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IRVING WLADAWSKY-BERGER: We're really lucky to have Chris Wall as our guest lecturer today. Chris got a bachelor's at Northwestern University in political science, correct?

CHRIS WALL: Political science, yes.

IRVING WLADAWSKY-BERGER: And then somebody convinced him to write copy. And so he joined the advertising world, and he's had quite a number of positions. He worked work for Apple, so in between jobs leaving and jobs coming back. You were never there with me.

CHRIS WALL: No, I was at other jobs for about 12 years.

IRVING WLADAWSKY-BERGER: In the mid-'90s, he joined Ogilvy in New York, one of the most prominent advertising companies in the world. And in particular, around that time, IBM consolidated all of its advertising sovereignty. Prior to that, IBM had a gaggle of advertising companies with its own advertising, which is not a good idea if you want to establish a brand. And I worked really closely with Chris and Steve Hayden and other colleagues at Ogilvy on what became the key business strategy.

And if you remember the discussions with IBM, we had three times-- they had at least two major challenges. One is the internet was already hot in '95, '96, in the consumer space. But IBM was a business function, an enterprise company. So somehow, one had to communicate. Why should a business be excited about the internet challenge?

And [INAUDIBLE] challenge number two, I don't know which is harder here is that if you remember, IBM had just come from a near-death experience, and prior to IBM's near-death experience, IBM was viewed as a very uncool company-- striped blue suit and white tie, not what you associate with the internet.

So not only was IBM uncool, but IBM was viewed as near-death in the '93-'94 time frame. So Chris and Tim had to make IBM relevant to the new world of the internet. And you're talking about all these cool things they did and why that is so important. And Chris was creative director at Ogilvy for a long time, until just a few weeks ago, after you had agreed to [INAUDIBLE] this class [INAUDIBLE] he was named vice chairman.

So that's a very big job, running all over North America. [INAUDIBLE] start over with [INAUDIBLE] and we hope there is a relation between the [INAUDIBLE]. And with that, Chris Wall.

[APPLAUSE]

CHRIS WALL:

I worked at the BBDO on the Apple account for about eight years, launched a number of pretty significant products. I mean, we had-- at one time, Apple, as late as like about 1993, had about a 14% market share of-- 1992, '93-- of the computer business. And right now, they've got-- I think they said they had 8% in North America last month, which was huge. But overall, their shares hover around 2% or 3% for the last six or eight years. And I left when it was pretty clear that the management of the company was not going on an upward path. And I went in, I did the Windows 95 launch at a little agency in Portland called Wieden and Kennedy. And then I came to Ogilvy in the fall of 1996 to work on IBM.

And, I mean, I'm just going to stumble through my career at Ogilvy here a little bit and tell you various hopefully interesting stories about this kind of madness of what I do. And if you want to interrupt me at any time, please feel free because it's a quasi-linear. But, of course, the best way to predict the future is to invent it was a big mantra at Apple.

Apple really bought into the whole political evangelism of technology is enabling force and really kind of defined taking products that were pretty obscure and putting them in a-- talking to a much more mainstream audience about the power of technology in a way that other companies have tried to follow suit. But I think Apple was really early on that. But I also put-- and Dan Quayle, I thought that was a kind of a great quote that Alan said.

One of my favorite movies is *2001-- A Space Odyssey*. And I've been reading all these books about Kubrick lately, and there's a lot of stuff in there about Hal, because the HAL 9,000 Series was one digit away from IBM. HAL it's one digit away from IBM, which Kubrick denies, but it has to be that. Can't be coincidence. And I always thought The Monolith was like a great kind of IBM mainframe. People said it was god, but I actually think it was an IBM mainframe.

And there's all this great stuff in there. If you go back and watch it now, I mean, it's just a beautiful piece of filmmaking and imagery, even though it's kind of hard to follow and it kind of runs-- it gets so metaphorical at the end, I get completely lost. But the whole kind of relationship between knowledge and technology and the quest for the unknown is just it's so cool. It's so incredibly cool.

IRVING

WLADAWSKY-

BERGER:

I think when the movie first came out in the '60s, you were not supposed to be sober [INAUDIBLE]

CHRIS WALL:

You're supposed to be a little stoned, yeah, when you saw it. Yeah, I was about 8 or 10 or something, and I was sat in the back of the Evanston Theater, giggling, and all the kind of ponderous college students, probably from the Northwestern Technology Center, sat there, and they were all very disgusted with the little kids in the back giggling. But that defined my career.

IRVING

WLADAWSKY-

BERGER:

By the way, I'm not advocating [? drug use-- ?]

[LAUGHTER]

--just in case somebody [INAUDIBLE] from the MIT administration.

CHRIS WALL:

But anyway, I mean, I think that the movie is just a really great-- I love technology, and try and make your list of the top 10 engineering movies of all time, and there aren't that many of them. There's *The China Syndrome*, and there's-- I can't even think of what the other ones are, but this is one of them.

So this is IBM way before, and it's my personal story of my relationship with IBM, which therefore has to be partially fictitious and made up in romance in hindsight because that's the business I'm in, and way before before, before, and after.

And my first personal encounter with the IBM brand was at the World's Fair in Flushing in 1964. And for whatever reason, about a year ago, I kind of went back and revisited that. And I went on-- eBay is the greatest thing in the world because you can go in and buy all the souvenirs and all this stuff, all the guides.

And what's really interesting to me because in our company, Ogilvy has benefited enormously. The IBM account remade Ogilvy because it gave us a story that we could tell that has been incredibly powerful in convincing other clients to come with us, and as a result, we have DuPont, we have SAP, we have Motorola, we have all these companies that deal in technology and culture because we have a lot of people who can talk about it and are really turned on by the whole notion of technology and culture. And I think it's people who probably would have gone into engineering, except for they had no mathematical skills whatsoever.

And so anyway, in 1964, I remember because my father-- when we got to the World's Fair, the first thing that he wanted to do was go see the IBM building and/or the IBM exhibit, which was designed by-- Saarinen did the actual pavilion itself. And then the Eameses, Charles and Ray Eames, curated the exhibit, which was all about technology and progress. And this whole fair was this big thing about the power of technology and to define a better future. It was very optimistic.

And you think about, this is right after the Cuban Missile Crisis, and it was right after Sputnik, which was a huge threat. And literally, this opened six months after Kennedy was assassinated. And yet the thing was very, very optimistic. And it was all these great companies embracing the power of technology to make the world a better place. And so I went into this thing and this-- actually, they put you in this thing, and it rose up into the building. And I remember coming out and going, I'd never heard of IBM, I've never heard of it. I had no idea what it was. And I came out thinking this is the coolest company in the world.

But if you go back and look at the companies that I mean, they got something like 50 million people to come to this fair that was about science, technology, and a better future. And that was about a third of the population in terms of raw numbers. I mean, I assume some of these people went back three or four times, but it was about a third of the population of the United States came to see this. And it really was the last-- maybe not the last great World's Fair. I think there was Osaka, and there was one in-- but the kind of after the '60s, Expo '67, the whole thing went away, and Disney kind of took all that market, I think.

But all that was going on at the time. There was all this interest in technology and design and new materials and all this great stuff was going on. It was a very experimental time. But everything was space age. I mean, the Saarinen terminal at the TWA Terminal at JFK and tulip chairs and all this really cool stuff that all came out of an affinity for technology and new materials and stuff. All that was going on.

And we actually wound up doing a commercial that I'll show you where we used this, not really by design, but the Saarinen chair was one of the props in the thing. And so anyway, so that was my introduction to IBM. And if you look, you can still buy the Eames films on DVD, and they're really pretty fascinating. I mean, the stuff that IBM was doing with technology and culture and investing in all kinds of things that had-- they used Paul Rand a lot. I mean, they used all these really neat people.

And so the company was this-- this was a time when people believed that corporations were for the better in the world. I mean, it was very-- the whole thing was very optimistic because corporations kind of defined modern, progressive, enlightened diverse culture in the United States. And IBM was the ultimate corporation. I mean, if you look at the design standards and graphic standards and stuff of all the major corporations, they all kind of knocked off what IBM did in some form or other. And this was the time of all this cool stuff was going on-- the Space Needle and the Star Trek and supersonic planes and all that stuff. It was all this kind of-- I mean, I was so sad when they retired the Concorde because it was the last of that era kind of left.

And so let's see-- all the great companies were there. I mean, this was the Bell system was there, and they were all trying to outdo each other. General Motors had this really elaborate pavilion. Ford, of course, was there. And this was a time when these companies were the defining industrial companies. This one I thought-- but what's really kind of tragic about it is that almost none of these companies today are known for technology and innovation really anymore. And some of them seem to be hanging on by a thread. I mean, Kodak, that's another Ogilvy client. DuPont-- really companies that have either kind of vanished into obscurity, but they're certainly not seen as part of the defining culture of technology and innovation anymore. It's just kind of vanished. And then companies like RCA just went away. I mean, AMF had this thing-- It was really cool. The monorail, everybody thought it was going to be monorails. That was kind of future. They were there. They went out of business.

One of the other thing that's interesting, I mean, at this time, maybe you've talked about this, that the whole thing with the glass house, like when they had computers in glass houses, and they were like, there was no technical reason why a computer had to be behind a glass wall. It was basically so that the president or the chairman of a corporation could walk somebody as shareholders or new employees or whatever around. And it kind of proved that you were enlightened if you had one of these big IBM machines installed behind the glass wall.

And so there's always been this element of forward emotional belief in technology. And it started back in the days when companies could only afford-- only a few companies could afford these very expensive installations. And then when I was doing Apple, one of the things that worked for Apple and saved them every time was that they had this culture of people who really believed in them and talked them up and would sell Macs, no matter how stupid, no matter how foolishly Apple spent its money, they always had this installed base of people who would evangelize the products to other people.

And so that was a very, very powerful thing. And I think it's part of the same thing that people want to be seen as embracing technology and knowing about technology because it makes you-- you're a believer in the future. You have this faith that the future is going to be better and more interesting, and you want to be seen as being part of that.

IBM-- I mean, IBM, at least in my recollection, was seen-- in the '80s, IBM was really late to the party with the personal computer. And you had Apple had staked out a territory, and Apple was the media darling because Jobs is just gifted at playing the media. But you also had companies like Osborne and Atari and Texas Instruments and RadioShack and all these others selling a pretty substantial number of computers based on different operating systems, CPM, stuff like that.

And when IBM came with the PC, which was in 1981, it was really seen as IBM at its best because they had been behind the eight ball. And they did this skunkworks in Boca, where they put together out of existing components a new computer, put it out there. It was an immediate success. It defined the market. It knocked anybody-- it knocked CPM out of the market altogether. It niched Apple. And they had this very famous ad campaign that featured Charlie Chaplin. I mean, they seemed to be doing everything right.

And from about 1981 to about 1985-'86, IBM was still seemed to be hitting on all cylinders. And it was only in when they-- and actually, they launched the second generation PC, which was the PS/2. And they seemed like-- when I went to COMDEX that year, and seemed it was a huge event. And the anticipation-- the basic assumption was IBM could not fail. And so they went out, and they seemed to be hitting on all cylinders again, but they were unable to ever convince anyone, or after about two years into it, they kind of lost any ability to convince anyone that there was any real value in PS/2 and OS/2, and they've been doing a partnership with Microsoft, and that seemed to go south.

And all of a sudden, these kind of holes in the IBM mantra or the perfection of IBM started to evolve. And Apple had always used IBM as a kind of a foil, like when they did the 1984 commercial, they had always pitted themselves against IBM, which was completely ridiculous. I mean, Apple was making this little toy, and IBM did all these other things. And the scale of the two companies was ridiculous. It was not an Apple versus IBM, but Apple used that very successfully to make it seem to be a two horse race. And at the same time, then when IBM started to fail, there was some of that benefit accrued to Apple.

But anyway, so by about 1980, 1990, 1991, OS/2 was really a flop. And there was talk about breaking up the company. I mean, just about everything that could go wrong went wrong, and it seemed to go wrong pretty fast. And so then there came like a slew of publications in the early '90s that talked about the demise of IBM.

And these were two-- I mean, they were bestselling business books at the time, but it was very-- it became, all of a sudden, the whole world kind of piled on IBM and said IBM is finished. And the thing about in technology companies, the change between the top of the heap and the bottom of the barrel happens very, very quickly. If you're not ahead of it, if you're not paying attention, things can go south in a hurry. And I mean, Apple. Apple was always like this. It was like this product-- the Macintosh portable was just a disaster.

And then the Powerbook was a home run, and they did Newton, and they were kind of always-- they lived this cycle of birth and death and rebirth. And I think they were used to it, whereas for IBM, it was really hard because it was something that IBM just was not used to. They were used to a world where nobody ever got fired for buying IBM. And so this story was the cover of a *Fortune* magazine story that appeared that basically talked about the dinosaurs.

So you have GM, which was at the World's Fair, and Sears Roebuck and IBM as the dinosaurs of American business. And it's like an obituary because really, for a technology company, that's not something you come back from. And so right around, then, this account, the account was consolidated at Ogilvy, and I want to show you, if I can get my technology right here, I want to show you a commercial that was done not by Ogilvy. It was done by a predecessor agency of Ogilvy, and they had-- basically every fiefdom within IBM had its own stable of advertising companies.

And for some reason, although they had done a really great job launching the IBM PC, they changed agencies, and they went to an agency that-- they changed agencies several times, actually, and they went to an advertising agency that had done-- that kind of did jingles, and they were kind of known for doing packaged goods and stuff like soap and stuff like that. And so this was the launch of the PS/2, and it shows what happens when you put kind of jingle guys on a powerful piece of technology. And you'll note there's a little dig in here against Apple just in case you miss it.

[VIDEO PLAYBACK]

- You got to juggle
10 things all at once
and get them done
right. Get done
before lunch.

- How you got to do
it?

- Well, [INAUDIBLE]
it with the IBM PS/2.
You can do things
with Michael Chow
that other
computers just can't
handle. You got to
[INAUDIBLE] power
and speed. You're a
forward thinker.

- Yes, indeed.

- How you going to
do it easy?

- Easy, you're going
to PS/2 it.

- The solution is
IBM.

[END PLAYBACK]

CHRIS WALL:

I mean, I remember when that came out because I was working on Apple-- we just couldn't believe it because it was so incredibly-- everybody was so frightened of IBM, and it was just so bad and so stupid. And it violated every kind of ridiculous thing that you could ever do. And it was a complete flop. And they never really were able to explain why anyone would move to PS/2, and then the industry perceived it as a move back to proprietary, that there wasn't really any benefit to it. It was just IBM trying to enforce a proprietary system, a closed system.

So anyway, so in there is this cover-- this is going to take a couple of seconds to switch back and forth-- is happening, they came to Ogilvy. And this was the-- let me just go through this and see what it says. Nobody ever got fired for buying IBM, which was kind of before before, and then before was they don't get it. I mean, people thought IBM really did not get it. And you see the trying very hard to be what they're not.

I mean, it's not that unusual when a brand falls out of favor, they then try and be all the things they're not, thereby proving that they really aren't what everybody knew they weren't, and it goes from bad to-- from being just purely bad to being desperate and lonely. And so what I wanted to show you first here was a couple of things that Ogilvy did early on, both good and bad. I'm going to show you quite a bit of work. Most of it is either is either TV or film, just because it's more interesting to look at in an environment like this, and I don't want to pass out-- and I'm not even sure I have all the printed pieces anymore.

But I mean, we've done every conceivable thing that you can do for IBM. We've done TV spots, outdoor campaigns, trade shows, podcasts, radio spots. It is a chalk on sidewalks-- oh, god, that was another one. We made a lot of mistakes. And we've done thousands and thousands and thousands of these things. So I'm just showing you a smattering of things that we've done, in part because they have some stories behind them.

But one of the first things that Ogilvy did, and the first time Ogilvy right, was a campaign called Subtitles. And it started off really well, and it was under the theme line of a solution for a small planet, which was kind of back to a more thoughtful way of talking about what IBM did.

And it also got to-- Lou Gerstner, who had become the CEO, basically said, IBM is a solutions company. It's more valuable together rather than breaking it up. And a lot of people, including a lot of people within IBM and a lot of the financial analysts, were all kind of clamoring to break the company up. And there had been a lot of research done on subbranding and all this other stuff. And so that was, in hindsight, a pretty enlightened call. That really saved the company.

And so I'll play you the very first first Subtitle spot.

[TONE]

Now that series started with just little conversations like that, very unpretentious, simple, kind of charming, people talking about technology. There was another very famous commercial with a group of nuns walking through a nunnery and talking, and one of them says, I'd like to surf the web or something like that. So it was normal people and their ambitions of technology and involving IBM in that conversation, which was really smart.

Now it was very smart and it was very-- it was a confident thing to do. And it had an intelligence about it, and it had a kind of a modernness to it. So this was a very popular thing, and it was kind of what we call famous advertising that gave them the sense that maybe they were righting the ship.

Now, the only thing was, as big companies often do, once they have a success, they then try and make a shovel everything they do into it. And I actually was coming into Ogilvy right around then, although I don't take any blame for this particular thing. One of my early meetings was where they were discussing research about how successful this was in its testing phases. And this was a commercial for Christmas in which they wanted to keep the Subtitle campaign going.

Now, the thing about the subtitle campaign is it worked really well for saying regular people are out there talking about technology, but it couldn't explain anything too complicated because you can only get so many titles into 30 seconds or 60 seconds. And if you're talking about-- really, if you really want to explain complex technology, you have to explain it or demonstrate it. You can't just put it in words with all this other crap going on.

So what they did was they started with this very simple thing of people walking around talking about, gee, technology is neat. And it kind of became progressively shoveling more and more great IBM products and benefits into these what had been very simple scenes. And then they started to get bored, I think, a little bit with the fact that just two French guys walking along was-- that wasn't interesting enough. So they had to they made them more and more characters, and they made them more jokey. And it became less and less about real life, about IBM being a part of real life, and more and more about a dramatic conceit that ended with this rather extravagant take on Christmas and Santa. And he couldn't read the subtitles. It didn't matter. Nobody else read it either. How do I--

[TONE]

I mean, the basic problem there is that you have gone from two real French guys walking along the Seine to Santa Claus speaking Norwegian. Why does Santa Claus speak Norwegian? Well, nowhere else does he speak anything but either whatever the native language of the country is shown in, except for they had to do it to justify the subtitles. So you have Santa Claus speaking Norwegian while talking about real-time replication. I mean, it was just complete gibberish.

And so this is where it had gotten to the point where we'd kind of figured out how to humanize IBM again. But we had lost our ability to talk about complex things with any kind of authority. And to make matters worse, then they did a sequel. They got so wrapped up in this that they did a sequel, which I have to show you.

[TONE]

So now you have to understand-- now, the other thing about-- now, normally, in most dramatic depictions of the United States of Santa Claus, you would have Santa Claus, and you usually have, if you're going to have elves, the elves are usually played by midgets, but IBM is politically correct, so you can't do that. So they then become 15-year-old boys or 18-year-old boys. So now you've got Santa in the hot tub with the 18-year-old boys speaking Norwegian. And so at that point, it had just gotten-- it had gone back to being kind of not so good again. And that's the kind of thing you deal with a lot in advertising. It sounded good at the time, and then you go do it, and you go, oh my god.

When I started-- and really, I mean, I started in this business as a copywriter, and you work your way up to supervising people and more, but essentially, you write ads. You think up ads. And the group of guys that I got when I came to Ogilvy were really having struggling with IBM, and in part because the stuff was so complicated. You have to be really interested in this, or it comes through because if you just start-- because you start doing jokes like Santa Claus, if you don't love and you're not interested in the details of the technology.

So the other thing was there's such a volume of work that just getting it out every day stops you sometimes from thinking about what you're trying to do. And so what I try to do is just focus the group of guys and focus some of the clients at IBM on we need to do-- two or three things we needed to do. And if we did them, we would succeed. And if we didn't, it didn't matter what we did.

And so it was like our prime directive was to engage a younger audience, be a part of the future, instead a part of the past, and prove that IBM gets it. And that's kind of an issue of both style and substance. We had to be able to talk about what we do in a way that had some authority. At the same way, you had to prove that we understood the problems that people were having with everyday technology.

And one of the things, again, that happens a lot in large companies-- and I think it's more true of the East Coast than it is of the West Coast, or at least it was 10, 11 years ago-- is that what IBM would do is it would spend so much time discussing issues internally that, by the time it got around to talking to the outside world about them, the outside world would have been talking about it for quite a bit because all these companies in Silicon Valley would be out doing campaigns at various levels, talking about what was going on.

And IBM would arrive late and declare that, well, here's what's going on in the world. But everybody knew it already. So once again, it's proving that they weren't getting it. And so we tried to look for ways to just be credible, be what IBM always was, but be more timely, do things in a more timely fashion.

Now, as this was happening, one of the first things-- what was going on was there was a lot of buzz-- from basically from about '95 on, there was a lot of buzz about the internet. So by the end of '96, the internet was-- people were talking about it. It was all over the place. But there was a lot of stuff that was just about silly, frivolous stuff.

So what happened was-- IBM had bought Lotus Software, which was a very credible player in the PC space and in business computing at a PC level. And that account came to Ogilvy, and that was the first project that I worked on.

And it was a little dicey because the people at Lotus were very wary about-- I mean, they had an esprit de corps that was very different than IBM and very much more West Coast in its attitude. And they weren't quite sure that they wanted to be a part of IBM. But IBM said, well, go out and do some advertising for Lotus, which we did.

And so we basically wrote-- we basically decided that what Lotus was going to stand for was to be against stupid uses of the internet. And we were going to be for business, and we were going to be against stupid uses of the internet. And we basically did this campaign in about five weeks.

And we used Denis Leary, who kind of is a ranting guy, who's really funny when he's against things. And I'll show you a couple of those-- the very first spots that we did. And we did them so fast, there were some-- these were quite controversial within IBM at the time. But we did them so fast that IBM couldn't muster itself to stand in the way of them just because we got them done, and we did them in about three days.

[BEEP]

And so that was a very different attitude. And they were pretty controversial within IBM, I think, but they certainly struck a chord-- I mean, I think, actually-- I can't remember. There was one of these campaigns we did early on where Gerstner really didn't like it. But he showed it to his son, and his son said, that's cool. You should be doing more of that. That's the coolest thing you've ever done. And that saved us.

[LAUGHTER]

And so there was another one we did in that series, which I just-- I've always liked this one because it's entertaining.

[BEEP]

So anyway, so that gave a different jolt to the whole process. And while we were doing that, we had a discussion with Lotus, and they were concerned that Denis Leary wouldn't work overseas. And so we went, and we shot another commercial while we were shooting the other ones. And it was basically the story of a conference call from hell, where none of the technology worked.

And it was pretty good. I mean, we shot it in about 45 minutes. But when we were done with it, Lotus was so enamored with Leary, and they liked him, and he clearly was-- and they liked the fact that IBM was nervous about it because it made them feel like they were still Lotus. And so we just kind of put this spot in a drawer, and we didn't do anything with it for a while.

And about-- I don't know-- four or five months later, we were doing some other work and still struggling quite a bit with IBM and where to go after the Subtitles because the other thing is, the thing with the Santa Claus and the dwarves-- or the young boys in hot tubs-- young Vulcans in hot tubs-- was that someone had screwed up, and by accident, they had run that spot 26 times on New Year's Day in the middle of football. And so the next day, like Regis and Kathie Lee are making fun of, IBM can't afford more than one commercial. And it was just unbelievably stupid and really bad.

So as all this is going on, we're trying to come up with some new campaign and really having a lot of trouble with it. And so one of the exercises we did in desperation was to take this spot that you're about to see and just put an IBM logo at the end of it.

[BEEP]

[LAUGHTER]

Now that wasn't the form-- I mean, the interesting thing about that campaign, which wound up being a pretty famous campaign-- it has now run in some form or another for almost 10 years. And the original spot was shot for a different company. It was shot in color, and the letter boxing was something that we added later, along the way.

One of the things I think is cool about technology is it's inherently improvisational. That's part of the beauty of it is you take this piece and this piece together, and you get something you never thought you were going to get. Or you hand it to somebody, and you get something you never thought you were going to get.

So I've always tried to embrace the dynamic nature of change that's part of the business and take it into the advertising business because the nature of a lot of marketing and a lot of marketing communications is to try and distill things down slowly, over time, to the perfect answer, whereas, in technology, everything changes week to week, month to month. And if you can't do things quickly or take advantage of change, you can get in fairly desperate trouble pretty quickly.

So we evolved this improvisational style, where we would go out to write some commercials, or we'd start on a piece thinking it's going to go here, and then it would go someplace a little bit different. At IBM, one of the big changes for IBM was they kind of got used to working that way. And eventually, pretty quickly, we came to this e-business campaign, which came out, I think, of-- I think the idea of doing e-business came out of corporate-- John Iwata's group or something.

**IRVING
WLADAWSKY-
BERGER:**

[INAUDIBLE] my--

CHRIS WALL:

Or it was you, I mean, because--

**IRVING
WLADAWSKY-
BERGER:**

[INAUDIBLE]

CHRIS WALL:

But it was-- I mean, it comes down to the agency, like e-business. And for us, the problem was-- if you look at-- it's very hard to do brand transformations. They're hard to do. But usually, when they happen, they're anchored in some kind of product.

So when Apple transformed itself recently, it was the iPod. The iPod was a transforming technology. It mostly came down to, here's your music. And so everybody who bought one of those things, that was the proof of transformation.

When Volkswagen-- I mean, Volkswagen had a terrible slump for 20 years. But when they came out with a new Beetle, it changed everything. And they became a new company, and they became much more successful. But IBM really didn't do that.

And IBM still makes basically, evolved, but the same products that they made 25 years ago, and certainly in 1996, there wasn't anything new. I mean, there wasn't very much you could touch. Now there's nothing you could touch because they've sold off the Personal Computing Division. And so it was hard for us because it was like, you need something to take a picture of that you can say, see? We've changed.

So we approached e-business-- I mean, the reason we did this logo was because we needed something to show, something to happen that would, say, become a-- so we tried to treat this like a product launch without any products. And we found that-- you see the problem of the Santa Claus commercial, besides being a stupid idea, was that you're taking something very arcane and complex and trying to jam it into something and make it interesting in the middle of a football game.

And it's not. It's not an executive forum or a demo or something. It's the middle of a football game. So it has to be somewhat interesting and motivating in the midst of an environment where somebody's not really prepared to look at it.

And what we found is that whenever you can't explain the solution, people do understand the problem. I mean, it's an old advertising convention, but it's true. People understand problems. The other thing that was good for IBM was that we were able to talk about problems in a way that said, we can help-- not necessarily that we have all the answers, but that we can help. And that sort of disarmed people and gave them a chance to think about IBM as being something that was different and was among the people, as opposed to this monolithic dinosaur.

The other thing that was good about e-business was that it wasn't proprietary. Even though the lawyers will always try to own it-- the lawyers don't really like the whole notion of open source. They don't like it. And so they'll always try and own it. And Microsoft, at the time we were doing this, was really at the peak of their strength.

And they were trying to sell an idea called Digital Nervous System, which was a proprietary marketing gimmick, whereas we said, we want everybody to use this terminology that we use, so that if everybody uses it, then we become part of something that's seen as successful, rather than just trying to own this and go and do the e-business boutique.

**IRVING
WLADAWSKY-
BERGER:**

But we didn't trademark e-business on purpose--

CHRIS WALL:

Right.

**IRVING
WLADAWSKY-
BERGER:**

--just the E.

CHRIS WALL:

Just the E.

IRVING Yeah.

**WLADAWSKY-
BERGER:**

CHRIS WALL: And actually, at the time this campaign broke, Intel had a group called Pandisc, I think, that was doing e-business. They didn't do it very loud. And HP had an online zine called *e-business*, too. I mean, it was around. So the fact that it wasn't proprietary to IBM was really helpful.

And so anyway, so I'm going to show you the very first things-- that conference call spot was the very first spot. And then the next is sort of a group of things that happened in the early part of the campaign. And they, a lot of times, didn't really spell out exactly what IBM did, but they just tried to get inside the problems.

[BEEP]

I mean, that kind of gets-- even the-- yes?

AUDIENCE: So where does this "Solutions for a Small Planet" come from? Is that from before you guys?

CHRIS WALL: No, that was an Ogilvy idea. But it started with the Subtitles campaign, and then it kind of carried through. And then eventually, what we found is people kind of referred to us as the e-business campaign. And so we just didn't need it, and it just kind of went away.

AUDIENCE: What was that for? What message does that send? [? Solutions ?] of all kinds, that kind of message?

CHRIS WALL: Well, some of it was IBM-- I mean, I think in the context of what it was written as, it was, IBM was perceived as a hardware company and a mainframe company, and "Solutions" perceived as something more current and more modern. And "Small Planet" was just about the kind of social dynamic of the internet and everything, the connected world, bringing everybody together.

**IRVING
WLADAWSKY-
BERGER:** But remember, you also said it the first [? time ?] that, when it first came out in '93, IBM was going to tear itself apart. And so the "Solutions for a Small Planet," when it first came out in '93, was a signal that IBM was not going to tear itself apart. And that was what-- you said that at the beginning.

CHRIS WALL: I mean, also, I mean, one of the things-- and I haven't talked about it at all, but as we get into some of this other stuff, a big part of this was talking to IBM. A lot of this work talked to IBM about itself. And I think one of the things that Gerstner tried to do was lead the company from the outside by setting the agenda for the inside from outside.

**IRVING
WLADAWSKY-
BERGER:** In fact, if I can put in context what was going on, remember, we had done this strategy for the business, and we were trying to execute it. The question is, how do you explain it? I mean, it was everything. So how the hell do you explain it?

And the hardest people to explain anything to is our own people. They wanted to know, well, OK, so what do I sell? And we say, well, sell everything. Yes, I know, but-- this is bullshit. There were lots of things like that.

And somehow, when the ads started to appear in the fall of 1997, it changed everything. Within six months and [INAUDIBLE] probably a few more ads, people started to get it, which gets back to something you were mentioning over dinner last night, that a lot of what your-- you were explaining the parallel between religion and dystopia.

You need people to believe. And if they believe, they say, ah, now I understand. And if they don't want to believe, they say, this is crap. These advertising people-- it's empty. But it's a very subtle boundary, isn't it, between, do you get people to believe, or do people--

CHRIS WALL: Well, I mean, I've always felt like technology is a faith business because if you believe that somebody can do what they say, you'll pay them, and you'll pay a premium for it. And if you don't, you simply won't hire them. And since you don't really know-- I mean, you're not selling just a box. Or if you are, you're going to configure--

[DING]

What was that about? Good Lord.

[LAUGHTER]

AUDIENCE: Sorry about that.

CHRIS WALL: That's all right.

AUDIENCE: [INAUDIBLE]

CHRIS WALL: But I mean, it really does come down to faith. I mean, it's funny because a lot of faith comes from a perception of momentum. It comes from a perception of new, even if not necessarily new. It comes from good press.

One of the things that Apple did with the iPod that was so brilliant, and they've done it really well a few times, is they made it seem very big in a few places. They didn't make it necessarily-- they didn't spend all their money everywhere in the world. But they went into Soho. I'm sure they were around here at certain key, influential colleges, stuff like that. And they seemed to be very big in those places. And that's-- yes?

AUDIENCE: Yeah. So the other thing was the artistic choice of putting blue-- obviously, it's for emphasizing the brand, the blue associated with IBM. And the black and white is just so that [INAUDIBLE].

CHRIS WALL: Just to look different. Here was the challenge. We wanted to do something that looked different, but we didn't want to be-- because the problem with the PS2 thing, aside from the fact that it's just stupid, was that it was trying to be not what IBM is. And so what we said is, look, there's a lot of people who are rooting for IBM. There are a lot of people who have the faith in IBM and want IBM to be seen as good because they go in and sell it to their own constituency.

I mean, IBM has a huge-- any of these technology companies have got a huge constituency of people who are their supporters, whether they're business partners who are selling the stuff or people on the inside who have signed their careers away because they have faith. And somebody says, fine. If you think it's good, then we'll write a check. And so there were a lot of people who were rooting for IBM.

So when we did this campaign, we tried to be true to what IBM was about without being the old paternal-- there was a very paternal voice of big corporations that say-- it's sort of like the oil companies when they come out and do campaigns where they say, we're putting fish hatcheries in, and we're making the world-- these kind of big, bombastic things. Nobody believes them, ever, because they're not true.

We actually did a campaign for British Petroleum where we did "It's a Start." And it's much more effective because it doesn't say that BP is fixing everything. It just says, we're starting, and it's got a tone that's more grounded. And so it's much more credible that it's a start than it is that it's the answer because they're clearly a gas company, and they sell gasoline.

I mean, we did things like we used humor, humor and irony, just as kind of a-- because it translates as confidence. If you can make people laugh, they usually like you. And I mean, it's not more complicated than that. So I have two more of those that I'll show you.

[BEEP]

**IRVING
WLADAWSKY-
BERGER:**

In the early days of the business-- it may have been '97-- but we got a call in December that Victoria's Secret wants to put their fashion show on the web. Now, I don't know if you know Victoria's Secret Fashion Show, but you can imagine what it looks like.

And we said, great. Have you talked to the CIO? No. We need help. This is December. They were going to do an ad in the Super Bowl to tell everybody that, in another two weeks, they were going to do the thing on the web.

And these people were just going bananas. What the hell are they going to do? The net of that is that the website, at the end, we did all kinds of things. It's [? stable. ?] We were able to keep it together. We had to sign on to the company Mark Cuban [? sold. ?] I don't remember what it was called in that topic. [INAUDIBLE].

You could go to the website, and then when you click to get the streaming video, that [INAUDIBLE]. So this thing about forgetting to tell people, that was happening right and left in the '97, '98 time frame because it was all so new. It's also fascinating that the public was totally forgiving because it was new. And so--

CHRIS WALL:

I mean, but that's-- anybody who deals in technology realizes it doesn't always do what it's supposed to do. And the more ambitious you try to make it-- I mean, I'm goofing around with this, trying to get it to work here. You accept it. And that's a little bit different. Yeah?

AUDIENCE:

Was there any group in IBM that studied the impact of these advertisements and marketing that you guys were doing for technology and your solutions, or was it just based on, OK, this is what we have for marketing, and let's spend this much of money? Or did you just-- you know what I'm getting. Did you do any kind of feedback analysis that--

CHRIS WALL:

Absolutely, absolutely.

AUDIENCE:

--this is working, this is not working?

CHRIS WALL:

Absolutely, but it's an imperfect thing because-- I mean, here's part of it. I mean, remember, I'm a creative person, so I'm going to give you my point of view on it, which is, IBM makes all kinds of products, and they range from-- at least at the time this was being done, it ranged from a ThinkPad that cost \$2,000 to a supply chain engagement that takes eight months to get a sign-off on and costs millions of dollars. And if you sell one or one, the long-term profit impact is enormous versus the ThinkPad.

But if you go out and test, what kind of people come to testing? A lot of the direct-- I mean, this isn't like if you-- the easiest, most trackable kind of advertising are things like if you run Wendy's because, with Wendy's, you run an ad on Sunday night, and tomorrow morning, you sell however many chicken sandwiches. And you know how it worked versus the last time you did it. It's pretty scientific.

With a web-enabled supply chain, there's a long engagement process, and it just depends. It depends. If you think about e-business, e-business changed everything for IBM. But it's hard to say which was the most important thing in those things because it probably depended on who you were talking to and because you have all these constituencies that are different in their impact, and a lot of them will not go to advertising testing. Or it doesn't boil down to one thing.

I mean, for example, one of the things-- I brought these along because I just want to make clear that this was not just a bunch of television advertising. It's more interesting to look at here.

This was a piece we did-- we produced originally for *The Wall Street Journal* as a launch piece for e-business. It was eight pages. And it was all around the theme of, are you ready for e-business? And it was very dense copy. I mean, we deliberately wrote this as very dense copy with every single fact that we could find within IBM to support the e-business manifesto.

And do we think everybody read all this copy? No, absolutely not. We kind of said, well, look, there are going to be three kinds of people that read this. There's going to be-- most people are going to look at this, and they're going to say, wow, this is a big statement. IBM is up to something. But they're not going to read the whole thing.

Then there's going to be a second tier, which is still going to be pretty big. It's going to read some of the captions. So we wrote it so that if you just read the captions, you felt like IBM was up to something, and there was real substance behind it and that there was a real sense of movement going on. I mean, part of the reason-- we tried to capture a sense of all the participants in this, that it wasn't just for big business.

And it was all about all the things you should worry about, about the opportunities and the pitfalls. It was really carefully written. And what we were trying to do was do a product launch of something that didn't have any products that you could show by capturing this sense of, it's a movement. And so it was all in this topicality of all the people who are ready for e-business.

And the thing was, people took it as true. I mean, they absolutely took it as true. And then you finally had-- the people who actually read it were completely persuaded. And we kind of have anecdotal testing research that supported that. But that's pretty typical. I mean, it's kind of common sense.

But we used this as a mailing piece. We used it as an internal piece. We used it to the IBM board of directors. I mean, we used it as-- we put this thing as many places as we could put it.

And some people said, well, it's an indulgence, running all this advertising at one time. And it was. It absolutely was. But at the same time, it was a statement. It was a stake in the ground. And it said there was substance behind this, and it wasn't just a tagline.

And so I think the combination of broad media that just said "e-business" and then this kind of depth every so often was really helpful. And we did have customers who would come in having read this, and they would call IBM and ask, tell me more. So then, eventually, we also extended-- so that was the issue. Yeah? Yes?

AUDIENCE: Did you have any issue about having two different messages, for example, one is the internet, and the other one is transition to service company? Because those guys that I know of who worked at the Global Services, they had a hard time selling the concept of IBM becoming more like a service company at the time.

CHRIS WALL: Yes, we did have some issue with that, including the fact that some of IBM was not really prepared to talk about e-business. On the other hand, if you ask yourself, Where would IBM be without e-business? the answer is, in technology, you have to get the word out. And part of the way you get the word out to your own people is by doing it big because they don't pay attention to it when it just comes in through email. They do pay attention to it when it--

IRVING WLADAWSKY-BERGER: I think that one of the reasons-- actually, Lou Gerstner said, Irving, we have to go outside in. Partly it's so nobody inside gets confused that we're asking them for permission. So not everybody was with the program. And the most skeptical people were-- I mean, people in the labs know this stuff.

The people in the sales, some [INAUDIBLE]. A lot of them said, I just want to sell my stuff. This is crap. Really, we were [? fighting ?] "This is bullshit." But nobody spends this much money on bullshit. And everybody knows, to spend this much money, the chairman is behind it because he's giving interviews and so on.

And so by going outside in-- and remember, I'm talking big brand-dividing strategies-- everybody has to come along or else you better go get another job. And I think that was-- you have to be careful how you do that because there are times you do that-- we tried that in OS/2, and it was a disaster because [INAUDIBLE].

CHRIS WALL: I mean, the thing about e-business was, it was happening. People were interested in it. And so it wasn't a marketing gimmick. It was really a view about what was occurring.

IRVING WLADAWSKY-BERGER: [INAUDIBLE]

CHRIS WALL: Yeah.

IRVING WLADAWSKY-BERGER: So you'll see, you have to be very careful when you go outside in. And I have a feeling it's easier to go outside in if what you are talking about is already happening out there. Am I correct?

CHRIS WALL: It's more likely to resonate with people if it's-- I mean, the thing is, it's hard to just-- if you're going to introduce a mayonnaise, or you want to put ketchup in a bottle of shampoo, I guess you can go out and create the need for that. You can invent the need for that, and a certain amount of people will try ketchup shampoo, and you find out whether it's going to fail or not.

But in something that's as complex and faith-based as technology, big technology, there has to be truth to it. I mean, the old, old, old adage in advertising is, an advertising campaign that's a lie will make a product fail faster because people will try it, and they'll say, it's not true, and then that's it. It's over.

And so there has to be some truth. Certainly, with e-business, the truth of the matter was, what IBM was able to do was take something that was really going on and articulate it well and make it interesting and make it big. And it gave people permission to think about IBM in a different way, which was part of the future instead of part of the past.

And one of the things that we did early on while we were doing-- all the TV commercials and that manifesto and stuff were done for a fairly small group within IBM corporate headquarters. And what we tried to do then was-- IBM was spending all this money in other places. So Global Services had a campaign, and the software guys had a campaign, and Lotus had a campaign, all these other guys. And they were spending pretty significant amounts of money.

So we went to them and tried to say, well, OK, from now on, the PC company is going to be-- it's not going to be notebook computers anymore. It's going to be e-business tools. And at first, they were really resistant to that because they said oh, that's a corporate initiative. It's not for us. And we said, no, no, trust us. This will work. And I forget. We had some crisis where we had to do it really quickly. And so they said, OK.

So we went out and did this campaign for e-business tools. And as soon as we got enough volume, the feedback started coming back very positively about the whole e-business thing. And the timing of it, everything was-- so a lot of this is about timing. So the timing of it was really good.

And we did things like we took-- again, IBM had very little that you could-- we didn't make very many objects of desire. But one of the things that we did make was this flat panel. This was an early flat panel. It was designed by Richard Sapper. And we made these wallsize-size posters of the flat panel monitors and put them up around Wall Street with just ibm.com underneath and e-business tools on them.

And we tried to do what the iPod was doing or what the iPod eventually wound up doing in Soho. We tried to do it a few blocks further south, just to try and say that IBM could make products that people wanted, that you would look at that and go, I want one of those on my desk.

And then we just called it e-business tools. So we took the cool monitor and glued it to the big story, which IBM, I think, tried to get very analytical and was sort of like, well, these don't have very much impact on our profits. We only make \$100 a monitor. And why would we do that. And the answer was because that's proof of faith. It's proof that IBM could do something really neat that you would want.

And we had a Global Services campaign. And all we did was portraits of people you wouldn't expect to work for IBM because IBM's classic thing was middle-aged, white guys in a blue suit. And so we tried to pick people who were not typical of IBM, and they were doing things like-- each one of these things would be a job description of some job you didn't know went in with IBM. So it would be-- somebody would be an ethical hacker, or someone would be an e-business strategist or something like that.

But it was consciously trying to be a little surprising. We thought surprise was a big-- while still being true to what we are, because this was still very IBM, but it just had a more modern voice. We ran this stuff all over the world. We ran it in Charles de Gaulle and all over the place. And it was sort of like, no one ad was that important. It was more like the collective feeling was, IBM's got cool people, interesting products.

And then we did this campaign about six months after we started "e-business," and we called this "e-culture." And all this was about was, we created this thing of, so-and-so.com is an IBM e-business. Now, all that really meant was we gave you a cable and plugged you into a wall. It was a very low bar. And frankly, we had a lot of discussion within IBM because the IBM clients kept saying, can't we say more? And we'd go, well, all you really did was kind of just-- you gave them some software, and they didn't really do very much. But they became an IBM e-business.

And then so this one, I think, was-- e-chord was Yamaha pianos, and this was Motorola, e-chat. And this was [? REA, ?] the outdoor company. And there was, in Europe-- we ran this all over the place. We had some French companies. We did it online. We did it in brochures. We did it-- every place you could do it, we tried to do it.

And again, we weren't that concerned with any one story. What we wanted to do was make it feel like, every time I turn around, somebody is becoming an IBM e-business, up to the point where Victoria's Secret called up and said, we're going to do this deal, but we only want to do it if we can be part of this campaign.

Then they said, we want to-- they cut a deal with the salespeople at IBM and said, we'll use our photography in the-- you have to use our Victoria's Secret photography, which they then send us a portrait-- a stack of these photographs that are basically against every IBM kind of gender, sex guideline. And so then we had to deal with that.

But all these companies, all of a sudden, wanted to be in the campaign, which was great for IBM, although then they didn't have-- they hadn't set aside money to do some of these ads, but contracts were coming in. So all of this stuff kind of happened at the same time. And as it happened, IBM got much more courageous about, everything didn't have to be perfect. Everything didn't have to be exactly figured out.

And I brought a couple more things to show, which are risk-- or other things that we did. And I've got, like, five things put together here. One was for a-- at the time, we were doing a lot of sports marketing. And that sports marketing stuff always kind of went to waste. So we tried we tried to use the sports marketing stuff to make it still technology statements, without making them too goofy. And you'll see a real range of tonality here, from inspiring-- yes?

AUDIENCE: No, continue. I don't want to interrupt.

CHRIS WALL: No, go ahead, go ahead.

AUDIENCE: So the other question I have was, IBM has always been associated with serving businesses.

CHRIS WALL: Right.

IRVING WLADAWSKY-BERGER: So the choice of medium for these advertising, through broadcast medium to everybody out there, what was behind that? Why won't they just advertise it through other channels that are more specific, that go to businesses only? And why would you--

CHRIS WALL:

Well, actually, if you want to reach senior-- at least in North America, if you want to reach senior, either IT or-- if you want to reach IT or business-- because there are two basic kinds of people who approve IBM, the guys who build the stuff, the implementers, and the guys who believe the technology can help them do something to help run the organization better.

Those people are hard to reach, and there are a lot of people trying to reach them. So where you find them is Sunday morning television, issue-oriented television, like *Meet the Press*. I mean, you find some of them on the CNBC and stuff like that, but it's a very small group of people because that's like-- people watch that 15 minutes at a time. They just have it running in the background. Nothing really goes on on there.

So unless you have your own CEO is going to be on or something-- I mean, so we run on there. But they watch sports. You want to reach the cream of the crop of American business, it's the Masters. IBM is one of three sponsors. They're very golf-- but football, basically any sports, you find a pretty big contingent of business people.

And then if you want to talk to people in small business or medium-sized business, which, that's where a lot of the growth is, those people watch that. They read *The Wall Street Journal*. There's a lot of IT books, but everybody reads the-- or websites. I mean, there are more general sites that a lot of people who are involved in that watch.

And it's changed a little bit over time, too, because the explosive growth of the internet is-- and that's actually the second part of what I brought is where everything is going because nobody really knows. And a lot of this stuff is seven, eight years old. And the whole e-business thing really was about nine years ago, nine or eight years ago.

Anyway, so I'm going to show this group. The first one is one we did for the US Open, tennis. The second one is for-- this is one of the spots that the senior IBM management absolutely hated this campaign, but we were all very proud of it because it was like it was golf done kind of hip. But they just hated it. This lasted about five minutes, but I brought it because I hadn't watched it in a while, and I thought it was funny.

There's a spot in here from-- we did a campaign for the Olympics. IBM was an Olympic sponsor. And that was an interesting thing, too, in the whole change in technology. I mean, IBM was an Olympic sponsor for a long, long time, and they did all the scoring.

When IBM started, the scoring was really simple. And when they finished, the scoring had become this incredibly complex, web-enabled, real time, real results in real time. The Olympics got a lot bigger thing, and it became-- it cost costs IBM way more to do it.

It cost them-- the Olympic sponsorship was something like \$40 million, and I think IBM was spending, like, \$150 million to do it. It was an extraordinary commitment. And the thing is, if you screwed it up, which happened in Atlanta, it became a huge embarrassment. And then the Olympic people are just kind of awful to work with. So they dropped it.

And then there's a thing in here that we did for e-business innovations. This was about three years into the campaign. And there's another one in there for servers that we did for IBM servers. And at the time, people were still thinking that mainframes were dead, and they still looked at IBM as a mainframe company.

So all we wanted to do was say, it's not a mainframe. It's a server, because server-- because there are a lot of very simple things, like server is modern language. Mainframe was old-fashioned. So we just were trying to say that a server was something-- these big, black boxes were servers, not just-- so I'll run all of this. It's about 2 and 1/2 minutes.

[BEEP]

I've got a couple more things on this first part here. So anyway, so if you go back to this thing, one of the things in this *Fortune* article that was good in the storytelling part of this is that Interbrand runs a survey-- a company called Interbrand, runs a survey in which they purport to be able to put a value on the value of a brand.

And in this issue, they had given IBM something like the 250-something most valuable brand in the world ranking. And actually they rated any product with an IBM brand as-- or they rated the total value of an IBM brand as minus \$50 million. And that means that a product with an IBM logo on it was worth less than one with no logo at all.

And by the time the e-business campaign is out there for about 18 months, two years, they were running this story in *Fortune* in which they actually put-- they made this up. This wasn't a real ad. They made this up and put Gerstner in one of the e-business people ads and talked about "from big, blue dinosaur to e-business animal." And the Interbrand survey ranking on IBM had gone from number 250 something to number 3. And it had a value of billions of dollars.

So I mean, for us, for the ad guys, this is always great because, again, without any new products, it's a perception game. And it wasn't just the advertising, but it was clearly the communication of what the company could do and both succeed as a business and not be broken up into its component parts was pretty powerful.

Eventually, we wound up doing-- I mean, we got very confident with this, and we formulated it in a bunch of ways. We kept this campaign going for about four years. We won a lot of Effie Awards, which are given for effectiveness by the American Marketing Association, including the Grand Effie. And we actually did this commercial in which these two guys are taking a picture of the Leaning Tower of Pisa, and it collapses. And we ran it on September 10, 2001. And it was like-- it was really weird.

Anyway, then this is one-- I brought a couple of other things. As time went on, we eventually went into doing this campaign for e-business on demand. And the idea here was, this started with this idea of-- we're always dealing with IBM in this zone between what you see in the commercial about the magic box, which is the possibility of what technology can do, but also the reality of how you get there. So we're kind of balancing-- we try and play optimist and skeptic at the same time.

And so we did-- this campaign was-- or this little drawing was the start of a campaign based on taking the false promises of technology and putting them into some kind of a device that we made up. And it was just a prop. And I brought a couple of those to show you because I think they're some of the more popular things we ever did.

[BEEP]

That's kind of the optimist. That's kind of the skeptic side. And then I'll show you these spots that we did for-- well, it was actually-- we did a large campaign. It was for Linux. And the original idea started-- a couple of young guys had this idea for-- IBM had committed to Linux, and Linux was very counter-IBM because it was grassroots. It was open source.

The company has had a knock against it forever for being proprietary. They put it on mainframes. They put it on everything. And yet, it was kind of an obscure thing. I mean, Linux, by nature, is an obscure thing. I mean, most people don't know what it is. I'm not even sure I know exactly what it is.

But there was a lot of press about it. And again, the myth of technology is, people love the iconoclastic, eccentric innovator, and they love telling that story. So they will write that story over, and over, and over again. And it started with Jobs and Wozniak up to Linus Torvalds. And people like that story.

So IBM embracing that story was something kind of obscure. And one of the Creative guys had an idea to do a little fable in which we actually embodied Linux in a little kid because the whole thing was about how everybody contributed to Linux and stuff like that.

**IRVING
WLADAWSKY-
BERGER:**

Yeah, and I mean, there's another very interesting angle. A couple of years after we embraced Linux, we were sued for billions and billions on SCO, perhaps with Microsoft help, perhaps not [INAUDIBLE] anything have been written on that yet. And David Boies, who's a very famous lawyer, was the lawyer.

And it was a fascinating campaign because, again, here is IBM, known for the company lawyers and the one that sues people on this side of [? Slashdot. ?] I don't know if you know what [? Slashdot ?] is. [INAUDIBLE] community of hackers and [? open ?] people. And IBM on one side, and then here is Microsoft and David Boies and these other people. So that was also going on [INAUDIBLE].

CHRIS WALL:

Well, and the thing that was-- I mean, I think our original thought about this it was, it was a really good idea for IBM to produce this commercial because what we thought we would do is we would run it a couple of times in a very public place, and then we'd post it somewhere, and it would be sent around by the Linux community. And it would be seen as a good thing for IBM to promote Linux as this optimistic part of the future.

But what happened when we actually ran it is we got so much good feedback on it just as a piece of film that we wound up making a much bigger deal out of it and evangelizing Unix. And we actually-- I'm going to show you two commercials. I'll show you the first one that we did, and then we wound up actually running it on-- we did another version of it that we ran on the Super Bowl about 18 months later that got us a lot of very good press.

Getting to the whole issue of how to quantify the return on investment, it's hard to say. But Linux was another one of those big gambles that worked from a business level and also from a spiritual level. So let me--

[BEEP]

I went back to this, just because I found, actually, this, just to justify this next picture, which was finding the remains of the World's Fair on some website, at some place in, like, Waco, Texas or something. I thought that was a really cool picture. But I think the conclusion is that IBM was able to embrace the future and has become a part of it again in a way that a lot of these companies didn't. And so it all comes down to faith. So that's the first part.

**IRVING
WLADAWSKY-
BERGER:**

Why don't we take a few minutes? And then, for the next part, I ask Chris to tell us, where is marketing and advertising going, given everything going on around Google and so on? I really wanted you to see this work directly from the people who did it because operationalizing a strategy is really difficult.

And remember, if you spend a lot of time building something in the labs, and if the marketplace doesn't accept it, you just wasted a lot of money. And that's why you need to spend a lot of time in the lab. But boy, if you don't figure out how to create demand in the marketplace, we just don't have anything.

And when you have a disruptive innovation like the internet was or Linux, the marketplace doesn't know it wants it. They don't know what the hell you're talking about. So you somehow have to create this pull from the marketplace, this faith. And as I hope you got from Chris, this is a lot of hard work, and it's really, really creative, hard work more to extract the essence of what it is you [INAUDIBLE] those and then communicate it out there. So why don't we take 5, 10 minutes, and then we'll continue.

One thing that I also hope you notice throughout Chris's talk is the whole creative storytelling aspect, which is such a big part, because people often say, well, science, technology, engineering, and so on, are analytical [INAUDIBLE]. And obviously, that part is very important. But if you're trying to communicate what [? intel ?] is for, it's much more holistic, much more of a creative part.

And the reason this is so important is because I think that part of engineering, which I associate with architecture and design, I think has been lost. And so very complex things-- somebody has to do it. And I can also tell you that, when we were working on these campaigns, on the ads, the people [INAUDIBLE] spent a lot of time with our experts in IBM talking to them so they could extract from them, why are you excited? Tell me about it. And then they [INAUDIBLE] happen.

AUDIENCE:

So I had a question about this whole brand-building exercise. So this technology that you were promoting at that time was available to all other companies, and they were probably pushing it as much as you were. There were a lot of competitors in that domain. Your [? quote-- ?] or your real strength was not really technology, but the people, the people that were giving these solutions [INAUDIBLE]?

**IRVING
WLADAWSKY-
BERGER:**

Let me give my answer, and then Chris can do that. The internet-- when we started in '96, everybody knew already the internet was really exciting. But it was-- first of all, nobody knew what was it excited for. And it was very much a consumer kind of activity.

And remember, IBM's brand is business, and IBM's clients are people in business. And by business, you are including health care, government, universities. So it's not consumer. So we needed to take this thing and make it relevant to business. That was the unique thing we needed to do.

And that's why, when you see the ads, they all keep, one way or another, saying, yeah, I know this is cute and funny logos and all that. But business-- that's what you need to do. So that's what [INAUDIBLE].

AUDIENCE: So what you are really selling were the professional services [INAUDIBLE]?

IRVING WLADAWSKY-BERGER: Everything. We were also hardware and software because the hardware and software-- we wanted our clients to buy hardware and software to run this internet-based application or to run Linux-based applications.

CHRIS WALL: I mean, we also-- keep in mind, you're looking at about eight years' worth of communications from a company that does an awful lot of stuff. So there were plenty of ads that we did that said, here's a new server. Here's why we made it. It's got this, it's got this, it's got this. I mean, you have to tell people-- there's a basic informational part of doing what we do, where you go, we made a new product, we have a new version, we have an upgrade, stuff like that. I didn't bring that because it's not as entertaining, frankly, to look at, and it's kind of what you would expect. I mean, the bigger thing for IBM was the change from, I don't think they get it, to, I think that they're one of the companies that's defining the way the world is going to work. And I mean, so that's really what this-- I brought mostly to just show that kind of thing.

AUDIENCE: So the reason I asked this is because there are other consulting companies like-- I don't know-- McKinsey, Bain. They never advertise their services this way. They're not selling technology. They're selling their people's skills and services and such. You were actually selling technology there, and through that, [? services. ?]

IRVING WLADAWSKY-BERGER: [INAUDIBLE] we were selling [INAUDIBLE]. Also, IBM is much bigger [INAUDIBLE].

CHRIS WALL: I mean, and those companies-- like McKinsey, I don't think, does any advertising.

AUDIENCE: [INAUDIBLE]

CHRIS WALL: Yeah. I mean--

AUDIENCE: Yeah. Accenture does a lot.

IRVING WLADAWSKY-BERGER: Accenture does a lot.

CHRIS WALL: Accenture does a lot. And it just depends because McKinsey has been around for forever, and they have all these personal relationships. It's not that big of a company, and it's a very personal, specialized-- it's like CAA or something like that. It's a very specialized business. And IBM is not really competing with McKinsey.

AUDIENCE: No, they're not competing. It's just that they sell their people's skills also. But we never see them advertising anything. So you are definitely selling something different.

CHRIS WALL: We are selling all of it, and we are also trying to speak to a very big constituency of people, and including the people who work for IBM, kind of. So it was a very different problem.

Let me tell you what this is. This is something completely different. And I brought this, and I'm not sure that you're even remotely interested in this. This is a rant that I did.

It's about 20 minutes about the future of web marketing because right now, the advertising business, there's a lot of-- like everything to do with technology, there's a lot of-- everything in technology is set up as a war between A versus B. So Apple versus IBM, people want to write that story. So one of the stories right now is the internet versus television or old media versus new media.

And so I did a version of this talk at a conference that we sponsor called Verge in New York last year. And then I did a cut-down version of it for Johnson & Johnson marketing conference that was all about new media and stuff like that.

And so the beginning starts off here a little-- like, why did you start off this way? They basically said, come in-- one of the themes of this-- they had, like, 20 speakers, and everybody started with, as they walked on stage, with their favorite song, which I'm not going to play. But it's kind of where this thing starts. And I just literally pulled this out of my computer because I thought it might be of interest to you. So it's about 20 minutes, and it's just a rant. And I'm just going to read it.

My assistant, Maria, came into my office a few weeks ago saying that she wanted my favorite song to play as I walked on stage for this presentation. And I said, I don't have a favorite song, a single song that stands above all others. And she said, you have to have a favorite song. Give me a song.

And I said, well, how do you compare "Blue Suede Shoes" to "My Sharona" to Timbaland's greatest hits? And why should I pick one song when, in a digital world, I can have them all? And she said, give me a song, will you? So I said, OK. And my choice was "Peggy Sue" by Buddy Holly and The Crickets.

And it's a good song for talking about storytelling in a digital age because, like a lot of great songs, there is actually a story behind it, or actually a number of stories. The first story is Peggy Sue herself, the Lubbock, Texas teenager who inspired the song-- well, OK, she didn't actually inspire the song. The song was originally called "Cindy Lou," but the drummer of Buddy Holly's band was dating Peggy Sue, and to impress her, he asked that the song be named after her.

And that was before marketing really got involved in these things. And so Buddy Holly said, sure. And in fact, the drummer wound up marrying Peggy Sue, and she became Buddy Holly's biggest hit, eventually inspiring everyone from the Beatles and Beach Boys and a thousand others. The name Beatles, actually, was a John Lennon homage to the name of Buddy Holly's band, The Crickets.

And that band influenced an awful lot of the music we listen to today. I mean, the Rolling Stones' first hit was a cover of Buddy Holly's "Not Fade Away," which was also recorded by Dylan, by Bruce Springsteen, by the Grateful Dead, among others. And Holly's songs were covered by Marshall Crenshaw, Tanya Tucker, Link Wray, Santana, Elvis Costello, John Mellencamp, James Taylor, and, well, you've got the picture.

The song, in fact, was such a hit that Holly wrote a sequel called "Peggy Sue Got Married," which led to the 1986 movie directed by Francis Ford Coppola. Buddy Holly was ranked number 13 on the list of the Greatest Artists of All Time by Rolling Stone, number 13 being appropriate because, like a lot of great stories, there's a huge element of tragedy, namely the plane crash on a cold February night in Clear Lake, Iowa that ended Holly's life at the age of 22 and inspired Don McLean to write one of the great storytelling songs of all time, "American Pie," in which he sang about the day the music died.

So Chris, where are you going with this? I'd like to make a slight digression at this point. I am, after all, a marketing professional, and having been thinking about the whole digital discussion this year, the extraordinary change affecting our business, a revolution, a transformation, blah, blah, blah, blah, blah, blah, blah-- you know what I mean.

Most of the talk is about technology. What's the hardware? What's the software? What are the components and technologies and infrastructure issues? There is endless talk about click rates and page views and search engine optimization. I've blogged this, people. I know.

Now, I've spent my whole career as a copywriter working on digital products, having been creative director for two decades on IBM, Apple, Microsoft, SAP, Lotus, AT&T Wireless, Motorola, and half a dozen other brands. And one of the techniques I have personally used over the years to sell stuff like this is to take ideas that have been around forever and storytelling and express it with a bunch of new lingo that alternately intimidates or excites an audience into action, which brings me to my topic today.

This white paper will be downloadable at my website. That is, if you throw enough jargon at people, they start to think what you're talking about, whether or not you actually do. Enron virtualizing the sale and distribution of energy in the '90s-- who invested in that? GM talked about how they were going to use CAD/CAM and robotics to transform their companies in the '80s. That sure worked.

Remember when everybody was afraid of being Amazoned by companies like Global Crossing and pets.com? The more things change, the more they stay the same. My name is Chris Wall, and I approve this message.

[LAUGHTER]

Today, everybody is talking about branded content as the next new thing. But is it new, really? Is there a better example of branded content than the Macy's Thanksgiving Day Parade? This started in the 1920s. That is 80 years ago. Or what about *Miracle on 34th Street*, the classic movie that cast Macy's as one of the central characters? It was made in 1947. That's a year before David Ogilvy started his advertising agency.

Among the many brilliant things that David Ogilvy said about advertising way back then was the importance of story value in advertising. And over the years, marketers have tried all kinds of things to make their stories more valuable. People like stories. People are interested in stories.

Branded content is just a new way of saying, we need more story value if anyone is going to pay attention to our brands. And if you think about brands as stories, I think it changes how you think about building brands. It affects process and structure, and it's a lot more important than technology and jargon.

Big ideas, David Ogilvy called them. Unless your advertising contains a big idea, he said, it will pass like a ship in the night. When I was growing up in this business, there was an axiom that said, big brands do big things, and important brands do important things. And I don't really think that has changed. How you do it doesn't matter, but if you don't, your brand won't be big, and you won't be important.

Anyway, forget about technology for a moment, and think about this. For the past five decades or so, the responsibility for attracting the large audiences we need to do big things went to the networks, the production companies, and the magazine and newspaper publishers. They were the storytellers. They brought the audience. We went to where the audience was and tried to deliver a compelling message in a few seconds here and a few seconds there.

Because we only had a few seconds, we focused everything on perfectly refining our unique selling propositions and product benefits. We honed, and we tested, and we distilled, and we refined. That was our project for the year, those precious few impressions. Get the brand promise right and then perfect the execution. And we would literally spend months noodling and fiddling and testing, trying to get, say, the perfect depiction of the bristles of a toothbrush as it turned into the light or the beer pour or whatever it took. And the whole discussion of story value kind fell by the wayside.

But when you talk about branded content, you're essentially saying that we, the marketers, are going to take at least part of the responsibility for attracting an audience and holding on to them. And that means story value is back with extreme prejudice. David Ogilvy was right.

Now, much has been made over the past few years about the decline of mass media, and the primary reason cited is the rise of new media-- the internet, gaming, and so on. Technology is the reason. Technology is to blame. It's been reported so often that people just take it for granted as true.

But I would like to offer an alternative theory. Now, I apologize if I get a little academic here. This is MIT. These are the Beverly Hillbillies, Uncle Jed, Granny, Elly May, and Jethro. This half-hour show about a family of Ozark rubes who strike oil and become petro-millionaires debuted on the CBS Television Network, September 26, 1962. And for two years, it was the number one show in America.

At the height of its nine-year run, eight of the top 25 most viewed television programs of all time were episodes of *The Beverly Hillbillies*. And one program, entitled "The Giant Jackrabbit," was the single most viewed program ever and is reputed to have attracted 80 million viewers in one sitting, two and a half times more than the best episode of *American Idol*.

Now, back in the '60s, the networks provided enormous amounts of content to a large and insatiable viewing public. There were only three networks, but they provided a whole lot more content over the course of a year than anybody provides now.

What do I mean by that? In 1962, their first year on the air, *The Beverly Hillbillies* produced 36 episodes. That means from the premiere episode the last week in September, you could watch every week until the last week in May without seeing a single repeat. That means every week you got a new show, and there was no big deal about an all-new *Beverly Hillbillies*. That was just assumed by the audience.

Contrast this with *The Sopranos*, which, in its last season, debuted a new season with just 12 episodes, one third of what *The Beverly Hillbillies* produced in its first year. And today, most new shows only produce between 18 and 22 episodes in a season. *The Beverly Hillbillies*, though, produced another 36 episodes in 1963, year two, compared to *Seinfeld*, which produced only 180 episodes in nine years. That's just 20 per season.

Now, *The Beverly Hillbillies* story was told in a different era. Here is a still shot from the opening sequence, in which you see the Winston cigarette truck driving past as they sing about Winston tasting good like a cigarette should. How many sponsors today are this tightly connected to the characters in a show? But back then, it was how the business worked. Actors did in-character pitches for products, so they became part of the story. Everybody had a vested interest in putting on a show for the audience.

Sometime around the end of the '60s, something happened. The networks got cocky and started taking the audience for granted, or actors felt it was beneath them to shill for the product, or the advertisers started to get cheap. But something changed. In 1965, *The Beverly Hillbillies* produced only 34 episodes; in 1966, just 32; in 1967 and '68, only 30; in 1969 and 1970, 26; and in 1971, they buried the Clampetts for good in a season that produced only 24 episodes.

Now, at the same time this was going on, the number of ads in a program began to rise. In 1961, a typical hour-long program ran 51 minutes, with 9 minutes set aside for commercials. Today, an hour-long show runs 42 minutes with 18 minutes or more used for commercial breaks.

Now, think about it. Viewers were getting more and more control of what they could watch and how easily they could change what they watched. At the same time, programmers were producing less and less of what people wanted to see and filling it up with more and more commercial messages broken into smaller and smaller parts. And the reward for being a loyal viewer got smaller, and smaller, and smaller, and smaller until there aren't any anymore.

Technology my ass. Even in the final season, *The Beverly Hillbillies* produced more episodes than most of the programs on the air today. Now, if you look at most of the great properties in the history of all media, they have been mostly episodic in nature. Charles Dickens wrote *A Tale of Two Cities* to serialize in magazines. *Sherlock Holmes* was written in the same way. *Star Wars*, *Halo*, *Doom*-- you name it.

It's a paradox. The audience wants things that are new and fresh, but they enjoy the comfort of regular characters, a narrative they know, a familiar music and themes, an expectation of the kind of content they are going to see-- in other words, story value.

I mean, George Lucas got this way before anybody else started talking about new media when he took *Star Wars* from the big screen into toys, games, cartoons, books. What is a *Star Wars* toy, anyway, but a form of user-generated content, episodic content? And I think it applies to any media that has ever been invented.

Think about the Beatles. They were a band in North America for only about six years, from January of 1964 until the spring of 1970. But in that time, just six years, they put out 13 LPs, 17 EPs, and 45 single records. They put out a Christmas record every year for their official fan club. They put out four feature-length movies, an original TV special, and a cartoon show, as well as making dozens of TV appearances and mounting three worldwide concert tours.

The Beatles built their popularity on episodic content. There was something new constantly coming out for the fans. Contrast this with Michael Jackson, the best-selling recording artist of the 1980s, who put out only five albums of original content between 1982 and 2001. And I'm not counting the court TV stories.

[LAUGHTER]

Today, many bands wait two or three years or more before putting out a new record. Is it any wonder the music business is in trouble? Forget about technology. It's really about creativity. It's about story value. If you don't generate enough story, you will lose your audience.

How many times have you gone to a website, realized you can't find what you want, or you go back, and it hasn't changed since the last time you were there? Do you ever go back again? Probably not. So many websites out there are just like enormous filing cabinets, like the last scene in *Raiders of the Lost Ark*.

The technical problems are so daunting, I suppose you shouldn't be surprised that we spend so much time talking about them. But sooner or later, technical problems get solved. The bigger questions, it seems to me, is, how do you keep people engaged with your brands? And that's a creative problem, not a technical question.

I want to throw one more thought at you. We are on the brink of a revolution. And keep in mind, you've all been nondisclosed. We have entered the era of AIWAC technology. AIWAC technology can now be found in cell phones, and PDAs, and BlackBerries, and dozens of other handheld devices, as well as everything from iBooks, to digital cameras, to predator drones.

AIWAC technology is inexpensive, pervasive, and easy to use. It is cross-platform, based on open-source code, web-enabled, real time, full motion, 30 FPS, digital capture based on universal drag-and-drop AIWAC protocols. Unfortunately, AIWAC stands for Any Idiot With A Camera.

[LAUGHTER]

And just like digital publishing put fonts in the hands of people who immediately tried to squeeze as many as possible onto a page, there are plenty of people running around creating staggering amounts of content without much substance. There will come a time very soon when we will have to say, America, put the camera down.

What a great time to be a lonely person. Never have so many people had so much ability to upload and share so much content that no one will ever see. Seven lonely people in the middle of the night watching a video of your boyfriend as he ties his shoes is no way to build a billion-dollar brand.

If you look at the development of any major media, you will find that, as each media has matured-- movies, radio, TV, and recorded music-- the production costs of content have gone steadily up. The bar has been raised, not lowered. Edison's first recording was him singing "Mary Had a Little Lamb." The Beatles' first album was recorded in a single day. By the time "Sergeant Pepper" came along, it took months and months and millions of dollars.

Production quality, when used properly, is an aspect of storytelling and story value, and storytelling is an art that is not easily mastered. But I digress. With multiple screens going simultaneously, and attention moving from screen to screen, we obviously have more ways to lose an audience, but at the same time, we have more ways to keep our episodic stories both evolving and involving.

If you think about marketing as an episodic exercise, you very quickly get to issues of structure and process. Who does what? Where do you put the different roles? Some brands have taken editorial control in-house, and they engage agencies to do different tasks on a project-by-project basis. But it's hard to glue together a coherent story from a bunch of disparate sources.

That's why I think brand journalism is also a way to think about this. Think about it as a newspaper or magazine. In those kinds of organizations, a publisher plays a different role than the editor in chief. The publisher runs the business, worries about production, controls costs, and so on. The editor in chief, on the other hand, usually comes from the creative side. A writer becomes a senior writer becomes an editor and so on up the ranks. So if your brand is a story, and your story has to be refreshed constantly, and you're the brand publisher, where are you going to put the editorial function?

At a time when corporations are trying to shed overhead and outsourcing all kinds of things they used to do in-house, are you going to be allowed to build a cost center in the form of an editorial staff who can manage and creative direct your brand story? Are you going to be able to nurture it and protect it in a financial structure that runs quarter to quarter?

Personally, I think agencies are better equipped to provide that, though they will have to stop being so project focused and become newsrooms for brands. The brand will be the plot, and the product may not be the hero. And our collective job will be to generate an ongoing stream of newsworthy content, regardless of media, but still held together by a consistent editorial point of view.

We have a lot of work to do, all of us. Our timelines are too long, our decision processes are too slow. *The New York Times* comes out with 100 pages every single day. Half of tomorrow hasn't even happened yet, but it will be there in the morning.

This is what I'm thinking. But having said all that, I still think there's room in the present for good, old-fashioned, strategically focused, classically executed creative communication. Consider the way the most significant digital product of the last 20 years got that way. I'm thinking about the iPod, of course.

Did Steve Jobs engaged in a branded entertainment, wiki-based, alternative media strategy? No. He runs beautifully crafted TV commercials scored with hot new songs by famous bands. He puts up outdoor boards that have a picture of the product and say, 1,000 songs in your pocket, or 10,000 songs in your pocket, or videos, or whatever the benefit of the latest model is.

He puts banners in places where people are interested in music and technology. He shows you the product. And on his website, he sells you the product. He helps you understand the difference between good, better, and best.

The Macintosh platform failed to become the dominant computing platform because he didn't make it big enough, fast enough. I know because I was there. But then again, maybe that's the story of the value in the Apple story. The ups and downs of Apple have been part of the American business mythology for the past 25 years. His company has never been about just making products. It's about revolution and transformation, the overthrow of the established order.

And Apple's story has been nothing if not episodic, sometimes even a soap opera, always with a villain, a story that has attracted attention vastly out of proportion to Apple's 4% market share in the computer business. It's not just a great story, it's a big story, which brings me back to my original point. Big brands do big things. Important brands do important things. It doesn't matter how you do them. You just have to do them.

And with some tolerance for lack of political correctness, I find there to be no more powerful, more relevant, or more timely commentary on the importance of storytelling than the one David Ogilvy said so eloquently more than three decades ago. You cannot bore people into buying your product. You can only interest them. The consumer isn't a moron. She is your wife. That's it.

[APPLAUSE]

Anyway, I don't know if-- that's a little bit off of what I think you guys are looking for. But what else can I tell you? Anything? Yes?

AUDIENCE: So if we move out of the lineage of IBM, and we look at rebuilding a brand, I think one of the biggest challenges today is rebuilding a brand of an American car company.

CHRIS WALL: It's huge.

AUDIENCE: Yeah, it is. I've never bought an American car in my life. But one of the Mercury brands, it seems to me that it's changing my mind. I mean, it seems like the advertising is working. And it's surprising to me-- it's just anecdotal, but it's surprising to me that I have this more favorable idea of Mercury right now, whereas I never did. Can you talk about the challenges of something like that, just changing that perception?

CHRIS WALL: Yeah. Funnily enough, this summer, I was working on a project for Ford, who's grappling with that in a major way. And I mean, it's a monumental-- it's almost like the problems become so big they can't be solved because you have so many people working on them that you just confuse yourself.

I mean, the reason that Apple was able to reverse itself was because Jobs came in, and he had a point of view, and he took a few people, and he went and did it. And they needed that because that's very efficient. But it was not based on research. It wasn't based on-- it was a very intuitive sense of, this is what we got. This is what I need. Let's go do it. And they kind of galvanized around things pretty quickly. I mean, that is the advantage of, when you've fallen so far from grace, is you can sometimes get that going.

If you look at American car companies over the last 25 years, it has been a steady, ridiculous, predictable decline, with a few exceptions. I mean, we were talking-- on the way in, we were talking about exactly the same thing because the thing that Mercedes did with the German guy who was kind of-- he was a real guy, but people thought he was like Colonel Sanders. With a German guy trying--

**IRVING
WLADAWSKY-
BERGER:** [INAUDIBLE]

CHRIS WALL: I mean, I think Detroit has-- my own personal feeling, if you compare Detroit to Toyota and Honda, the way Toyota and Honda talk about their cars is has very modern, California technology bent. If you look at the way Ford and Chevy and all these others talk, they are trying too hard. It always sounds like they're just-- like, their socks don't match. Something's wrong. Something doesn't quite work.

And it's weird because the Ford problem-- I mean, at least from Ford's point of view-- I tend to agree with them-- was, they think their products are better than the perception. And until you reverse the perception, you're going to have a hard time selling the products away without giving them away. And if you give them away, it hurts the perception.

And they don't know what to do. They don't know what to do. And I honestly think it's-- I always felt like they should look at cars-- there's so much technology. And this, of course, is my own personal bias. But there's so much technology in cars that what they need to do is to adopt a point of view that I'm not selling cars. I'm selling computers. And I'm selling you-- what I want to do is be part of the future instead of part of the past.

What American car companies have tended to do is they go nostalgic a lot of times. That's one of those things-- there's a certain campaign that you will see. Whenever you see a company say, whatever the thing is, we invented it, it always means, we invented it. We lost control of it. Somebody is doing it better, and now we're completely irrelevant, because that's always the campaign when they do it. You usually see it in airports, where it's by Piedmont Airlines or something, like some nonplayer saying that they were good once as they fall into the grave.

**IRVING
WLADAWSKY-
BERGER:** Chris, let's say [INAUDIBLE] GM [INAUDIBLE] that higher [? up ?] [? look-- ?]

CHRIS WALL: Right.

**IRVING
WLADAWSKY-
BERGER:** --to go [INAUDIBLE]. They hired him from Chrysler, wasn't it?

CHRIS WALL: Right, Chrysler.

**IRVING
WLADAWSKY-
BERGER:** But I don't know what has come out.

CHRIS WALL: Well, the problem is, engineering-- car manufacturing takes-- I mean, the problem is, if-- I think the hard thing about being a creative person in the car business is, if you lay an egg, it takes five, six years, if they give you another shot, to undo it. It's just, it takes a long time.

So how do you get people-- they have not tended to attract-- a lot of the creative people who would have gone to the car companies in the '50s or '60s go to work in Google or Microsoft or someplace like that because that's seems--

IRVING WLADAWSKY-BERGER: None of you have worked in a car company, right? Everybody here was working for [INAUDIBLE]. Am I correct?

AUDIENCE: I used to work for a car company.

CHRIS WALL: Which one?

AUDIENCE: I used to work for a car company.

IRVING WLADAWSKY-BERGER: Yeah, but actually, [INAUDIBLE] is trying to do something very creative, which is sell a car for-- how much money, did you say?

[INTERPOSING VOICES]

AUDIENCE: \$2,500.

IRVING WLADAWSKY-BERGER: \$2,500. That's--

CHRIS WALL: But in the United States or in north--

[? IRVING WLADAWSKY-BERGER: ?] In India.

CHRIS WALL: In India, right. OK. I mean, the problem with-- I mean, the Detroit problem is Detroit because it's like, there are cars made in America, for example, that are doing just fine. But they're Toyotas and Hondas and BMWs and whatever that are at least assembled in the United States.

AUDIENCE: It seems like every car commercial has the same shot of a car on a curvy road. And it's like, I think of how the Volkswagen ones have gone a totally different route, either with humor with-- I don't know-- [INAUDIBLE] or whatever in the the Jetta ones, or even the ones on their safety [? bent, ?] where the ones where people are just talking, and they get smacked, which are just so abrupt. I can't really decide if I like them, but they're definitely memorable. It's just so different from the way that Detroit [INAUDIBLE].

IRVING WLADAWSKY-BERGER: Half the time, you can't even tell which car it was. It was some car, and there's no brand recognition [INAUDIBLE].

AUDIENCE: They hire great companies to do their ads, right?

CHRIS WALL: Yeah, and then they put them through Detroit. I mean, clients can make good people-- I mean, some of it is, if you look at the-- I mean, at least, it's my opinion.

If you look at the middle of what cars-- if you take the fuel economy and everything else, the cars tend to look the same because they're all kind of-- they go they go through the same physics process, and you have to do certain things in order to get the car to make 35 miles a gallon. That gives you a fleet mileage of whatever. But I think Detroit has a dated way of talking about what they do, dated way of presenting it. And I think that's a big part of it.

**IRVING
WLADAWSKY-
BERGER:**

You're saying no ad agency can crack--

CHRIS WALL:

Well, nobody has.

**IRVING
WLADAWSKY-
BERGER:**

--a culture-- you're saying the culture won't let you?

CHRIS WALL:

I don't know. I mean, I don't know. I enjoyed working on it. But Ogilvy has Ford in Europe, and we do projects for them in the United States from time to time. But we're not-- we don't have that big piece of the business.

So I can't-- we were working on a project to try and save that, to change that. But somebody has to have a license to go do some stuff, and you have to have enough time to let it stick. And my two experiences with Ford is, they've never been able to pull the trigger. So it doesn't mean they won't, but just, they haven't.

AUDIENCE:

So is that a willingness to change? I mean, IBM changed the brand. They took IBM, which meant one thing to a person, and now it means something very different. And there were some subbrands that made that transition [INAUDIBLE] business model.

Is it that unwillingness? I mean, I see Detroit as hanging on to these Park Avenue things that have been made for 50 years or things that consumers see through, like the rebranding of the Taurus 500 thing. It's just completely transparent, what they're doing.

CHRIS WALL:

Yeah, I couldn't figure out-- that, to me, was like-- I didn't really get that. I didn't get that at all. We named it the Ford 500, and then it didn't sell, so we renamed it the Taurus. Well, I don't think the name was the problem. It wasn't like, I could never drive a car called the 500. It was the car.

AUDIENCE:

Are they too hung up on this historical reference, is what you're saying?

CHRIS WALL:

Well, I mean, here's the thing about IBM. Here's the thing about IBM. The people who came in to-- new people came into IBM who were completely outside the industry. And they looked at things from a different point of view. And then they engage with people within IBM.

I wasn't there for all of this, so I'm just speculating. They engaged with people who were in IBM who-- because anytime, when a company starts going down like that, there are people within the company who say, holy moly, we got a problem.

And so I talked to some very smart people at Ford who know they got a problem and who want to do something about it. But I mean, a company like that, it's got dealers. It's got all these established things. And somebody's got to have the license or the willingness to go and say, I don't care what they think.

AUDIENCE: Would you redesign that brand, if you had an option? I mean--

CHRIS WALL: For me, I think it would be a-- I actually really enjoyed working on it because I thought it had about a 1 in 1,000 chance going through.

AUDIENCE: I guess what I mean is the logo.

CHRIS WALL: Oh.

AUDIENCE: I see that logo, and I think, boy, that looks geriatric to me. I don't [INAUDIBLE].

CHRIS WALL: Yeah. I've never been a big fan of that logo. But that's always a religious issue. I don't know what I think because part of it is, I don't think it's the logo-- the logo isn't the problem. The logo acquires all of the other problems.

So the question is-- and this is always a hard thing, which is, how do you change without throwing out everything? And what do you change, and what do you say, I can fix that-- that's fixable? Because there are-- I mean, Ford still sells an enormous amount of vehicles, and they still-- people who drive F-150s like them.

I mean, if you go down to Dallas, and you drive around the suburbs of Dallas, you see all these guys with these big, shiny F-150s with their web addresses, like tradesman and stuff like that. There are people who love Ford in certain parts of the country. And you're probably better at building on top of that-- I mean, that's the neat trick is to try and make it embraceable by somebody else without alienating your core. And you probably would find the core is rooting for you to succeed. But there's a lot of subtlety and nuance to it.

And some of it-- I mean, look, I think that, basically, if you look at American car companies, I think they pretty much, across the board, do everything wrong. They couldn't give away free food in a starving country. They don't know how to do it. They've lost their way. But it's a delicate thing because you-- if you can save the logo, because everybody knows the logo, that would be a good thing.

IRVING WLADAWSKY-BERGER: Well, it would be interesting. Chrysler has been taken over by private equity [INAUDIBLE]. That's an example of different people. Now, I don't know whether the narrative [INAUDIBLE]. Am I correct, it's the narrative? You got [? to think ?] from GE via Home Depot. And so it's totally different management. It will be very interesting to see what happens. [INAUDIBLE] have no idea.

I find it amazing, when you see big companies with good management, how, over time, they screw up their brands. And when I say their brands, I mean their businesses. I've become convinced that-- and I think I've tried to communicate this in class sometimes-- if you are a company that's been around for a while, your destiny is to die. I mean, I know that sounds fatalistic.

But the free marketplace doesn't care about an individual [INAUDIBLE]. But the marketplace-- and there's almost an economic model that says, you're optimizing the overall goodness of the marketplace if the slower-moving [? tire ?] company dies, and new ones rise up, and they are vibrant. It's very Schumpeterian in this creative destruction. Do you think that could be true, that, for a company to keep going, after a while, boy, you're fighting as if you and I want to go [INAUDIBLE] like we were-- it's a little harder when you're older.

CHRIS WALL:

Well, it depends. I mean, it depends because if you-- I mean, a company like Ford has got all kinds of problems that are not related to-- it's not just an ad campaign. It's the design of the products. It's the health care burden. They have all these legacy problems. So Mulally, at Ford, has got a lot of problems that are not just the car advertising.

The thing that the branding, like the top level of branding, does is it gives you permission to hope, and it sometimes buys you time to get your problems worked out. And for leadership of a company, you get a certain amount of time to work out complicated problems that can't be solved overnight. And yeah, I think the natural order of things is, reinvent or fail.

And nobody cares. In Europe, they're much more-- I mean, it's very hard to be-- I mean, I worked in Paris for a while, and I worked in Amsterdam for a while. It's very hard to be an entrepreneur in Europe. To be a young person in Europe is really difficult because there are so many barriers to developing and starting an idea.

It's just, they protect legacy industries. They just do, and we don't. And other places are even-- protect them even less. So you start with-- it's like a company that starts without any infrastructure for wired phones, but everybody can be wireless, so their wireless penetration is greater.

It's a competition. So the companies have to adapt or-- I mean, I always think about it like-- because I played-- before I ran out of talent, I played basketball pretty seriously at Northwestern and stuff like that. And I'm like, you look at the American car companies. In 1960, they were in the third quarter with a 30-point lead. And they have blown it so many times.

I mean, it's not like there's any surprise. I mean, the fact is, my father bought his first Volkswagen in 1964. All my friends when I was growing up in the north suburbs of Chicago drove Toyotas and Datsuns and stuff like that and VW Beetles. So there was this-- I remember reading something about how American car companies should stop making small cars and just make Cadillacs because they made a lot of money on Cadillacs.

But the problem was that people who have driven German cars their whole lives are not all of a sudden going to junk it when they get some money. They're not. So you have to have a lifecycle product to take people through.

I mean, I actually think one of the few success stories that was a brilliant success story for American car companies was Saturn. I mean, they took-- I mean, you think about Saturn. They proved that if you fix the things that weren't the car itself-- because the original Saturn car was just a Buick Skylark. It was nothing special. And people really liked it and really believed in the brand, and they really liked the things.

I mean, they did it right. But then they didn't give them a new car to sell. And now they've lost all the character that they had in the beginning. It's just become another car. So it can be done, but I don't know if anybody has figured out how to do it.

AUDIENCE:

[INAUDIBLE] mention that I [? went ?] to talk to the technical people of IBM, as well.

IRVING

Well, [INAUDIBLE].

WLADAWSKY-

BERGER:

AUDIENCE:

I know you guys are-- [INAUDIBLE]. How much interaction do you guys do internally with IBM expert, and how much do you listen to the outside when you create something, whether it's a TV ad, whether it's advertising, any kind of media advertising? How much is this balance? [INAUDIBLE] listening such?

CHRIS WALL:

I think you listen to both. I think you try and-- I mean, you listen-- you try and be aware of what consumers are interested in. You try and be aware of what the media is saying because there's a lot of stuff published, a lot of interesting opinions.

I mean, what we-- I think when we are at our best within IBM is either when we anticipate things that IBM is doing, but we turn it into something, or you find somebody within IBM who's got a problem communicating something. Frequently, you'll have someone who has something that they want to do, a point that they want to get across, and they're stuck because you have the 20-minute story, but in order to get somebody to listen to 20-minute story, you've got to give them a two-minute story. You've got to give them a 30-second-- whatever.

So it's a process of engagement, because if you ask somebody to weigh in to a complex story, they have to give something up of themselves. They have to believe that there's something in it for them if they sit down and listen to a sales pitch or a whatever it is. Go online and watch five minutes. Whatever. It doesn't matter what it is. As you go through, you go from short to long.

And so we always try and think about how to give people the opportunity to engage in depth, while also trying to define the story up front in some way that says to people, ah-ha, IBM is up to something, or IBM's got something. And so, I mean, I have a lot of guys who worked on IBM for a long time because I believe it's not-- you can't just pull somebody off the Huggies account and put them on, what do we do with Linux? Because they're not--

[LAUGHTER]

People come into IBM, and it takes them a year to really get up to speed on, oh, OK, I understand how this works. And there's different constituencies, and they're all real important, and they're all interrelated. And you have to have some intuition for how those people work together and interrelate so you know who you're talking to.

And so I think, for us, what's really useful is to go in and talk to-- to just go into IBM and say, what problems are you having? And you'll find, well, somebody's going, well, here we think there's an opportunity, but I can't get the point distilled down to a simple, how do I tell the story?

And sometimes you produce a commercial not really to run it, but to go to a meeting and play it. And then you run it somewhere-- IBM had the AS/400, which was a proprietary, very popular, fantastically profitable platform. And if you keep somebody-- they don't sell any new ones, really, but as long as they keep upgrading and keep the install base going, that's like printing money. So you have to reassure those people not only that you make a good product, but that you're committed to that product. And so when you produce a commercial, and you run it on the Super Bowl, that says you're not kidding. You're still there.

And so even though it doesn't work in a conventional advertising way, like you're going to get leads on new people who are going to do it, it's still really important to do because, given the value of that install base, it's really good to do public things that reassure those people that you care. Yeah?

AUDIENCE: Do you think the business itself, like advertising business, is changing or not?

CHRIS WALL: Oh, yeah.

AUDIENCE: To me, it's like the storytelling seems to be very unidirectional, whereas a lot of things are changing in a way that-- for example, I was trying to buy a shaver this morning. And the first thing I did was trying to find some user comments on certain products. So it's not just the manufacturer giving out the information and trying to persuade the customers. It's more like customers trying to find information.

And I think the changes are there, and I think the way that the traditional-- and the Google Ads are changing the advertisement world [? a lot. ?] So my question is, as a traditional advertisement agency, what kind of changes are there, and how do you incorporate those?

CHRIS WALL: Well, I mean, first question-- to me, the thing about the thing about-- and I mean, Ogilvy does any kind of media you can think of. Our digital part of the company is exploding. I tend to be both a digital advocate and a digital skeptic because I think, if you talk about, OK, I go online, I get user comments, blah, blah, blah. There are all of these blogging units being formed in all kinds of advertising agencies, where people go on to websites and put in positive reviews of products.

Now, how long is it going to take until people figure out that all the glowing reviews are written by people who are just shells for the companies? It's like, there was a thing a few years ago-- it's a couple of guys who worked in the marketing at Universal Pictures or something and got fired because they made up quotes of, greatest movie of all time, and it turned out to be by somebody who was completely nonexistent.

I mean, the thing about-- I like guitars. I'm really into guitars. But if you go onto Google, and you search for certain models of guitar, it brings you paid search words for companies that have no stock of that guitar, who don't have anything.

And it's always the same-- there's about six companies. It's always the same. And some of them have shadow companies that are a different name, but it's the same website. It's the same website, same price, same inventory clearly being shipped from the same place. So they create three brands that sell exactly the same thing.

So once search stops to be-- search is very manipulable. So if it's manipulated, then at what point-- because the other thing, the thing about marketing is, it's very faddish. You can just hear people walking into their bosses and saying, we've got to be on YouTube. I'm going to go on YouTube. What's YouTube? It's a great story, internal companies. And I like YouTube. YouTube's a blast.

But what happens when there's-- I mean, Ogilvy had probably the most successful viral product thing done through YouTube and other postings, which was this Dove film we did, the Campaign for Real Beauty-- I mean, something like hundreds of millions of downloads, which is really unusual. You hear a lot of anecdotal stuff in meetings where people say, oh, we got 300,000 page views, or we got 800,000.

You go, well, that's not really enough to move a really-- I mean, that's not insignificant, but it's not enough. And so the Dove thing was monster. It was a real phenomenon thing that happened. But you can't guarantee that. I mean, one of the reasons you go to the Super Bowl is because 60 million people are going to show up.

And the thing with YouTube is, right now, we figure there are about 70 million videos on YouTube. And so everybody posts their commercials to YouTube, and everybody makes these funny little fake commercials and posts them to YouTube. The problem is, what happens when there's a billion videos on YouTube? What happens when there's 10 billion videos on YouTube? It's going to happen in five years.

I mean, it's an inexhaustible supply of stuff. But who's going to watch it, at some point? It's got to be really good. And the bar is going to go up on what people send around. I mean, people are always going to send around stuff, but the bar is going to go up. And at some point, there's just going to be-- the nature of it will change, as all digital media will change. Everything will change. Yeah?

AUDIENCE:

I think related to that, there's an issue of, then, so the story is still important there, and the quality of the story is still important, but maybe you change a little bit how you're delivering it. So I don't know. If you're selling music on iTunes now, you're selling more singles and less full albums, but maybe there's a way you could sell three songs together or something else. So maybe something like that works.

CHRIS WALL:

Well, I think the opportunity for experimentation is huge because I think-- I mean, the thing about branding-- I mean, again, the Ogilvy philosophy on branding is that it's not any one thing. It's the complete-- a brand is an experience, and it ranges from how you feel about the person at the desk when you walk into the hotel, to the logo on the hotel, to the bed in the room. I mean, everything is branding.

And so if you look at the proliferation of different media choices, you have all these different things you can do. And it's very hard to compare-- the thing is, a lot of the metrics of advertising effectiveness have been done based on five channels. Here's how many rating points we buy. And they're measuring a fairly finite universe.

When it becomes all this, how valid is any of that stuff? And then you throw in, well, what about the blogging group we've got in Sri Lanka who's writing positive-- they're all writing about how much they love the new Ford Fusion and how it's the best car ever, and the Ford Taurus-- and renaming the Ford Taurus fundamentally changes the way-- I mean, there's a lot of experimentation. There's a lot of interesting things going on.

The music industry is interesting because it's a pure digital play. And in a weird way, it's kind of going back to-- if you think about, like, in 1850, in every city, there was a theater, and in every theater, there was a Jack Nicholson. There was a guy who was the Cincinnati Jack Nicholson. And he probably did pretty well for himself until movies came along. And then, all of a sudden, one Jack Nicholson became very wealthy, and a lot of bad Jack Nicholsons lost their jobs.

And so now it's going back to, you can be local and have-- iTunes as a distribution and software system for-- or Myspace or anything else-- for a local artist is pretty good because you can take-- the cost of production of quality music has gone down. The amount of people you need to supervise it and distribute it has gone down.

IRVING [INAUDIBLE] Netflix--

**WLADAWSKY-
BERGER:**

CHRIS WALL: When we were talking about this earlier, most of-- when you paid \$18 for a CD, \$17 of that went to lawyers and accountants and everything else. And you were lucky, if you were a band in Los Angeles, to get \$1, lucky to get \$1 out of that. And plenty of the guys, after three or four records, wound up owing money that they never had to pay, but they basically were never going to make any money, so they quit and became copywriters or whatever.

[LAUGHTER]

AUDIENCE: So speaking of brand things, the other thing that is being branded nowadays are the presidential candidates.

CHRIS WALL: Yeah.

AUDIENCE: Does your firm do any of those things?

CHRIS WALL: Does it--

AUDIENCE: Does it with the different campaigns?

CHRIS WALL: Oh, I think it works. I mean, I think the--

AUDIENCE: Do you guys--

AUDIENCE: Do you guys do [INAUDIBLE]?

CHRIS WALL: No. Political campaigns are very special. Political marketing is-- I'm really fascinated by it because I was a political science major, but I don't do it. I mean, political marketing is a really unique, specialized thing. And the reason why is because there-- it's very unusual because, basically, your marketing is dependent on behavior on a single day every two, four, or six years. You don't care about the rest of the time, really.

And the other thing about political marketing that's interesting is, if you were inclined to vote for the other guy-- political marketing could be effective if it makes you so disillusioned that you don't even vote because a no vote for the other guy is just as good as a vote for our guy. If you can turn off all the people who would vote for the other guy, that's good, too.

And the interesting thing about political marketing-- because I actually worked on a Ford project about two years ago with some guys who-- Ford decided political consultants were going to save them. And I did a project with them, and it was horrible, horrible. And they put Bill Ford on the air and basically tried to run him for the Comptroller of Boston or something. And it was just-- it was really awful, and he spent a whole lot of money.

And it's like, if you look at-- and the problem with the political consultants is that if you look at their ability to get people elected by playing to people's worst self, it's actually quite effective. But if you look at the overall perception in America of the political system and respect for politicians in the last 30 years, it's gone down. It's gone down dramatically since the '60s.

And the '60s were no picnic. I mean, we were in the middle of a terrible war. The company was very divided. But the belief that the political system could make things better existed there, and it doesn't exist there anymore. I don't think there's--

**[? IRVING
WLADAWSKY-
BERGER:**

?] You think it's a result of negative campaigning that [INAUDIBLE]?

CHRIS WALL:

Well, I think it's a result of campaigning that has elected people that aren't terribly inspiring and who people don't have a lot of trust in, regardless of whether you're liberal or conservative. It's just-- it's icky.

AUDIENCE:

I mean, kind of related to that, on the technology side, you were earlier talking about this feeling that technology was going to make the future better and having the servers behind glass and everything. It's like, everything is great. It's all going to be better. I mean, it doesn't seem like we have that feeling anymore. Can you--

CHRIS WALL:

Yeah, I do. I think we do, actually. I think we do.

**IRVING
WLADAWSKY-
BERGER:**

I don't think the internet came with this positive feeling of change. I think a lot of the reason people embrace the internet or Linux-- if you look at the energy behind Linux, it's very positive. That's my feeling.

[INTERPOSING VOICES]

AUDIENCE:

I think a lot of times, though, it just becomes, I want the technology to work. I don't actually think it's going to revolutionize my life. I think if it works, I'm going to be happy, and a lot of the times, it's not going to work.

AUDIENCE:

Isn't there a disillusionment kind of thing where you say, I don't want technology to invade every part of my life. I don't want a biotech [? neighborhood ?] produce and all that stuff? I'm guessing, back in the 1960s, people were really looking forward to the future where technology would make things very easy for you, where now they're thinking-- has that social change happened? I do think that, in India right now, a lot of people do look forward to technology coming in and making things easy for them because they're at a stage where probably US was.

**IRVING
WLADAWSKY-
BERGER:**

Let me just say one thing. We're having a fascinating discussion about marketing strategy because, if you have a technology, you have to answer that question. No, no, I'm very serious. Regardless of what your product is, your service, you want to envelop it in a market strategy that's optimistic. That's what you want to do.

And as you heard in talking in class, that's not easy. But that's often how you break through-- I mean, in some sense, the reason, let's say, in IBM, we embrace Linux so much-- we like the people doing Linux. I mean, this is a community that was viewed very positively. In my case, the people who said, Irving, look, you guys, you guys have to do Linux, were the people in the supercomputing community, the research community that we were working very closely with.

And at some point, you align yourself with positive forces. And then the fact that David Boies doesn't like it-- well, screw it. So that's why this is such a fascinating field because there is no amount of-- I don't know what market research we could have done, whether we should embrace Linux or not.

At some level, it was, are these good people-- that is, the people behind it tried to do something good? Is this software good? And the fact that people in supercomputing centers and universities were vouching for it-- boy, that's worth a huge amount. And that is part of what convinced us to go with it.

CHRIS WALL:

And I think there is-- I think all these things-- I think there's a community of people who are jazzed by technology, and they do believe that technology makes the world more interesting and makes it better. And I think that's not everything because you can be both.

We did this documentary for the web last year on IBM, and it's about how IBM is working with [? Scripps ?] in this project, where, basically, it's about the avian flu. And basically, the idea is that if the avian flu jumps species, it mutates really quickly. It's a low-fidelity-- I can't remember the whole story. It's like a low-fidelity virus. And so it changes very, very quickly, and it's very, very fatal. And so the question is-- what IBM was trying to do with these guys was to model the

IRVING

Mutation.

WLADAWSKY-

BERGER:

CHRIS WALL:

--potential mutation-- not the actual mutation, but the potential mutation, so they could design a vaccine, essentially, for a disease that hadn't happened yet. Now you start going, how cool is that? And IBM-- one of my frustrations with IBM is, IBM does a lot of these really cool things. You sit and talk with these guys, and you go, oh, my God, that's so interesting.

And my inner Worlds Fair wants to say, we should do something. We should tell that story. And yet, there's never enough money to tell the story, or there's somebody says, well, we won't actually sell it. But people are jazzed by technology.

I mean, the fact that they can take a swab of your cheek and tell you where your family came from genetically, where you originated in Africa millions of years ago is amazing. And it costs you \$100, and they'll send you the results in six weeks or whatever. And you go, like, that's really neat. And so if you really get into what technology can do, there's all this great, cool stuff that includes the new iPod. It's neat.

I've got the iPhone. I had to have it. It's like, it's really cool. I love it. It's great. The only problem with it is, you use it for three months, and now you're like, OK, what's next? We all get bored fast. But it's but it's a great, fantastic piece that makes your life better. And who knows what other cool stuff is going to happen?

So I think people do believe in it. At the same time, you go, well, yes, but there's-- I mean, we just did this new campaign for IBM, which I wanted to show you, which I don't even know if you've seen it. We have a spot here because one of the things that we-- IBM got involved in *Second Life*. And *Second Life* is a really neat idea.

But at the same time, a lot of people who have gone into it commercially haven't found success there. And so it's a weird thing where you go, the potential of it is huge. It's a really interesting idea. But in version 1, the technology-- or the results, for whatever reason-- maybe because it hasn't been figured out, maybe because it's techno-- who knows? But it hasn't proven to be a commercial success yet. But it's interesting.

So one of the things with IBM is trying to play both sides, on one hand say, enormous potential, and at the same-- gosh, this is really exciting, and play that possibility thing, and at the same time, be able to play the voice of, yeah, but it doesn't work, because what IBM is about, at the end of the day, is making the possible into the real. And so it's like-- and a lot of the companies are making it about a piece of the possible or just milking the hype.

And so I was actually going to show you this commercial, which IBM is-- they're not sure-- I don't know if this is ever going to run. But this is about *Second Life* and IBM innovation.

[BEEP]

Anyway, but constantly-- I mean, actually, I think the neat thing I think we've been able to do with IBM as a company is talk legitimately to both sides.

**IRVING
WLADAWSKY-
BERGER:**

Well, let me thank Chris for coming.

[APPLAUSE]