

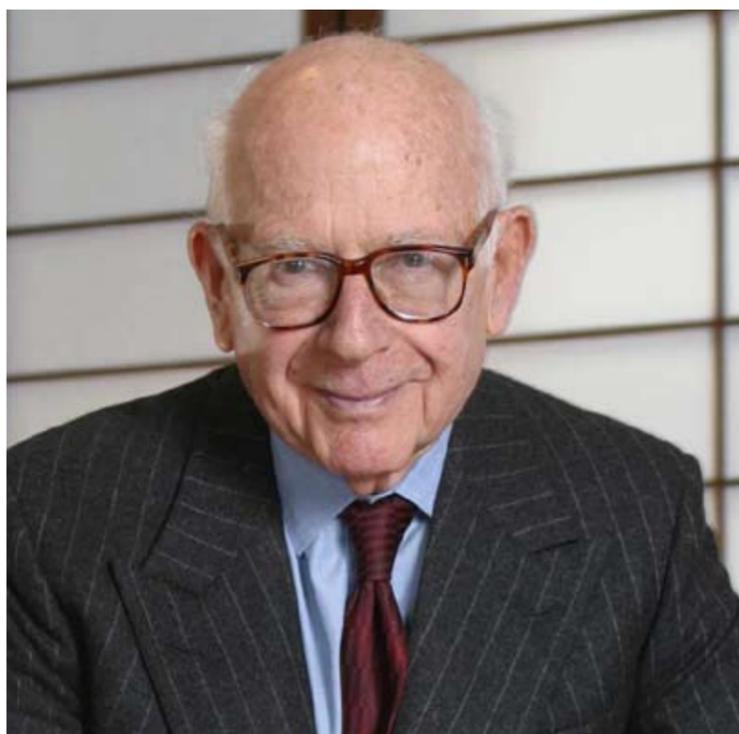
# Advertising Age

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## At 90, Direct-Marketing Legend Wunderman Looks Forward to 'Personal Advertising' Future

Agency Founder Says Families Can Be Better Understood by Harnessing Data to Reveal Habits, Needs and Compositions

by Rance Crain



Direct-marketing legend Lester Wunderman has installed shoji screens on the windows in his New York office so he can't look out – what he sees is “this great light.” The screens help him achieve an “in-look” as opposed to an “out-look.” And, as Robert Frost said, that has made all the difference.

The founder of Wunderman Ricotta & Klein in 1958 is responsible for such seminal direct-marketing innovations as the 1-800 toll-free number for ordering merchandise, the magazine-subscription card and the first custom-rewards program. But what got him elected to the Direct Marketing Hall of Fame is how he fundamentally changed the nature of the business.

Before Lester came along, direct marketing was referred to as mail order – what he calls “a limited and rather old-fashioned method of distribution of goods.” Ordering by mail from Sears, Roebuck and Montgomery Ward catalogs was the basic source of goods for much of America, Lester told me in a video interview last month just before his 90th birthday. But the evolution of retail accessibility and ease of getting

merchandise “changed the whole focus of what advertising was meant to do. We can now make the assumption that you can get the product if we can make what you want to buy. We don't necessarily have to tell you where to get it. It's available.”

Lester explained that there's always going to be two forms of selling – mass marketing and personal advertising. The problem with mass marketing, he said, is that “people have lost the relationship they once had with both the vendor and what was vended. Things became commodities on supermarket shelves, and as much as advertising tried to identify them and wake them up, they sat there as commodities with all sorts of competitors.”

What's happening now is “a much more personal form of communication. I call it personal advertising, which is forward-looking. We're not there yet, but we're moving from mass.”

What personal advertising does is understand, through data and other information, the habits and needs and composition of families. “Therefore, we're not just selling merchandise – we're selling service,” he said. “In other words, we are trying to locate for each family that which they are most likely to be needing or wanting – or when, particularly the when.

“If you know when a baby is born, when a marriage takes place, when a house is purchased – there are signals out there. And those signals begin to tell us what the consumer might be in need of,” he added.

I asked Lester if this approach conflicts with growing concerns about protecting privacy.

He replied that the question pivots on the difference between what is personal and what is private. “If I address you by name, and I know that you own a house and own a car, and the make and model any year of that automobile, that's not private. It may be personal, but it's nothing you're hiding.

“But if I begin to get into your debt, get into your family income, get into your mortgage problems if you have any, I think we are on the verge of invading privacy.”

Lester acknowledges that competition, on all levels, is becoming much more intense, including the competition to get information the other guy doesn't have access to. “And therefore to hit the right target at the right moment and the when – the right moment is the when, and it's the one thing we don't know. The when is the big mystery. Frequency doesn't solve the when. Frequency is ‘I don't know when so I'm just going to keep after you until the when is ready.’”

I asked Lester what, over his long and illustrious career, he is most proud of. “I think the thing that I'm proudest of is our current organization [Wunderman, the direct-marketing agency owned by WPP's Young & Rubicam, where he is chairman emeritus]. We've now got 130 offices in 55 countries.

“For me, who started one little office with my brother and myself down on Union Square, to be the chairman of a company that is global, and practicing a high state of art all over the world, I can't tell you what a revelation, in my lifetime, [it is] to see us go from kind of the horse-and-buggy form of advertising to the internet. It's just miraculous. The things we know about people, our ability to make messages more relevant and timely – advertising is just more efficient than it used to be.”

And that efficiency owes much to the efforts of Lester Wunderman and his “in-look” of the way things were going to be.