it might be worthwhile just to share some of the really interesting findings that are coming out of this because they do confirm that whatever else is happening the relationship between brands and consumers bridged by advertising is changing and changing very significantly.

First of all we find, and this is across the world, that two thirds of consumers say that they don't basically care whether a majority of brands survive or not. Two thirds don't actually care whether they survive or not. Why this disconnect? Why is it? Well I

would postulate briefly to you that there are four reasons for this. First of all expectations and the nature of expectations. The research shows very clearly that people expect far more than price from products and services, more indeed than value, value for money that is. They want brands and the companies that stand behind brands to contribute to their sense of wellbeing. Now wellbeing is an interesting and to some extent new word in this debate. I've just come from a meeting this afternoon involved in looking at values that young people, really in the span 16 to 30, I think of people 30 now being young, what values they really are interested in and one of the things that comes through is this concept of wellbeing.

Now what engenders wellbeing? Well one of the things that is important in engendering it is the sense that brands and companies are helping the environment, that's quite specifically stated and it's a very important consideration. And secondly that brands and companies are contributing positively to the quality of society, not just to the quality of life for an individual but the quality of life to society as a whole. And one of the reasons why we are witnessing, and are going to, a mounting fury about Murdoch and *The News of the World* actually stems from this. I heard somebody, I think it was on the radio this morning, saying something very interesting about *The News of the World* and I noted it down and it basically was, “Of course we all like to be titillated by *The News of the World* but we want to be titillated responsibly. And we have been titillated, it appears, irresponsibly and we may have been titillated, it appears, illegally and that will affect the brand. So it's not altogether surprising that the announcement this afternoon is that *The News of the World* is closing although of course it may well be replaced by *The Sun on Sunday* before too long.

Secondly people expect brands and companies to do this, to contribute to this

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sense of wellbeing, to contribute to this quality of society. Indeed the figure for the United Kingdom is 73% of the people we talked to who believe that that is something companies, and brands, should do and that they should be very clear about what they're doing.

Thirdly people are sceptical so that, for example, in the United Kingdom, 65% of respondents said that they thought the motivation for people and companies and brands who are trying to improve the quality of society is essentially selfish, it is to demonstrate their own commitment and sincerity and thereby make themselves more acceptable to society. So there is that scepticism. That scepticism is not universal at that level across the countries that we covered and it is very interesting to me, I must say, and surprising that the highest expectation about the societal contribution of brands and companies is in China and India and it is at its lowest in the United States of America.

And then the final point I want to make, the fourth factor for this disconnect is of course the total change in the technological landscape. The fact is that interactive media, digital media, social media, is based, its success is based not just on dexterity of the younger generation it's also based on, if you like, a philosophical approach that young people really do believe that you interrogate authority, you interrogate opinion and indeed you get the confirmation of what is being claimed for products and services from your own peer group and that's what a lot of social media is actually about.

So John Maynard Keynes was once asked when he was accused of inconsistency in his economic theories that he had changed his mind and J M Keynes replied, "When the facts change I change my mind what do you do sir?" And I think what we have to do in looking at the future of advertising and its relationship with the consumer is to acknowledge that very important facts have changed, that they are likely to continue changing and therefore

perhaps we should change our mind about the role and the contribution of advertising. Thank you.

**Sam Delaney:** Right hello everyone. Okay so I'm not an advertising insider or a practitioner and I have no experience working in the advertising industry so my analysis of this subject comes from a different area. I suppose I have two areas which may qualify me as an expert in a sense, one is that I wrote a book, as was mentioned, about the kind of so-called *Mad Men* era of the British advertising industry and really the men who kind of shaped the creative revolution that took place between the 60s and the 80s, the real golden age of British advertising that it kind of bestrode the world, those names that Nicola mentioned a bit earlier. And my other qualification is that I must have been one of the most sedentary and lazy children of the 1980s and therefore spent so much time consumed by watching television and therefore advertising that I had a very strong relationship with the ad break when I was a young man and that's obviously changed and so in my sort of analysis of this subject how our relationship has changed with advertising over time I kind of looked back at the people I met and the things they told me when I was researching the book *Get Smashed* and how things have changed since then that have changed my perspective on advertising.

Nicola touched on a lot of this but the guys who I interviewed are all of those guys that Nicola mentioned, Ridley Scott, Alan Parker, David Puttnam, Frank Lowe, the guys who kind of burst into the ad scene in the late 50s and early 60s and overtook what was a very moribund industry run by waspish ex-army officers and they were fascinating guys to speak to. There were three things that struck me about all of them, I mean they're all very charismatic and there were three things that struck me about all of them that they had all been hugely determined, massively talented and almost psychopathically ambitious. It was

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almost terrifying to hear the way that they tore into the business when they were younger. And it was fascinating to hear that a lot of them weren't really educated, they were from fairly kind of normal working class backgrounds but they did know that they didn't want to continue the tradition of just going into whatever industry it had been that their fathers had worked in but there was nothing really around for them that they found compelling and that they could make lots and lots of money out of which was very important to all of them even when they were quite young. So they almost single handedly worked their way up from the post rooms of these big ad agencies and single handedly created an industry not seeing one that was sort of acceptable to them they more or less tore down the existing advertising industry and built it again in a shape that they found more agreeable. And what they then did to make the British advertising industry so massively successful was that they started to make advertising that wasn't based on the hard sell and it wasn't based on kind of treating consumers as idiotic drones but it kind of spoke to them on an emotional level and it was kind of the great advertising of those three decades was quintessentially British and they kind of harnessed a colloquial tone of voice and there was an earthiness and an authenticity to it and I think really that was the magic that they created and that really spoke to all of us.

Let me get on to my relationship with advertising in the 80s and it kind of really made sense because they made such a big deal about being normal guys from normal backgrounds who were writing ads for normal people just like them and because they approached it in that way everyone during that era when remember there was only three television channels and one of those ran ads and so we were all sharing the experience of the same ad campaigns night after night. So as a young man growing up I would see these ads and you would go into the playground the next day and they were part of your life and you would discuss them

with your mates just as you would discuss what had been on *Top of the Pops* or what film you'd seen in the cinema at the weekend. And there are ads that still remain dear to my memory from growing up. The Levi's 501 campaign kind of got a whole generation of kids into old kind of 60s Motown music. I remember falling in love with the Cadbury's Caramel bunny. I remember wishing George the Hofmeister bear was my big brother. I remember being obsessed with the Halifax commercial that used that song *Easy Like Sunday Morning* with this sort of like quintessential 80s yuppie who got up and went to the cashpoint and had a red fridge and a pet cat and I remember being like 12 years old and thinking, 'That's who I want to be when I grow up.' And of course it goes without saying everyone in the playground would also get up and sing, Um Bongo, um Bongo, they drink it in the Congo. And we all knew all the words to that verbatim. Funnily enough I spoke to some of the guys before this event and made that point to them and they said and ad like the Um Bongo campaign would never get through all the regulators nowadays because of course there's been such tight restrictions now on advertising junk food and the like to kids and also of course the fact that they drink Um Bongo in the Congo is almost certainly factually incorrect. But in those days you could get away with that sort of thing.

So anyway the conclusions are why is it that nowadays no one's singing, Um Bongo, um Bongo they drink it in the Congo, or its modern equivalent in the playground? Why are there no ad campaigns or advertisements that seem to sort of touch us all in the same way and that we all understand and that seem to speak to all of us and we don't have that kind of relationship that previous generations did with the ad break? Well the conclusions I drew in my book which I assume still would make sense today and things that people told me that I spoke to

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when I was writing my book is that first of all that kind of earthiness, that authenticity, that colloquialism, that quintessential brutishness that they harnessed and that spoke to us so powerfully is no longer possible in a globalised market where there are huge international networks of ad agencies working for international brands and those kinds of ads that are that parochial are few and far between therefore you get kind of homogenised generic creativity that doesn't have such a sort of resonance or a poignancy. Also for the same reason there's digital fragmentation so whereas before we'd all be watching the same channel every single night and seeing the same ad break and therefore we had that unified experience that no longer exists. There is no ad that all of us have seen any more because we're all consuming our entertainment through so many millions of different means.

And then of course there is the idea that there are other things that fill that gap in us. Those ads like Accrington Stanley who are they? And all that sort of stuff that you used to kind of repeat ad nauseam in the playground when I was a kid, you know, that is now fulfilled by the kind of virals that kids send around to each other on YouTube and Facebook and Twitter and all the rest of it and so that has filled that void. Now advertisers for the last few years have been trying to make their own versions of that and it strikes me that the worst thing that can work against anything being viral or successful or speaking to audiences in the same way is it having any connection with a commercial brand. Not because I think people are necessarily hostile to commercial brands or think that they're all part of some sort of sinister global conspiracy but because there is something more exciting and warm to imagine that the things that you're watching that are entertaining to you and speaking to you are being made by another young person about your same age just on their Mac in their bedroom on the other side of the world and the moment you discover it is in fact a product of like a huge company who are in a

fancy office in Los Angeles or New York or somewhere it kind of undermines that sort of earthiness and authenticity which are words I keep using because I think that that was the strength of advertising and the reason we used to have an emotional connection with it, that perhaps is less prevalent today.

This sounds like I'm down on advertising but my conclusions in the book and my conclusion today is that if advertising has ever at any point in its history been half a yard behind the zeitgeist or half a yard behind what people find enjoyable or half a yard behind paying dividends for their clients it's only a matter of time before they succeed, before they turn that around. Advertising is too full of talent, too full of money, too full of determination and the stakes are far too high for themselves and their brands for them ever to fail at anything. The people in advertising, my experience of advertising means it's, like I say, the level of ambition and the level of determination and the level of creativity is awe-inspiring and if ever there's any flaw in the industry it is so quickly eradicated that it's almost terrifying. And that's my conclusion thank you for listening.

**Matthew Taylor:** Brilliant okay so what sense do you think that advertising relies upon the idea of improvement of living standards? To what extent does it help provide an idea of aspiration and the reason I say that is because it's just starting to dawn on us that not only is it the case that a lot of people haven't really enjoyed rising living standards for some time now, which is driven of course by the fact that we all individually, collectively and publicly went into deep debt but if you take that out of the equation living standards have been pretty much stagnant and are falling faster this year than they have done since the early 1970s and there's not much prospect of them picking up in the next few years either. I got a taxi last night about 500 yards because I had to get my train from

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Birmingham to Euston ((0:29:35?)) in Arbroath or something and the taxi driver said, you know, I said, "I'm sorry I'm only going 500 yards." And he said, "Yeah I bet you are mate." He said, "You know mate I'm (( 0:29:46?)) and I don't know a single one of my mates who isn't working harder now than they've worked for two years." It's interesting.

So for some of you to what extent if we are in a kind of sustained period of flat living standards does that take the oomph out of advertising or does it just kind of change its content?

**Nicola Mendelsohn:** I think for me it starts with an assumption that advertising is just a tool to promote consumption and actually it is a tool to do that but also it's a tool that can actually promote not doing as much of something as well. So in the case of some of the COI work that we saw reducing people drinking, reducing people not wearing, or to wear their seatbelts, or different things where actually you can look at it in different ways. But I think advertising does reflect the society of the day and I think advertising and the messages it carries on behalf of the brands need to be mindful that not everybody can always have the great and the new shiny things out there and to be sensitive to it and that's why I think you've seen a different sort of advertising recently in terms of feed your family for a fiver, you know, weekend foods for a tenner. These are great, simple campaigns that have been very effective, that have addressed the needs of the consumer but have also been profitable for the organisations as well. So I do think it reflects the mood but I think the creativity is a different sort of creativity.

**Matthew Taylor:** And what do you think that *Mad Men* idea is based upon incredible confidence about the future but we now live in an era of social pessimism.

**Alan Watson:** Well the first point I think from the way I look at it is that historically advertising becomes obsessed about certain things from time to time and

I've lived through at least three periods in which the obsession of advertising was detergents. And if you remember when this started it was all about people who looked like rocket scientists walking around kitchens with needles going like that. Then there was the amazing episode of Omo power which some of you may remember which was going to revolutionise detergents and it did indeed obliterate dirt, unfortunately it went on to obliterate everything else like polka dots and stripes and so on. And the detergent obsession may well come back but it's not very strong currently.

Rising living standards. Well I believe that a lot of advertising is about aspiration and you have to ask what people aspire to and whether people aspire simply to a greater accumulation of material goods I think is now much more of an open question and that's what we found with this Havas research which I briefly described. I mean there was no doubt that what was coming back was that people wanted brands and products and services to contribute beneficially to the quality of society. That's what people were saying. Now of course one of the ways in which you have to communicate that societal benefit is through advertising and I think we will see a great deal of creativity beginning to focus onto that and the sense of wellbeing.

We've got to be a bit careful about this living standard thing, we are in a financial crisis, yes indeed we are in a financial crisis but there is no real evidence that living standards are falling. Living standards have flattened and it's a complex picture, not a simple picture. So it's not a wartime situation and we're not on the edge of rationing. We're actually looking at remarkably high, overall, standards of material life. There's a lot more inconvenience, there's a lot more difficulty and there is to a degree an increase in unemployment but I don't see that fundamentally affecting things. I think the

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switch is going to come much more in terms of what you're actually trying to sell people about a product and a service and that may be more about the soft values and the societal benefit than other things.

**Matthew Taylor:** Sam do you think individual adverts you loved rode on the crest of the wave in a general sense that in the end we would all have more and more stuff as we got older?

**Sam Delaney:** No I think that people characterised the 80s as a kind of an era of massive material consumption. That's just a thing that people say and they kind of say if you're talking about ads you'll choose to look at the famous VW ad with Paul Hamilton in it or the silly Nescafé Gold Blend yuppie couple instead of the Accrington Stanley ad. I mean I think it might be a myth that ads are always about sort of developing this kind of high rolling, consume more idea. The main thing it reminded me when you asked that question though was, I don't know if any of you look at the Daily Mash website about in the midst of the financial crisis they did a great headline, I'll paraphrase it much less funny than they did it but it was basically like the British public face up to having to do without some of the useless crap they don't really need for a few years. And they did a long article about how we'd all got so used to spending money on things like scatter cushions or nice door handles or like asparagus from Israel, or something and that really all people were going to have to sacrifice was that crap and that really isn't a financial disaster. I thought that was quite funny.

The other quote is, which is from the first episode ever of *Mad Men* and again I paraphrase that he gives a sort of stirring presentation to his clients where he says, "What we're doing is telling people it's okay you're normal," you know and I think, and Nicola sort of touched on it is that what advertising has always done and does in particular now is yes it is about aspirations but the aspirations don't necessarily have to be able increased or decadent material

consumption. The aspiration is just to feel like you're normal and that the life you are leading is not a depressing one and it can be fun and it's certainly not out of the ordinary. So when you have ads that say things like feed your family for a fiver it's basically addressing the reality of people's lives and telling them you know what it's okay.

And I think advertising has always done that very well and I think it does it particularly well now.

**Matthew Taylor:** Sam I'll start this second question with you which is where is the creativity coming from now because I suppose what is interesting about advertising is that the real value of an advert is the intuitive lead that's taken by the creative and all the filming and all the stuff that goes in is secondary to that creative lead. Now of course because of social media, because of YouTube, because of the fact that anyone can get a flip camera and filming in their bedroom that ability to have that kind of intuitive lead is open to any of us and of course you can go on YouTube and there are people who are having those kind of brilliant ideas and five million people are watching them flush a cat down a toilet or something in an amusing manner. What is your sense of...are we seeing the democratisation of creativity?

**Sam Delaney:** Well the stakes are higher aren't they because of course there was a period where there would be ad creative who would, you know, it was kind of like they somehow convinced clients for many years and their creative that they had some kind of creative alchemy and almost anything that they said these were the chosen few this select bunch of people who were the only ones who had the kind of creative insight to sell your product and now of course, for the reasons that you say, because of the technological kind of democratisation of creativity the bar's been set much higher. It's much more difficult for you to cut through and do something that's really going to wow a client or wow an

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audience because there is so much creativity out there and so it's really, really hard to cut through. Where does the creativity come from? I don't know because I don't work in the industry but it does occur to me that the sort of people I was speaking about earlier who featured in my book were the kind of people who just had this like...they didn't really know anything about advertising until they came to it and sort of made it all up as they went along and now I think it must be much harder, you know, there are all sorts of courses and people kind of come into the industry with the burden of all that history behind them rather than starting with a blank sheet of paper and with all this huge amount of amazing creative endeavours that are out there in front of them and you're the one having to try and cut through all that and capture people's attention. It sounds like a much tougher job than it did for those guys I mentioned earlier in the early 60s.

**Matthew Taylor:** Nicola what's actually happening I mean is it the case that more ideas are emerging here because so many things are being sent in because people have worked on them in their bedroom and they've done a 60 minute clip and they've sent it in? Is more content coming from the streets or is it still people who are called creative wearing a particular kind of creative point?

**Nicola Mendelsohn:** I think creativity is coming from a much wider, we still have all those people that wear those clothes as well don't worry, absolutely, but not quite as wide braces and glasses. I think what we're seeing now is that creativity is coming from a much wider base. In the past it really was the preserve of those kind of funky guys that sat in the big offices and had the long lunches etc. that's gone but we're seeing creativity coming from the strategists, we're seeing creativity come from the technologists, we're seeing creativity come from data and actually what I'm seeing more than I've ever seen before, in recent times and one of the reasons I'm very optimistic is that there are a lot of firsts going on, a lot of people doing

things together with different partnerships and you think, 'God that's an amazing idea I wish I'd have thought of that,' where brands are coming together with channels, with social media and doing things that I think are exciting people in a way that I think we haven't seen for maybe 15, 20 years. So I'm very encouraged by what we're seeing.

**Matthew Taylor:** And Alan tell me of our experience in this industry how does it work, you get someone who's 25 and if they have a brilliant idea and it creates a national campaign and the assumption is they'll be able to carry on doing it through their career, there must be people who just have one good idea and live on that for the rest of their lives. It must be harder now to live on your one good idea.

**Alan Watson:** That's certainly true I can think of a lot of them and sometimes the one idea wasn't as good as you thought it was at the first unveiling. I think the hard fact though is that if you are presenting competitively to a client, to a company, the creative idea is, in my experience, still critical and you still go through this thing of here's one approach and there's another one and here's another one and which gets you and you pretty well always know in my experience. I mean there's something crosses the eyes of the client and you know you've actually hit it and equally, and that's dispiriting of course, you know when you haven't hit it. and it's not the result of a process it usually is a spark. It's something which is an invention, it's the ability to experiment. And I however would like to very much back something which you've just said because I think it's going to become more and more important there will be a lot of creativity around strategy, around media strategy, around the mix of media, actually charting the journey to decision by a consumer or indeed a citizen and seeing how you nudge that decision as it goes through the process and I think we're going to see a lot of that and I'm very aware the people that I work with there are an awful lot of people who have come basically to

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this whole area through in a way being techies and then suddenly they get it that actually it's not just about the technology it is at the end of the day really about creativity through the technology and the moment that connection is made you get some extraordinary things. So I'm rather optimistic about it.

**Matthew Taylor:** And Alan I'll start with you on this final question before we open it up. We have a lot of behavioural economists and social psychologists and people speaking here and I think this has been really the kind of subject in many of our next events but I want to ask about this one of the examples that is often given by them I must have heard it about half a dozen times in this room is the fact that if you tell people that something is 95% fat free it's substantially better than saying it's 5% fat. Now this is just a simple example but it's a good one, but the point I'm asking you is that as the kind of understanding you've used the word yourself, as we understand behavioural economics we understand social psychology, we understand how our brains work, we understand our cognitive frailties and therefore as it were we understand a little bit of how advertising works what does that do and does it make any difference? I mean I had a debate with David Willetts about all this once and he said, "Look we know that the sun doesn't go round the earth but we still talk about the sun rising," so in a way it doesn't really matter what we know it doesn't affect us, it doesn't affect the way in which things have an impact on us but do you think it does? As we become more sophisticated and understand how advertising preys on our cognitive frailties does it change the challenge for advertising?

**Alan Watson:** Well of course David has an advantage because as we know he has two brains so he grasps concepts like this but...

**Matthew Taylor:** And no fans.

**Alan Watson:** Absolutely but I think it does change it and it is part of this greater

knowledge and awareness on the part of consumers and again I referred to in the research the degree of scepticism and the willingness to challenge the advertising assertion. So therefore the way you get to consumers needs to demonstrate that you actually do understand but not in an exploitative way but that you understand because it is the precondition of communicating really where they're coming from and I think one of the big changes which social media in particular has begun to introduce is something that affects tonality. Politicians are having to learn this in a very difficult way but they are learning it as well, is that people are looking for legitimacy in the communication and legitimacy does require things like a certain transparency, a certain willingness, openness to admit problems and to talk about them and I think that's part of the maturity if you like of advertising.

There's one last thing if I can just throw in about this when we were talking about the impact of creativity in advertising I at one stage as a journalist was very involved in looking at the collapse of Eastern Germany and one of the reasons for the collapse of communism in Eastern Germany was that the authorities couldn't stop Western television being viewed across the DDR. And there was an absolute fixation on the part of people in Eastern Germany with the advertising that they were watching and they watched the advertising first of all to measure living standards, it was actually a measurement of living standards, the size of the car, the number of rooms in an apartment and so on but secondly they were very, very tied into the idea of what is the aspiration that lies behind the advertising. And I think that we have to revisit the question of not just the consumer's aspiration but also of our aspiration and if the aspiration is simply, or the ambition if you like, to sell as much of a product or a service as fast as you can it's an inadequate aspiration and in the end it won't do the industry much good.

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**Matthew Taylor:** Nicola how do you think our awareness that advertising is not simply responding to our revealed preferences but is shaping our preferences is going to do to the way advertising works?

**Nicola Mendelsohn:** I think it starts with a belief that advertisers almost have a Rasputin-like power, that we can...

**Matthew Taylor:** Manipulative.

**Nicola Mendelsohn:** Yeah manipulative that there's a load of gullible, unsuspecting consumers out there.

**Matthew Taylor:** That's what you tell your clients though isn't it?

**Nicola Mendelsohn:** Pretty well only on the fee negotiations but I just don't think that's true. I would agree with a lot of what you were just talking about in terms of we will shape and change because we always have done but I also think that there's a point that we actually also want to...we look to advertising, we look to other things in culture where we can get a little bit of hope and I don't want, and advertising provides us choice it's the reason we have so many different media channels because advertising fuels it. it's the reason that the Eastern Europeans wanted to have more than blue eyeshadow because the women wanted to look and have green, have brown or whatever it was that we were telling them at the time and it's the reason that I'll spend £200 on a dress when I could go and buy a very similar dress for £10 because it makes me just feel a little bit more different, interesting, bolder, whatever the reasons are and I think it's a very complicated thing the brain and its relationship with culture and its relationship with society today and advertising and I think we are only just beginning to learn more and more about it but what I love about this industry is as industries go it's always curious. Every time we find something new we go okay we've found that out how are we going to change now? What are we going to do to learn from that and adapt in a different way and as long as it continues to be as excited about the new things out there I think

the advertising and I think consumers will be happy to embrace the advertising that we come up with.

**Matthew Taylor:** What do you think Sam? How do you think our awareness of what advertising is trying to do to us does to advertising's power?

**Sam Delaney:** Yeah I kind of think that that's gone back for like a century. There was a book called something like *The Dark Manipulators...*

**Matthew Taylor:** *The Hidden Persuaders.* Vance Packard

**Sam Delaney:** *The Hidden Persuaders.* There were numerous other books along those lines.

**Matthew Taylor:** But interestingly about Vance Packard what was famous about that book was it was about subliminal advertising and its power was that it said there's a secret thing going on in advertising that you don't know about but the point I'm making is that we can't understand that all advertising is subliminal advertising. I mean that's the idea, the idea that some advertising is subliminal and some is not and that all advertising works at an emotional level and we're becoming aware of that.

**Sam Delaney:** Yeah it's at emotional level but I think that to suggest it's in some way manipulative or there is any dark arts behind it from my experience of meeting the guys who made the famous ads and speaking to people about it I don't buy that and I think that content is king and I think regardless of the way in which the media has changed I think that actually although as I said earlier it must be much harder to have creative ideas that cut through the ads that are successful, not just in terms of selling product but in just generating warmth towards them and popularity amongst the huge, and kind of uniting people on did you see that ad, are always the ads where there's just a simple idea brilliantly executed and although it is much

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harder for all the reasons we've discussed two of the best ads that have been so much more talked about than any other ad campaign I can think of for like the last decade have been this year I think. There's the Volkswagen Darth Vader ad which is absolutely brilliant and has somehow cut through because people have seen it through so many different mediums that everyone talks about it and everyone loves it and there's the Old Spice ad as well, you know, I'm on a horse. I mean these are two of the best ads that I've ever seen and they've both been in the space of this year and they've both done that job of cutting through and it's proved to me that content is king and as far as the manipulation thing goes I just think they're simple ideas from people sitting around in a room and it makes them laugh and they suspect it'll make other people laugh and then as a result people will feel warm towards that brand.

I also think that the idea that ads are kind of manipulating you into thinking that you need more than you've got or you should aspire to a more lavish lifestyle, the reverse is true of British audiences if you look at the most popular ad campaigns in Britain, it's always the brands that present themselves in some kind of authentic and down to earth sense that seem to be the ones that people feel warmest to and in successive polls and public votes for the most popular ad campaign of all time it was always the Mash Get Smash ads that came top and Gray Jolliffe was the guy who wrote that ad and he, like you say when you say there's guys who lived off an idea for years, he himself would say, "Yeah I was sitting around having a beer after hours and someone stuck their head round the door and said, 'We need a line for Smash,'" and he goes, "What is it?" and they said, "Well it's this powdered mashed potato," and he goes, "Well I don't know For Mash Get Smash," and he says, "And I made a million pound off of that moment," he said, "...and it's been voted every time the most successful ad campaign of all time." So that story alone shows the

idea that any admen that are creeping around with their kind of dark powers of manipulation proves in fact that they have good ideas that make them laugh in the office and then it makes us laugh and everyone's happy.

**Question 1:** Gemima Gibbons: I work at a PR company called All about Brands and I'm also on the Digital Engagement Group at the RSA. My question is don't you think that advertising has an image problem, because obviously you guys believe in it as an industry and that's great, but just a couple of things: At the company where I work, we've closed down our advertising outfit because people just weren't buying advertising any more - as in the big sort of above the line ads, and also at the Cannes Festival, they recently changed their name to the Cannes Festival of Creativity and they don't want to use the word 'advertising' any more, so I just wondered what you think of the fact that a lot of people see advertising as the kind of old school big billboards and the TV ads - they don't see it as all this new stuff.

**Question II:** Peter York: I love advertising and I love the people who do it but I feel sad for it and I feel sad for it because I would say there are some pretty ??? out there which I think you haven't really mentioned which are bearing down on traditional ?? scene in creative advertising particularly as done in Brooklyn and it's not just about the economy - advertising has survived all sorts of economic adversity. It's not about that, it's about the changing world, changing us, changing clients, clients are very scared ?? insecure people who are managing enormous budgets and who don't feel comfortable about it ???. At the level of agencies themselves, they have a problem, they used to be the only ?? for a certain kind of potential recruit - after Big Bang (?) they weren't and that's changed forever and then there's us, the audiences and you think the thing that made xx possible, the cultural difference, was not occurring. It describes

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the end of a cultural dialogue and all those things are utterly ?? - people have other things to do and they will always have other things to do.

**Matthew Taylor:** Okay thank you.

**Teresa Martez, psychologist:** I too don't buy into the idea that advertising is manipulative but nonetheless building on the idea of our cognitive fragilities we do know from recent cognitive research that there are strong priming effects so if people see an ad for food then they're more likely to eat in the ad break or even afterwards without awareness. So advertising may not be the cause of that necessarily, but to what extent should it be part of a solution particularly as governments around the country begin to think about what they're going to do about obesity?

**Matthew Taylor:** Okay so Sam just choose one or two of those.

**Sam Delaney:** Okay well one of the first things about the other reason that I think Pete's touched on it and the reason that I forgot and one of the other conclusions in my book that most people said to me about why things weren't and why creativity wasn't as thriving and why we didn't see as many great ad campaigns as before was the idea that there was more ad agencies fighting over a much smaller amount of clients and budget because of the fragmentation of it and therefore the upshot of that is you get less people who do what CDPs did in the 70s and sacked their clients because the clients kept bothering them too much, there was a classic line from their creative director where he said the man came back from Harveys Bristol Cream, his account guy and he said, it was Colin Millward was the name of the creative director of CDP and the account guy came back from presenting the work to the clients at Harveys Bristol Cream and he said, "What did they think?" and the account guy said, "They loved it, they loved everything about it, just a few changes they wondered if you could change the headline just a little bit there and the colour of the logo but other

than that it's fine." And he went, "Oh okay," then he turned around to Colin Millward and started talking to someone else. Then he turned back after five minutes and saw the account guy was still standing there holding it and he said, "What are you still doing here? Go on get on the train back to Bristol tell them they make the sherry we make the ads." Okay and that was almost like the prevailing attitude of these top fancy pants ad agencies in that era and the clients would go for it. Now it's the other way round as I understand it is that if you're fighting over less and less business and there's more people fighting against you and there's more, not just ad agencies but as we've discussed just creative practitioners who are available to these people who want the great ideas, you've got to compromise more and basically let the client influence your ideas and therefore you can come up with less kind of, shall we say, Maverick or exceptional ideas and necessarily ideas get watered down a great deal more and compromised. Also everyone's sort of talking about the negative image of the ad industry and it would be easy for me as the only member of this panel who hasn't actually worked in the industry and did spend a long time writing a column in the *Guardian Guide* which basically made easy jokes about rubbish ad campaigns every week to get stuck into it but I would say one thing that people have overlooked about the ad industry is that for many years it was a great patron to creativity in this country and remains so because it was providing the kind of resources to young creative people and really as we've seen the generations of people who started in advertising and then went way beyond into the worlds of arts and film and literature and other areas of culture. There was a time in the 70s and 80s where the average TV commercial in Britain was spending more money, more budget per frame than the average Hollywood blockbuster, as a result they drove innovation in film making forward faster than any other film making branch in

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the world including Hollywood and that's one of the reasons why so many people who made the British TV ads ended up being big hits in Hollywood., Stanley Kubrick rang up Adrian Lyne when Adrian Lyne was in his early 20s to ask him how he made a milk ad that Kubrick had seen when he was in Britain the last time and that's just one example of the way in which the ad industry has been a patron of the arts in a broader sense and one of the good things that people overlook and that people in the ad industry don't shout about too much because they're probably worried that it makes them sound pretentious but I can say it because I don't work in that industry.

**Matthew Taylor:** Alan do you want to just pick a couple of those points?

**Alan Watson:** Yes just a couple I mean first of all I think we've got to be a little careful about misplaced nostalgia for fundamental changes in distribution and technology. One of the reasons for the change in the impact of advertising is that by and large you don't and you can't depend on huge television audiences on a regular basis. Now there are new enormous audiences which are growing and they tend to be for global events. I mean for example the number of people who watched the Royal Wedding across the global was I think the biggest television audience ever recorded and these audiences appear to get bigger and bigger and we have a lot of global brands and maybe we ought to think more creatively about even a particular kind of British genius creativity being brought to those international global brands. But I think we mustn't be sentimental about the decline of terrestrial television or indeed, an evening when *The News of the World* ceases to exist to be too sentimental about distribution figures for newspapers and the fact is traditional newspapers and traditional broadcasting are both contracting industries and I don't see that contraction being reversed so where do we actually go? And I think just two things very quickly, first it is very important that brands grow roots, that they actually become

part of society and they express the aspirations of society and that they're not just flash one off purchase and secondly I think creativity is going to be based in a multimedia environment now. It's going to be, coming back to your earlier point, we're going to have brilliance about strategy, about understanding why people take certain decisions and that the decision is a journey and it's influenced by a lot of things and it does need confirmation from peer groups, it does need a different sort of exchange and I'll just give you one direct example which is actually to do with Tesco. Tesco as many of you will know decided to go into the continental United States with a new service and a new product called Fresh and Easy now no British retailer has ever made a success thus far of the United States, I mean everybody's tried, the banks have tried, Sainsbury tried, they've all failed. And when Tesco arrived of course Walmart predictably said, "Well it's not going to work because the Brits have never got it right and the redcoats keep on marching in but they always have to surrender in the end," and they were very much likely to have the wrong business model and one of the ways in which they propagated their idea that Tesco had got the wrong business model was blogging and really through the internet because no American, no self-respecting red-blooded American wants to shop in the wrong business model for God sake it's demeaning and it took Tesco a little time to understand how it would have to counteract this. It couldn't counteract it by traditional advertising partly because of the nature of newspaper media in the United States and there were a lot of different factors but they couldn't actually do it that way and so it wasn't really dependent on how much they spent or what they could do in traditional ways. The way they dealt with it and they have been very successful now actually is through social media. They had to create an environment in which there was mutual endorsement by people of the experience of shopping at Fresh and Easy.

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Now that's what I would call a strategic decision. It's understanding the journey to decision and we've got to be very good at it and we should be. But there's one last thing on that which is one of the reasons why we can be very good at it is actually there's only one world language at the moment and it happens to be the one we're using this evening, English is now overwhelmingly the preferred second language of the world and that gives us and our creativity a great advantage.

**Matthew Taylor:** Brilliant and then Nicola – a final word.

**Nicola Mendelsohn:** If I can take the first and last question because I think they work very well together. I think one as an industry we haven't probably done the best job of promoting the benefits of advertising as an industry, if you like we're a little bit of cobblers and shoes and therefore we've made ourselves very easy as a scapegoat for lots of people to come to us and say, "Well advertising you're so powerful we've got the images of *Mad Men* in our head," when I think they were a much more powerful industry in that time in terms of convincing people and perhaps in part maybe manipulating people than it is today but if I look at advertising in the UK what I see is the fact that we're a world leader. It's the reason that the people that have been trained here go on and run the global networks. They go and run the most important offices around the world. It's the reason that the Chinese advertising industry comes to the UK to learn and I think what we're seeing here also now it's because not only of our language but also because of our size, our adjacent creative industries and let's not forget the disproportionate amount of GPD that the creative industries in the UK represent second only to banking where you can see that we don't get the same airspace and indeed we're happy we don't get the same airspace as the banking industry but I think actually we should be much more proud of our industry and we should be much more proud of what we can offer to the world and

really this is an industry that Britain leads the world in and we should be doing more with government and more with our education system in order to offer it up to people that if you have got a Maths degree and a Physics degree that you think maybe of advertising and I can probably think at the moment that those kids that have got those sorts of degrees wouldn't necessarily think in the first instance. So that's what I think we should be doing. I think we should be celebrating one of the great assets that we've got in this country in UK PLC at a time when we're struggling to know in some ways where we're going as an industry and as a corporate country. So all very exciting we need to get out there and advertise advertising a bit more.

**Matthew Taylor:** Well thank you very much and I'm going to close the session now. And thank you for four brilliant questions. I know there are a lot more questions. The good news is that the Advertising Association will be working with us on another event which will be taking place in early autumn and you'll be able to find that on the RSA website very soon.

We've talked about advertising and it's impact but assumption is that advertising succeeds. I just want to remind you those of you who may be interested - I used to work for the Labour Party and just after Tony Blair became leader in 1995 I got a phone call from the Potato Marketing Board and they suggested to me that they wanted to break with convention because every year on the day of the potato harvest someone walks down Downing Street with a bowl of potatoes and gives them to the Prime Minister and every year it's photographed and they said, "We decided with John Major it's so hopeless and he's obviously going to lose and we're going to break with 100 years of tradition and we want Tony Blair the leader of the opposition, it'll be the first time a leader of the opposition gets the bowl of potatoes on the first day of the potato harvest and it'll be absolutely fantastic," and I said, "Well I'm

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not absolutely certain about really doing that at all,” and they said, “No, no, no you must, you must because we’ve had our ad agency and we’ve already got the headline it’s all there, New Labour, New Potatoes.” So it doesn’t always work. I want to ask you to finish by thanking our fantastic panel: Nicola Mendelsohn, Alan Watson and Sam Delaney.