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## McGarryBowen Is Ad Age's Agency of the Year

In 2009, Shop Struck the Perfect Blend of Old World and New World in the Rapidly Changing Agency Landscape



By RUPAL PAREKH

NEW YORK (AdAge.com) – Any ad agency will tell you the loss of a lucrative account is like a punch in the gut. Losing your founding client – that’s devastating. But that’s precisely what happened to McGarryBowen in 2007 when Verizon whittled its ad agency roster from 38 agencies to eight. The marketer’s move eliminated shops not linked to the biggest chunk of what was then a \$1.2 billion and growing marketing budget: wireless.

So what did John McGarry do? He took his former client to lunch.

“He is a class act and consummate professional,” said Verizon’s exec VP-chief marketing officer, John Stratton, of Mr. McGarry, who is renowned in the business as the epitome of the courtly, old-school account man. “He worked for two and half years to main-

tain the relationship, despite what were probably hard feelings. ... John really understands how to manage relationships well. It’s not overbearing, but he doesn’t fall off the radar screen long enough that you forget about him and his company.”

Yet when a trio of 50-something ad guys flung open McGarryBowen’s doors less than a decade ago, off-the-radar was where Mr. McGarry was headed. He was part of a group that exited Young & Rubicam after its 1998 public offering with wallets full and little need to confront the harsh new realities of the agency business. Madison Avenue’s halcyon days of easy 15% commissions were fading, bean-counting procurement execs were ascendant, and digital was becoming the name of the game.

McGarryBowen powered on though, with Mr. McGarry using old connec-

tions to bring in clients like Marriott and Chevron. And while the agency still leans heavily on its founder’s expansive Rolodex, in 2009 it demonstrated an understanding of what many of its peers are fast forgetting: for all the ways the ad business is forever changing, certain fundamentals – like sound account management – never change.

### ‘Old World’

Dana Anderson, senior VP-marketing at Kraft and a former agency executive herself, calls McGarryBowen’s service and attention to the client relationship remarkable in a way that’s “almost Old World.”

“Sometimes things move so fast, that falls to the bottom of the list [with agencies],” said Ms. Anderson, who was quick to note that the “Old World” does not mean the shop isn’t in-step with today’s rapidly changing business. “The ‘new world’ part is that they are transparent and collaborative. You’re invited to come down and look at work, they’ll bring you into the music studio to listen to 26 different tracks. It’s a new way of doing business that’s open and refreshing.”

That way of doing is business is why, when most agencies were chasing shrinking slices of accounts to stay afloat in a bad economy, McGarryBowen was grabbing giant chunks of blue-chip business in virtually every category. In 2009, McGarryBowen turned in its best year, with revenue up a jaw-dropping 25% thanks largely to a haul of \$600 million in new billings. Kraft moved a slew of accounts, from Oscar Mayer to Philadelphia Cream

Cheese to even Maxwell House – considered David Ogilvy’s prized client – to McGarryBowen. Pharmaceutical giant Pfizer handed the agency work for its Chantix smoking-cessation drug in the early part of 2009, then returned with ad duties for its biggest consumer brand, Viagra. And of course that lunch paid off as Verizon returned for the launch of Droid.

It wasn’t just the account-centric approach that delivered – so did the work. For Chase, McGarryBowen repositioned the brand in the middle of a financial crisis to give consumers web tools to better control debt; for Disney it used promotions like free birthday admission to turnaround a tourism slump and boost attendance at parks by 10%; its work for Crayola delivered a 20% retail boost during the holidays.

The creative and strategic thinking has improved, too. For the first time, McGarryBowen, best known for sentimental TV commercials, showed it had the chops to take on sophisticated, high-tech assignments like Droid.

#### Right notes

Going into the pitch, the agency lacked category experience and was considered the underdog. “I told John this was a-one-in-a-million shot,” said Mr. Stratton. “We gave them some background, but what we didn’t give them was time.” In a matter of one week – that’s right, seven days – McGarryBowen delivered a bold name, logo and a product personality to appeal to the 15- to 40-year-old target that heavily skewed male.

“They went to school on the whole thing, spent a lot of time on the blogs and got a sense of how that segment thought about [mobile] products,” Mr. Stratton said. “I was pretty much sold right away. ... I remember I put my pen down, sat back, just listened to the pitch and let it wash over me and thought, ‘This feels exactly like what we were looking for.’”

The campaign started with a teaser ad that drove watchers to a website. Sales, which analysts estimate were over 600,000 units in 2009, exceeded the company’s expectations, with the Droid becoming a popular alternative

to the iPhone.

“Losing Verizon and having it coming back again was the thrill of a lifetime,” Mr. McGarry told *Ad Age*. “The power of our model is in the strength of our relationships, which allow us to do great work. Other people’s models are about being disruptive ... but not about the relationships with clients. Closeness to clients is something you have to earn, and ask for. We are close to our clients at the marketing level, and every level.”

That closeness to clients permeates throughout the agency and seems to go both ways, exhibited by the willingness of heavy hitters such as Hewlett-Packard CMO Michael Mendenhall and JP Morgan Chase CEO Jamie Dimon to participate in a monthly speaker series at the agency and regale McGarryBowen staff with personal stories. McGarryBowen execs were even consulted by Chase in the run-up to the 2008 purchase of Bear Sterns.

#### Dentsu

It wasn’t long before those tight client relationships became the envy of the big holding companies. The independent shop has been courted by every major holding ad conglomerate, but McGarryBowen caught the adworld by surprise when it struck the deal to be acquired by Dentsu in late 2008.

“McGarryBowen chose Dentsu more than the other way around,” said Tim Andree, president-CEO at Dentsu Holdings USA. “The opportunity to have that kind of vast talent pool and a client roster that complements our great Japanese brands has helped raised our overall presence in the U.S.”

At McGarryBowen’s Manhattan offices – with its high ceilings and sweeping Hudson River views – an antique Samurai warrior jacket hangs in one of the glass conference rooms, a gift to Mr. McGarry from Gordon Bowen, one of the agency’s three partners and its chief creative officer. The jacket symbolizes a toast given by Dentsu colleagues in which Mr. McGarry was dubbed one of the “last great Samurais of Madison Avenue.”

“There’s not a phony bone in his body,” said Mr. Bowen about his colleague. “He genuinely cares about his

clients and their business.”

“The hallmark of their advertising is that they seem to be able to capture the essence of our brand while sending a straightforward retail message,” said Marty Muller, senior VP-global marketing, global creative Disney Destinations Marketing. “We get a lot of response to their advertising on our blogs.”

#### Sentimental?

“In a market that was brutal to everyone last year, our holiday business was up over 20%,” sad Sharon Hartley, exec VP-marketing and sales at Crayola, a pretty remarkable feat when you consider Crayola’s products, though evolved from simply crayons and markers, are all gender-neutral, non-violent and not as exciting as video games.

McGarryBowen’s work has gotten a tad edgier with stuff like Droid, but it’s still pretty easy to spot one of the shop’s ads, with its trademark tug-on-the-heartstrings themes. That trait is also what has some in the ad community under the false impression that the shop doesn’t understand how to do anything else.

John McGarry’s son, who works at the agency, puts it this way: “People don’t know because we’re not out there banging the drum about it. ... Any agency nowadays has to have digital chops; it’s not a differentiating factor. It’s a fundamental competency.” The younger John leads McGarryBowen’s digital practice, Continuity. The group has small projects of its own, like digital work for Martha Stewart, but the majority of is for McGarryBowen clients.

It seems like a long way from when the shop flung open its doors, but McGarryBowen feels like it’s just gotten started. “We continue to pinch ourselves here,” said Mr. McGarry. “We continue to feel we’ve just begun, as we are defining and redefining ourselves with our clients.”

But of course one thing remains the same: The client, as always, is in the center.