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## Sticking to Plans on Madison Ave.

**By STUART ELLIOTT** 

adison Avenue is cautiously forging ahead with business as usual — or as usual as possible given the war against Iraq — as more marketers than expected run advertising or bring out new ads and products.

Though many companies like airlines, brokerage firms and luxury-goods makers have withdrawn to the sidelines as the fighting intensifies in Iraq, scores more are proceeding with their plans. That is primarily because consumers seem to still be spending, and also because of differences seen between life during war and the aftermath of 9/11, when marketing was severely disrupted.

As a result, estimates for the amount of ad spending being displaced or postponed that were made before the war began are being revised downward, to less than \$100 million so far compared with earlier figures of as much as \$400 million.

Marketers still advertising in one medium or more include Anheuser-Busch, Avon, <u>Bally Total Fitness</u>, Clorox, <u>Coca-Cola</u>, <u>Hewlett-Packard</u>, <u>Honeywell</u>, <u>Intel</u>, <u>Kellogg</u>, <u>Kraft Foods</u>, Lowe's, <u>McDonald's</u>, <u>Mitsubishi</u>, Reebok, Travelocity, <u>United Parcel Service</u> and Wyndham. By comparison, advertisers canceling, postponing or limiting ads include Adolph Coors, <u>Microsoft</u>, Orbitz and <u>Volkswagen</u>.

Some companies are revising plans day by day. For example, MasterCard International yesterday pulled the advertisement it usually runs on the front page of the Life section of USA Today but on Sunday ran as planned three 30-second commercials bought during the Academy Awards broadcast on ABC.

The appearance of ads is of course subject to the news from Iraq and whether the media make available commercial time and ad space — in breaks during war coverage or in programs or publications not devoted to war news.

The attitude to proceed as normally as possible for the time being evokes the traditional tack followed by advertisers and media companies in times of crisis, known as the "We interrupt this program" model after the words radio announcers would intone when

breaking into entertainment programming for news bulletins. Under this procedure, news coverage starts and stops, with ads inserted if and when they fit, depending on the course of events, rather than the news being reported continuously or "wall to wall," as it was in the days immediately after the terrorist attacks. One reason for the decisions to advertise is data showing that consumers over the weekend shopped, went to the movies and dined out at almost normal levels.

Business almost as usual "is what we saw from monitoring consumers over the last several days, on a daily basis," said Douglas Freeland, director for United States marketing at McDonald's.

"From that we determined that it was appropriate to move forward," he added, with a sweepstakes promotion called Winning Time, which is scheduled to start today at participating McDonald's restaurants and last four weeks. It is the first such game from McDonald's since a scandal in 2001 at the promotion company the fast-food chain used.

Ads for the sweepstakes started yesterday, Mr. Freeland said, as executives at McDonald's and its agencies "make sure we are in the right environments, staying away from news programs with war coverage." The agencies are the Chicago office of DDB Worldwide, part of the Omnicom Group, and the Marketing Store Worldwide in Oakbrook Terrace, Ill., part of the HaVi Group.

Based on box-office results over the weekend, which showed only some falloff in ticket sales, movie studios are moving forward with ads for films scheduled to open Friday. They include the Paramount Pictures division of <a href="Viacom">Viacom</a>, for the science-fiction thriller "The Core"; DreamWorks, for the Chris Rock comedy "Head of State"; and the Columbia Pictures unit of the <a href="Sony Corporation">Sony Corporation</a>, for "Basic," a military drama with John Travolta and Samuel L. Jackson. (Paramount did, however, delay indefinitely the debut of "Against the Ropes," starring Meg Ryan, scheduled for April 25, citing concerns over the availability of commercial time ahead of the release date.)

In addition to the indications that consumer spending so far seems to be holding up, there are other reasons for the difference in ad plans from 2001, marketing experts say.

"On 9/11, the initiative was taken away from the United States, and people felt helpless," said Marc E. Babej, president at Reason Inc. in New York, a marketing strategy company. "This time, the U.S. has the initiative, and the consumer feels O.K. to take the initiative too."

"In a time of uncertainty, people yearn for normalcy," he added, "and advertising is one of the most normal aspects of American life."

That perspective was shared by several marketers who said they would go ahead with ads and new products planned for this week.

"It's different than after 9/11," said Brian Povinelli, advertising director at Reebok

<u>International</u> in Canton, Mass., which is proceeding with ads and promotions scheduled to start tomorrow for Reebok Classic and I3 Playoff II sneakers.

"If something happens on our soil, that would change everything," Mr. Povinelli said, "but as it stands now, people will tune in to the news for updates" while watching entertainment networks like BET, Comedy Central and MTV, where the Reebok spots will run.

One request Reebok has made to the networks, Mr. Povinelli said, is that if they report war news and then return to regular programming, the Reebok spots "not be the first commercials coming out of the coverage." The Reebok agency is the Arnell Group, part of Omnicom.

United Parcel Service will proceed today with newspaper and television ads to promote several marketing changes that include the first redesign of the company logo in more than 40 years, developed by the FutureBrand unit of the <u>Interpublic Group of Companies</u>, and the rebranding of up to 1,900 Mail Boxes Etc. stores as the U.P.S. Store.

"When the war began, we went into our contingency plans and scaled back some public, press-type events," said John Beystehner, senior vice president for worldwide sales and marketing at United Parcel in Atlanta. "But we determined this is the proper time to be making this announcement."

With the Academy Awards ceremony held as scheduled, all advertisers that planned to run commercials during the ABC broadcast did so. The roster of blue-chip marketers included, in addition to MasterCard and McDonald's, AIG, <u>AOL Time Warner</u>, <u>American Express</u>, <u>General Motors</u>, Hewlett-Packard, <u>Home Depot PepsiCo</u> and <u>Yahoo</u>. All their spots were the ones those companies had scheduled to run before the war began, though all were checked for potential content problems.

A survey by <u>TiVo</u> released yesterday showed that in homes watching the Oscars equipped with TiVo personal video recorders, all five of the five most-watched commercials — two from Anheuser-Busch and one each from G.M., PepsiCo and Yahoo — featured humorous content. Before the show, there were concerns that funny commercials might be deemed inappropriate by viewers given the war news.

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