AdvertisingAge®

Marketing Superstars.

Meet the world's most successful marketers and their winning strategies.

December 1997

Ad Age International correspondents searched the world for the people behind this year's success stories. These marketing superstars are creating popular international brands or giving new life to existing ones.

The demanding youth market has inspired two of this year's most curious brands: Tamagotchi and Teletubbies. A year ago, no one had heard of Tamagotchi, the "virtual pet" invented in Japan but now selling out worldwide. Even newer are the Teletubbies, the U.K.-born TV programming and merchandising sensation proving irresistible to small children everywhere.

Our superstars range in age from 27 to 52. They see the potential for branding in everything from a new magazine called Quo that can travel the world with the briefest of names, to the simple T-shirts that are transforming Hering Textil into Latin America's version of The Gap.

More new brands are emerging from the developing countries that international marketers now see as the source of their future growth. Italian automaker Fiat chose Brazil to launch its world car for developing markets, the Palio. And Unilever is experimenting with branding basic commodities, with Brooke Bond A1 tea in India an early hit.

The world, however, is also getting more sophisticated, as our marketing superstar behind the Nokia 9000 Communicator, which marries telecommunications and computer technology in a single device, can attest.

Sanjay Khosla BANGALORE, INDIA
Hindustan Lever's Brooke Bond A1

An entrepreneurial spirit and category strategist **Sanjay Khosla** made Hindustan Lever's Brooke Bond A1 a standout in a market chockablock with 37 tea brands.

Lever's goal when it launched A1 in early 1996 was to satisfy varying tastes of tea drinkers throughout India. The task was difficult even for India's largest multinational and tea leader.

A1 today, however, is a $40 million success story with a 5.1% volume market share. Lever's director of beverages Mr. **Khosla** predicts that A1 will grow to a $100 million brand by 2000.

A1 also plays a key role in a new Unilever strategy to brand commodity products like loose tea. The motivation is that the global marketer might be able to boost sales among consumers in populous countries who can't afford international brands like Lipton tea.
"The Brooke Bond A1 story is not only about getting the marketing mix and consumer pulse right but also about developing a low-cost business system fully integrated across the supply chain from the tea bush tO the brand," said Mr. **Khosla**, who heads a team of six responsible for vaulting the tea brand to prominence.

Although Lever's Brooke Bond stable of brands makes it the world's largest company in terms of volume sales of tea, the company's grip on the low-income, rural Indian market was weak. Research showed Indians in villages and smaller towns preferring unbranded tea sold by weight. The flavor, therefore, differed by region.

But instead of forcing a standard blend across geographies, Lever's strategy was to market under a single brand disparate product blends in different parts of the country. Not only was the tea fresher due to the quicker procurement made possible by sourcing regional leaves, but all the tea sold also offered the promise of quality as a Lever brand.

"This has involved an entrepreneurial approach and a complete change in mind-set to achieve flexibility in operations and a faster response," said Mr. **Khosla**, 45, who returned to India after five years at Unilever headquarters in London, where he worked on category strategy for personal products.

"The idea was to use all the strengths of Unilever size but yet function as a small entrepreneurial business," he added.

Based on consumer research, A1 was positioned as a brand of strength, with "Khadak Chaap" (Seal of Strength) emblazoned across all advertising communications.

The ad campaign from Ogilvy & Mather, Bangalore, tapped the tried-and-true theme Indians love in their movies: The underdog hero gets the strength of character to take on the bad guys after drinking a cup of Brooke Bond A1.

Seen and heard on radio, TV and outdoor media, the campaign also took to the road, with A vans touring rural areas and local promotions boosting visibility.

Lever also relied on its extensive nationwide network of distributors and retailers to push the brand deep into the hinterlands.

Such branding efforts has prompted Lever to price A1 10% higher than its loose tea competition, but few consumers seem to mind paying the premium.

-- Mir Maqbool Alam Khan

Tracey Hinchliffe LONDON

Tetubbies

Every day a growing number of young children greet each other with "eh-oh" and "big hug." These are the stock phrases of Po, Laa-Laa, Dipsy and Tinky Winky, the characters in the "Teletubbies" TV show that has taken the U.K. by storm and is on the export fast track.

The initial program budget for "Teletubbies" was $13 million, which had to pay for, among other things, landscaping the rolling hills of Teletubbyland and building the characters' Tubbytronic Superdome home. Public broadcaster BBC, which is committed to creating 260 half-hour programs over three years, doesn't carry advertising, so it was crucial to recoup costs though program licensing and product merchandising.

Enter Tracey Hinchliffe, head of children's marketing, consumer publishing, at BBC Worldwide, which is responsible for licensing the "Teletubbies" name everywhere except in the Americas (where show creator Ragdoll Productions handles).

"We do not do things that are toy-led," Ms. Hinchliffe, 32, stressed, "but for the BBC to take such a level of risk of investment required the program had to generate sales."

At first glance, the product Ms. Hinchliffe has to work might not seem enviable. The Teletubbies, while colorful, look like some bizarre hybrid of a chubby toddler, an alien and a teddy bear. (Children don't need to know that there's a real adult inside each odd costume.)

Still, the appeal is real. During this year's high season for ford-on-Avon asked about the secret location of the Tubbytronic Superdome than the nearby birthplace of William Shakespeare, according to the area's tourism director.

The BBC and Ragdoll have licensed the series to the Public Broadcasting Service in the U.S. and to commercial broadcasters in Portugal, South Africa and New Zealand. Traditionally, preschool programs aren't an easy sell to commercial broadcasters, but in the case of "Teletubbies" several licensees are adding preschool slots to their schedules, Ms. Hinchliffe said.

And it's no wonder. This past July and August, 2 million British children tuned in to see their new TV pals six days a week. The Teletubbies characters, relying on baby talk and endless repetition, transfix children. This isn't a fluke either: Anne Wood, the creator of Ragdoll Productions, used focus groups to observe children talking, playing and watching TV.

To keep young viewers even more entranced, the Teletubbies' stomachs turn into TV sets, which broadcast segments of real children. Local broadcasters could insert films featuring children from their own countries.

Despite how easy it would be, Ms. Hinchliffe isn't promoting individual Teletubbies products such as plush toys or videos. Instead, she is pushing Teletubbies as the brand for products that are fun and designed for children. No products geared toward adults are allowed.

After Teletubbies went on the air March 31, Ms. Hinchliffe and her team switched their focus to consumer advertising from a trade campaign promoting the new series. A $1.6 million outdoor board campaign, created by Pangbourne, U.K.-based Mi Marketing, simply showed the Teletubbies and announced the date that merchandise would go on sale.

Preschoolers, who may not be able to read, put together the boards with their positioning near major retailers--and quickly got the message.

--Bill Britt

Jose La Cruz CARACAS, VENEZUELA
Godex

The stack of orders for disposable medical garments and accessories that sit in front of Jose "Cheo" La Cruz represent the culmination of a dream.
Ten years ago, Mr. La Cruz and his sister Carmen imported Baxter disposables for a growing market where Kendall, the only multinational manufacturing locally, was the chief competitor. But the country's economic crisis in the early and mid-1990s caused medical institutions to balk at the premium prices of major brands, and Carmen La Cruz decided to produce the garments herself--joining a growing number of small producers who shook the ground beneath medical supply giants such as Kimberly-Clark Corp., Johnson & Johnson and even Baxter.

Kendall shuttered its operations in 1991, which "left the door wide open for a large-scale manufacturer with Latin American labor costs and family business profit margins" said Mr. La Cruz, 37. "We could cut delivery time drastically. Outside suppliers inevitably ship from the Far East."

After buying half his sister's stake in Godex two years ago, Mr. La Cruz hired Kendall's former production manager, Karl Hleftschar, moved into a factory in a Caracas suburb and invested in Australian machinery to meet ambitious production goals.
With sales force and distribution channels in place, Mr. La Cruz then hit the circuit of trade exhibitions, traveling from the Miami Latin America Show to Colombia, Guatemala and Venezuela. Slick displays, brochures and catalogs created with a $150,000 budget by Interaction Servicios Creativos of Caracas drove home the themes of comfort and hygiene, while Mr. La Cruz and his sales staff talked up the advantages of automated production that allows Godex to offer its Keydex brand in various fabric qualities and prices.

"Two things never vary: the care with which we make each Keydex garment and the speed of delivery," Mr. La Cruz said.

"We hit the more affluent private sector clinics, hospitals and labs first," he recalled. "In two years we have a 75% share. Even in the state's hard-hit social security hospitals, we have 50%."

After net sales of $2 million last year, Godex will top $4 million this year and is expected to hit $6 million in 1998. In November, Godex notched its second major factory expansion, plus the addition of a medical gauze factory with projected revenue of $15 million in its first year.

Meanwhile, Godex's first transnational office has opened its doors, in Bogota, Colombia, and exports are making their way to Panama, Guatemala, Peru and Ecuador.

--Conrad Dahlson

Christine Magee VANCOUVER, BRITISH COLUMBIA

Sleep Country

Bedding is no longer a sleepy side business in Canadian department stores, thanks to Christine Magee and Sleep Country.

Last year, the aggressive strategy of Sleep Country's president led the three-year-old chain to more than double in size. Also in 1996, the stores sold more than 50,000 mattresses, with estimated sales of more than $40 million.

A former corporate banker, Ms. Magee, 37, saw bedding as a great opportunity because "no one seemed to have the formula correct," she said. She was determined to create a retail chain that would "give the customers the service and value they deserve."

Most new retailers start by opening one store, investing in a second only after the first proves itself. Ms. Magee, however, hit the ground running, opening her first four stores here all in one day in October 1994.

As an encore, Sleep Country roared into Toronto, Canada's biggest retail market, by opening 10stores in a single day in February 1996.

Today, the chain has 50 stores total in three provinces--British Columbia, Ontario and Alberta --and an eye on further expansion in Canada and possibly the U.S.

"The United States is a very attractive market for the bedding industry," Ms. Magee said. "When we are comfortable with our coverage of Canada, we will take a long, hard look at the possibility of expanding south."

Sleep Country's major competition comes from department stores and household goods chains, which offer only limited selections. In contrast, Sleep Country stores showcase up to 50 different styles of mattresses.

Another selling point is "exceptional customer service," Ms. Magee said. "We all work very hard to make all the customers very happy."

Indeed, Sleep Country boasts several consumer-friendly practices. Among them: a 60-day comfort guarantee that allows customers to exchange mattresses they're not happy with and employees who call to confirm a three-hour window for delivery. Further, all employees undergo comprehensive in-house training, learning to make decisions to satisfy customers on the spot.
While many household goods retailers depend on newspaper advertising, Ms. Magee, who wouldn't disclose the size of her ad budget, uses broadcast media exclusively to advertise. She also appears in all the company ads.

Initiative Media of Toronto handles media buying while The Marketers in Seattle creates TV and radio ads. The theme is "Low prices will bring you in, but exceptional service will bring you back."

--Joanne Ingrassia

Fabio Hering SAO PAULO
Hering Textile

Brazil's Hering has achieved a status similar to The Gap in the U.S., leveraging basic items such as a plain white T-shirt into strong brands that are worn by everyone, rich or poor.

"It's not enough to be just the most remembered brand," said Fabio Hering, 38, president of Hering Textil. "You also have to be the most desirable."

When Hering produced its 5 billionth T-shirt this year, Mr. Hering celebrated by introducing a special "Gold" series of T-shirts, each one numbered and sold in a special can for $18 (prices normally range from $1.50 to $10).

Two years ago, he entered the retail business through the Hering Family Store chain, where an entire family can be dressed from head to toe in Hering T-shirts, socks, underwear and jeans. Brazil now has 47 Hering stores, and they already account for 13% of the company's sales. Mr. Hering plans to open 20 more stores using franchisees before the end of 1998.

To capture the essence of the Hering brand, he moved the company's $8 million advertising account a year ago to Sao Paulo agency W/Brasil from Young & Rubicam The agency created a TV and print campaign that positions Hering as "Brazil's Basics" and showcases Brazilian celebrities--including W/Brasil owner Washington Olivetto--wearing simple white Hering T-shirts.

Fueled by the Basics ad campaign, the family stores and marketing ideas such as the limited edition T-shirts, Hering's sales rose by 30% in the first half of 1997 compared with the same period last year. The company produces 70 million clothing items a year.
"In the category we're in, either you win or you lose," said Mr. Hering, who declined to provide sales figures. "That's why we concentrate on the brand value."

Hering's fortunes could easily have gone the other way. In the upheaval as Brazil's economy stabilized several years ago, the company faced financial problems. Meanwhile, production, with one factory churning out huge amounts of textile products with little regard for market demand, was inefficient.

Mr. Hering's solution was to re-engineer the company, splitting it into smaller business units responsible for individual branded consumer segments. These include Mafisa for women, Public Image for male teens and PUC for children.

Outside Brazil, Hering's main markets are Argentina, Uruguay, Venezuela and Bolivia. The company is expecting increased growth from international markets.

"Our project is to consolidate our brand in Latin America," said Mr. Hering, who has entrusted W/Brasil with advertising for the whole region.

--Claudia Penteado

David Tang HONG KONG

Shanghai Tang

Entrepreneur David Tang, owner of Hong Kong's wildly popular retro-Chinese department store Shanghai Tang, does everything with a bang. In November, he orchestrated no fewer than three days of a gala opening for his first store abroad--on New York's swank Madison Avenue

"I've always wanted to create a Chinese brand," said Mr. Tang, 43, who opened Hong Kong's Shanghai Tang in 1994. "In Hong Kong our shopping malls are overrun with more and more Western brands [Yet] no one else has applied their minds to evolve the Chinese style."

Shanghai Tang stores, backed by Geneva-based Richemont Group (which through Vendome owns brands Cartier, Montblanc and Dunhill), strive to do just that, featuring Chinese-made frog-enclosure jackets, cheongsams in neon colors, funky notebooks and photo albums covered in silk brocade, Art Deco tea sets and watches emblazoned with images of a waving Mao Zedong.

The Manhattan store continues the updated 1930s Shanghai theme, enlivened by a smattering of original art from contemporary Chinese artists.

"New York is no less than the center of the universe," Mr. Tang said. "As far as brand development is concerned, there are incredibly lucrative businesses headquartered there.

In America you have the most incredible market--280 million people."

Mr. Tang wouldn't disclose Shanghai Tang's revenue, but his press manager, Vikki Wong, said that sales this year have doubled over the previous year.

Another Shanghai Tang coup has been the signing of Chinese actress Gong Li to be its "face" in print and outdoor ads. The company develops its ads in-house and will rely on Ms. Gong to bring star power to its New York debut as well.

But in fact Mr. Tang's biggest promoter is himself. Born into wealth in Hong Kong, he was educated in England and wears his Savile Row suits as comfortably as his modified traditional Chinese ma qua. His financial interests extend into banking, mining, oil, TV and cigar businesses.

And despite the high-society circles he travels in, Mr. Tang works as hard as he plays. Indeed, he is already considering stores in Beverly Hills, Calif., Europe, Brazil--or Shanghai.

"All depend on America first," Mr. Tang said.

Scarlet Cheng

Jamie Macdonald PRAQUE, CZECH REPUBLIC
EuroTel

EuroTel has gone from the Czech Republic's mobile phone company of necessity to the population's provider of choice, and much of the credit for the turn-around goes to Executive Director of Sales and Marketing Jamie Macdonald, who has made reliability, quality and growing coverage the company's cornerstones.

Since he arrived at EuroTel just over a year ago, Mr. Macdonald, 42, has seen the number of subscribers to global systems for mobile communication, or GSM, grow to more than 4%, from 0.5%, of the Czech Republic's 10.3 million population. EuroTel alone experienced 342% growth in 1996, notching 300,000 subscribers and a 65% market share by year's end.

Such solid success wasn't always a given, however. EuroTel's digital service launched in July 1996, but the company had a monopoly on analog mobile phone services from 1991 to 1996 with the help of foreign investors US West International and Bell Atlantic and the widely unpopular state telecommunication s giant, SPT Telecom.

In the early days of mobile phones, only an elite few could afford the analog service. These "lucky" users felt gouged by EuroTel's prices, and those who couldn't afford it at all were equally resentful.

Once GSM technology reached the Czech Republic, however, so did RadioMobil's Paegas brand service, majority-owned by Germany's DeTeMobil. During the first year of competition, EuroTel's technical coverage beat RadioMobil's (today RadioMobil's coverage is slightly higher) but RadioMobil was much cheaper.

Conventional wisdom indicated that consumers would exact their revenge on EuroTel's arrogance by running to Paegas, but that didn't happen, partly because "competition gave us the chance to prove how good we are," Mr. Macdonald said.

Indeed, EuroTel responded by quickly lowering its prices and focusing on customer service and brand image.

"In the past the face of EuroTel was a little stern," Mr. Macdonald admitted.
EuroTel's strategy is divided among three segments: its core business market, the corporate market at large and private consumers. The company consistently introduces new services to motivate consumers, such as providing voice and fax mail boxes, stock quotes and exchange rates.

Sometimes the product doesn't even have to be changed to draw interest. EuroTel recently launched a campaign that encouraged consumers to use its old analog service as a communications link to their country houses, or chata, which most Prague residents flee to every weekend. The special offer sold out in two weeks.

"The chata campaign made people think about our service in a new way," Mr. Macdonald said.

EuroTel's advertising from Leo Burnett Prague has changed consumers' perspective as well. Themes of reliability and cover age play out in eye-catching executions. This year's ad slogan, "More coverage in more places," emphasizes the strength of EuroTel's network both inside and outside the Czech Republic. Outdoor and print ads feature close-ups of colorfully painted, exotic-looking faces and a woman wearing fruits shaped into a bikini.
Mr. Macdonald, who was born in the U.K., draws on 25 years of industry experience at the Telecom Corporation of New Zealand, where he worked in marketing.

--Normandy Madden

Simon Williams MANCHESTER, ENGLAND
Co-operative Bank

Unlike some secretive bank managers, Simon Williams, head of marketing for the U.K.'s Co-operative Bank, puts business ethics in the spotlight when wooing new customers.
Taking an ethical stance could be seen as a natural fit for a 125-year-old bank founded on the values of honesty, openness, social responsibility and caring for others, but the move was also based on business logic.

In the past two years, the Coop Bank's policy of choosing its investments with an eye toward the greater social good has helped turn around its fortunes transforming it from a loss-taker into a profit-maker and boosting its deposits in personal accounts by around 40%. Further, spontaneous c awareness of its advertising among the targeted upscale 21-

to 45-year-olds has topped 18%.

The Co-op Bank's success has . also drawn attention from overseas. The company won an award this year from the U.S.' Council for Economic Priorities, and Mr. Williams has presented his marketing ideas to banks in Japan, Kenya, Germany and France. Not bad for a bank that claims just a 2% share of the U.K.'s personal account market and an ad budget of under $5 million.

Customers actually came up with the bank's marketing position. When asked why they chose the Co-op Bank, 10% cited ethical reasons.

"That 10% was quite gripping," explained Mr. Williams, 41. "Our only overt ethical policy at the time was [not to invest in] South Africa."

A follow-up survey of 30,000 customers reaffirmed overwhelming support for ethical policies suggested by the bank, and Mr. Williams' marketing team made the decision to advertise on TV for the first time ever--following two years of losses.

A former brands marketer with brewery Bass, Mr. Williams knew that powerful branding could make a real difference in a sector such as financial services, where consumer interest and knowledge levels are generally low.

Policies such as not financing or "in any way facilitating the manufacture or sale of weapons to any country which has an oppressive regime" and not investing in "any business involved in animal experimentation for cosmetic purposes" were well-received but not initially publicized outside the bank's key markets of north England and South Wales.

Then Mr. Williams decided to move the campaign to London, in order to target the city's upscale, professional, opinion-makers. It took about two years for the Co-op Bank, unfamiliar to most in London, to break into consumer awareness. But in the past two years, powerful ads from Partners BDDH, London have driven the ethical message home and deposit levels have shot up from all over England.

One cinema ad, for example, showed a black girl in a graduation gown standing with her proud parents. The voice-over explained: "These are the Hills whose daughter was sent to law school using money they'd kept in their account which their bank had supplied to a country where the regime denies most of its people human rights." The end shot showed a black man behind bars.

"If customers come to you because they are of like mind, they will stay," Mr. Williams said.

--Suzanne Bidlake

Maurizio Marchiori MOLVENA, ITALY
Diesel

The whimsical, irreverent advertising overseen by Advertising Director Maurizio Marchiori has transformed Diesel, once an obscure Italian jeans marketer, into an emerging global clothing brand with a striking image.

Even as Diesel was winning the Grand Prix at the International Advertising Festival in Cannes, France, in June, Mr. Marchiori was hunting for a new agency to take Diesel into its next stage of marketing communications.

Swedish agency DDB Paradiset, Stockholm, had since 1989 created a quirky, ironic identity for Diesel with ads such as the Cannes winner, "Little Rock." In the TV spot, a clean-cut hero in Diesel jeans fights a duel at dawn with a detestable villain and--in a typically Diesel twist--is shot dead.

Now, as Diesel continues to expand its offerings, Mr. Marchiori, 45, is moving to more product-oriented advertising with new agency Lowe Howard-Spink, London. Paradiset is slated to continue creating brand-oriented TV and cinema spots, but none is scheduled before next year.

Increased sales this year of $310 million, up 15% from 1996, speak well of Diesel's decision to increase Mr. Marchiori's ad budget for 1997, to $23 million, up more than 50% from last year's $14 million.

Aside from investing in communications, another company priority is retail operations. Diesel has opened 17 subsidiaries over the past two years and inaugurated its first superstore in 1996, in New York. Since then, superstores have opened in London, Barcelona, Chicago, San Francisco, Glasgow and Las Vegas. The Diesel network now comprises 11,000 points of sale and more than 100 Diesel stores in 81 markets.

Mr. Marchiori has helped plot "Diesel Planet's" marketing strategy since 1989, when he joined the company on the prodding of friend and Diesel founder Renzo Rossi. Before signing on, Mr. Marchiori worked for 15 years in sales and marketing at Italian telecommunications giant Telecom.

Getting Diesel's message across involves its own breed of hightech thinking. The company, a pioneer of the shopping-as-entertainment phenomenon, retains a 13-person design staff that stamps stores with details such as space-age metal, brightly lacquered fixtures, and vintage furniture from the 1960s and 1970s.

In addition, the megastore concept offers a multifloor shopping experience complete with cafes and a disc jockey spinning the latest tunes. In Vienna, a Virgin record store even has a Diesel corner.

"We created a meeting place for modern people that reflects our personality, where product presentation takes precedence," Mr. Marchiori said.

Among the spotlighted products are clothes in sportswear line 55 DSL, introduced in 1995 and produced in new fabrics for trendy sports such as snowboarding.

In January, Diesel takes a step in yet another direction: unveiling a shoe collection.

"Our main thrust is to market an attitude that lets people really express themselves by wearing our clothes, rather than to make a fashion statement or tout a lifestyle," Mr. Marchiori said.

--Amy B. Barone

Aki Maita TOKYO
Tamagotchi

Aki Maita knows the secret behind the Tamagotchi toy sensation: kuchikomi.
The word refers to the lightning-fast network of word-of-mouth advertising that connects teen-age girls in Japan. For Ms. Maita, who created Tamagotchi for Bandai Co. Ltd., the young opinion-formers have been more effective than any ad agency could have been in creating a worldwide buzz that borders on hysteria for the keychain-size "virtual pet."
Since Tamagotchi's introduction in November 1996 through the end of September of this year, 13 million units have been sold in Japan--all without any formal marketing campaign. Bandai expects sales to reach 23 million units by the end of March, and earlier this year the company took Tamagotchi into 27 countries.

Tamagotchi means "cute little egg" in Japanese. After an extraterrestrial creature hatches from an egg on the tiny screen, an owner presses buttons to raise the virtual pet--feeding it, cleaning up its messes and taking care of it when it is sick. The owner's rewards are virtual love and electronic chirps of affection.

"There is very little space in Japan for people to have a pet of their own, but there is a craving to raise an animal and receive its affection," Ms. Maita explained
She credits the success of the toy, sold for around $16 each in Japan, to research of its target market: high school girls, whose appeal lies not only in their kuchikomi but also their spending power and desire to purchase the newest products. By extensively surveying the targets and testing dozens of creatures Bandai was able to hit upon the right formula.

The company actually chose to go with the extraterrestrial creature "just days before the product launch," noted Ms. Maita, 30, who works in Bandai's toy entertainment division planning section.

About 30 magazines received Tamagotchi samples in September and October 1996 as it hit the shelves for a one-month test in Osaka and Tokyo.

Ten magazines ran articles on the new product before the actual launch in late November
"Based on our test sales period, we thought we would initially sell about 300,000 units,"

Ms. Maita said.

Instead, many stores sold out the first weekend Tamagotchi was available nationwide. National TV news network NHK reported on the toy's popularity, and as other media outlets picked up on the story, the sensation grew.

The runaway popularity was addressed with increased production, which grew exponentially from one facility in China to 11 facilities in China, Indonesia, Malaysia and Thailand. In fact, the only ads Bandai has ever found necessary to run for Tamagotchi were printed, in-house-created apologies for the toy's inadequate initial production supply and a recently launched print and TV campaign, running through January, that commemorates the first anniversary of the toy.

Early this year, Bandai took Tamagotchi overseas. In the U.S., Bandai reports sales topping 3 million since launching in May.

As Tamagotchi took to the road "there was a lot of talk within the company that we should change the product's name, but I insisted that it should keep the name 'Tamagotchi,'" Ms. Maita said. "Keeping the same name would make it a part of the world's pop culture."

Next to fuel the global frenzy for virtual pets may be an angel Tamagotchi, a sumo Tamagotchi and versions created with animals. These are already available in Japan.

--Jon Herskovitz

Brian Cape JOHANNESBURG

Samsung Electronics

While multinationals from Mars Inc. to PepsiCo Inc. have burned their fingers trying to enter South Africa against entrenched market leaders, Samsung Electronics' Brian Cape has proven that it can be done.

The only non-Korean to head a Samsung foreign subsidiary, the 48-year-old Samsung Electronics South Africa managing director has helped the electronics and domestic appliance giant push sales to an expected $150 million this year, up from 518 million in 1994.

The gain comes even in a year marked as a dismal one for sales of electric and electronic appliances. Despite the fact that sales of color TVs have fallen by 15% overall so far this year, for example, Samsung's share of the estimated $180 million TV market has inched up to 20%, from 18% last year. Further, the company holds 30% of the estimated $64 million VCR market and the brand leadership position in many other categories, including fax machines.

This is all a far cry from 1992, when Samsung products first entered South Africa through Mr. Cape's distribution agency, Etron. The Korean company was unknown here at the time, and Mr. Cape and his team spent two years developing relationships with retail chains and their sales staff before even advertising.

Mr. Cape, now responsible for 18 African countries, knew from personal experience the power of salesmen to steer a customer toward a brand. After working in sales for many years for retailers and appliance marketers he Home Discount.
For Samsung, he built a database of every appliance salesperson in the country and bombarded them with information about Samsung's credentials as an original equipment manufacturer for companies such as Sony, Toshiba and IBM.

By the time Samsung bought control of Mr. Cane's company and relaunched it as Samsung Electronics South Africa in 1995, both new employer and employee were ready to dive into an intensive consumer advertising campaign.

The consistent ad budget of $4 million a year is big by local standards, but the TV and print ads that always demonstrate product benefits are hardly the kind that wins awards. Cape Town's 360 Degree Marketing handles.

The tagline, "Leadership through products," has the virtue of working in both the First and the Third World components of South Africa's diverse culture, Mr. Cape noted.

The managing director also is partially responsible for sub-branding, with each product given a name that describes its attributes. Products such as the Touch and Think microwave oven, the Hi Focus television set the Little Big Max hi-fi and the Whisper Power vacuum cleaner were invented here. Some are now being adopted by Samsung internationally.

Advertising must "convey the consumer benefit, using the sub-branding concept to make the products come to life," Mr. Cape said.

--Tony Koenderman

Ilker Keremoglu ISTANBUL

Efes Pilsen

Although Efes Pilsen has been turning bira into lira for more than two decades, the Turkish brewer has only recently begun transforming its signature brand into a steady stream of rubles, lei and manat.
Credit for the evolution goes to Ilker Keremoglu, the 49-year-old CEO of Efes, and his crack marketing staff, who have been moving aggressively into Eastern Europe, Russia and the newly independent states of the Caucasus and Central Asia.
"We are in the process of transforming ourselves into a multinational company," Mr. Keremoglu confirmed.
Efes, a $600 million subsidiary of industrial giant Anadolu Holdings, has put itself on the fast track to the future, setting up a bottling venture with Coca-Cola Co. in Uzbekistan, constructing a brewery in Romania and investing close to $200 million into what will be Russia's largest brewery to produce both Efes and a local brand.
Efes already exports to about 40 countries, including much of Western Europe. A few shipping containers even make their way to the U.S. every year. However, consumer

response has been most outstanding in Russia, Eastern Europe, the Caucasus and Central Asia, where "we know we are selling enough to make an investment," Mr. Keremoglu said. "We could have sold much more over the last few years if we had been physically able to get it into those countries."

To be sure, Efes had to go somewhere: With a 72% share of the relatively mature Turkish beer market and enough capacity to more than serve the rest, the decision to look outward was the logical next step.

This wasn't always the case. When Mr. Keremoglu joined the company as a junior marketing executive in 1972, it was the upstart in a market dominated by a government brewery and a Tuborg joint venture. However, by paying close attention to distribution, pricing and Western style marketing, the risk-taking young company quickly surpassed the competition.

Unfortunately for Efes, the media that helped drive its success--radio and TV--are no longer an option. Two years ago, the Turkish government banned broadcast advertising for all alcohol products, forcing Efes and longtime agency Lowe-Adam, Istanbul, to rethink their strategy. Since then, client and agency have cautiously selected print media and instead pour money into sponsorship of sporting events, concerts and Efes' own professional basketball team.

The company is even supporting an archaeological excavation at Assos, a Greek-Roman-Byzantine city on the Aegean coast.

If there is a certain irony in a beer marketer prospering in a technically Muslim nation, Mr. Keremoglu doesn't see it. Market research has shown that about 48% of the adult population imbibes at least occasionally--far less than the percentage in most European countries but on a par with that in the U.S.

"When we introduced alcohol-free beer, it was a complete flop," Mr. Keremoglu noted. "If there seems to be a contradiction, it is just part of what makes Turkey different from other Islamic countries."

--William Spain

Patrizio Bertelli MILAN

Prada

Any doubts of how hot the Prada brand is are laid to rest outside the family-owned Italian marketer's boutiques worldwide, where fashion addicts trigger traffic jams of pedestrian gawkers.

What sets Prada apart from other luxury goods marketers is a look that defies conventional glamor, but control is also part of the formula for success. Managing Director Patrizio Bertelli keeps a firm hand and watchful eye on all deals related to growth and diversification, and the husband of Miuccia Prada shuns licensing agreements and franchise stores, preferring to steer production, distribution and marketing himself. He isn't even averse to pulling a product from the market once it becomes too popular. Those must-have nylon handbags with heavy chain and leather handles? They're history.

Born in Tuscany, Mr. Bertelli 50, forged both personal and financial ties with Prada back in 1978 when the designer called on his leather factory. Today, the detail-driven executive co-owns the company with Miuccia, who has overseen creative direction since taking over the family leather business founded by her grandfather Mario in 1913.

Prada has grown steadily from wholesale sales of $54 million in 1992, but the company has really taken flight in the past two years as Mr. Bertelli's product mix and moody ads have coincided with a frenzy for Italian luxury goods. Prada's wholesale sales hit $269 million in 1996 and should reach $428 million this year, spurred by growth in Asia and the U.S. For 1998, the target is $552 million wholesale. (Calculated with retail values, retail sales are nearly double wholesale.)

Prada's handbags still dominate sales, representing 44% of volume in 1996, followed by men's and women's ready-to-wear clothes with 26%, shoes with 16% and accessories with 14%. The clothing business includes Miu Miu, Miuccia Prada's nickname and a less expensive line introduced in 1994.

Prada is regarded as a pioneer in fashion advertising, always reflecting both the mood of Prada's latest collections and the company's rich history. Mr. Bertelli apparently intends to retain this vanguard position, having boosted ad spending this year by 50% to $33 million and planning to top that by 25% next year. All ads are created in-house, run globally and use only upscale print media such as Conde Nast Traveler and The New Yorker.

More freestanding Prada stores are in the works as well, with the number expected to hit 136 worldwide this year, up from 83 in 1996.

--Amy B. Barone

Carlos Murilo Moreno SAO PAULO

Fiat Palio

When he came on board 18 months ago, Carlos Murilo Moreno, advertising and promotions manager of Fiat Automveis, took on the marketing assignment for something code named Project 178. In the outside world, that mysterious moniker translated into the launch of a compact car called Palio that will become the Italian automaker's world car for developing markets

Brazil was the first test of the Palio, and Mr. Murilo, 34, came through with flying colors. Fiat's subsidiary in Betim (in the state of Minas Gerais) sold 250,000 Brazilian-produced Palios in one year after the April 1996 launch, more than doubling the previous record for a new model in Brazil. By the end of 1996, the Palio was already Brazil's second best-selling car, trailing only Volkswagen's Golf (Gol in Brazil) in the increasinly competitive market.

It hasn't hurt that Fiat didn't skimp on advertising. To date the automaker has spent $25 million on the 8 campaign in Brazil--$13 million last year and $12 million this year.

"There was never that much money spent on a single car," said Mr. Murilo, referring to the introductory campaign handled by Leo Burnett Worldwide in Sao Paulo.

Ads for the Palio drive home its safety features, a new tack for selling small cars in Brazil.

"Since it is exported, it meets all the standards outside Brazil, including some that take effect in 8 in Europe," Mr. Murilo said.

With the success of the Palio introduction under its belt, Fiat is now concentrating on introducing follow-up models. In February, the Palio Weekend station wagon hit Brazil, and in September the Argentine-produced Siena sedan rolled out.

Ads, meanwhile, are designed to work for all models, maximizing exposure and stretching the ad budget.

Fiat expects to selll 900.000 to 1 million Palios a year by 2000. By the turn of the century, Palio and its derivatives also will be produced in Latin America, Europe, Asia and Africa, said company President and CEO Roberto Testore.

"[Project 178] will act as a passport," Mr. Testore said, "providing Fiat with an entry to new markets where it can export other models in our range."

--Bill Hinchberger

Anssi Vanjoki LONDON

Nokia 9000 Communicator

Anssi Vanjoki, marketing chief at Finland's Nokia Mobile Phones, didn't let a vacation--no matter how well-deserved--interrupt his international ambitions for the portable 9000 Communicator.

On reading a magazine's speculation that the mobile phone-like device, which converges telecommunications and computer functions, might not actually work, he grabbed his Communicator and fired off a rebuttal via e-mail and fax--all from the shore of a Finnish lake.

Mr. Vanjoki's commitment to the Nokia 9000 Communicator helps explain why the digital communications product, launched in August 1996, is a hit among techno-savvy, always-on-the-go international travelers.

In addition, Mr. Vanjoki's strategy of using conventional marketing to push a digital-age product has paid off handsomely, industry observers note.

"I suspect it is already profitable," said Douglas Smith, technology analyst at Salomon Brothers International in London. "[Nokia] recouped research and development costs about four months after launch. It has definitely established the brand's reputation as being more than just a mobile phone; it is now seen as a technology leader."

Although Mr. Vanjoki, 41, is officially Nokia Mobile Phones' senior VP Europe and Africa, he also fuels the worldwide marketing drive of the Communicator.

"It's the product of what we've learned about the cellular phone and the personal computer, which are more or less prehistoric compared with this," he said of the Communicator. (Nokia already owns 20% of the global digital cell phone business.)

Slightly larger than a conventional mobile phone and weighing about 1 pound, the Communicator features a digital telephone, screen and keyboard. It functions as an address book and calendar, and uses radio frequencies to send and receive e-mail and faxes and access the Internet.

Despite being a first-generation product--which typically attracts only technology fanatics and early adopters--the Communicator has seen sales soar.

"Every month is a new record month," Mr. Vanjoki said.

The retail price of the Communicator has already fallen more than 70% to $405 in some markets, from $1,695 in just over a year, indicating Nokia's commitment to cultivating more mass usage.

The Communicator works in any market supporting the global systems for mobile communication, or GSM, technology. This translates into Europe, Africa, Asia and the U.S.

Mr. Vanjoki's sales strategy relied on traditional TV and print ads. He used the print headline "Everything. Everywhere" to emphasize that, with the Communicator, tomorrow's digital lifestyle is already available. One TV spot, for example, showed an executive who gets lost on his way to a school reunion but finds his way after he phones for the location map, which is faxed to his Communicator.

Agency Sek & Grey, Helsinki, devised the pan-European campaign for Europe and Africa. Nokia's agency in Asia is Bates.

The above-the-line execution has been supported by extensive below-the-line activities In

Europe, Nokia's biggest region, company representatives were stationed at major airports to demonstrate the Communicator's ease of use.

--Juliana Koranteng

Wolf Tilmann Schneider BERLIN

SAT. 1

It is easy to see why Wolf Tilmann Schneider's nickname in the German TV market is "The Merchandising Pope." As director of new business development at SAT. 1, the country's fourth-largest TV channel, Mr. Schneider, 41, has catapulted the station's merchandise revenue to s3go million last year from a meager s25 million in 1994. This year, he expects merchandise sales to leap to $435 million.

Soft toys, sports attire, books, cars, CDs, beverages, vacation packages and even insurance plans and holiday apartments are among the products branded with logos of either SAT. 1 or one of its programs. Distribution is through bookstores, department stores, drugstores and even gas stations.

Mr. Schneider's achievements can't be underestimated in the booming TV-related merchandise sector in Germany, Europe's biggest TV market. SAT. 1 competes against RTL, Germany's largest TV net-work (and Mr. Schneider's former employer), and PRO 7, another player in the merchandising arena that Mr. Schneider and his team dominate.

Insiders say earnings from the licensee business accounted for between 5% and 10% of SAT. 1's total merchandise sales in 1996.

Mr. Schneider's anointment to merchandising papacy began three years ago when SAT. 1 set up a new business development unit to exploit product marketing linked to popular TV programs. The newly recruited Mr. Schneider was tapped to lead the charge, and to date, NBD has introduced some 850 products into the marketplace.

The most popular programming genres for spawning merchandise are entertainment shows, sports shows, children's programs and soap operas. Any shows heavy on sex, crime or violence are out of the running.

One example of a hit is "Kommissar Rex," a show about a crime-busting German shepherd. The line of 70 Kommissar Rex items include toys, cups and doormats. And since November, the program has been tied with local insurance group Uelzener Versicherung to provide a Kommissar Rex medical plan targeted at the nation's estimated 5 million dog owners. The premium is $8.70 a month.

The program also airs in Austria, Switzerland, the Netherlands and Italy, so SAT. 1 merchandise licenses have been extended into these markets.

Mr. Schneider, however, is cautious about introducing merchandise too soon.

"If a new show is successful, we wait at least a year until we start with merchandising," he said. "We do not want to harm our distribution partners. It is our goal that the retail trade profits from our products."

Although CDs and books are SAT. 1 best-sellers, accounting for 30% and 20% of merchandise revenue, respectively, Mr. Schneider is always creating new niches. His division, for example, linked up with travel agency Berge Meer in 1995 to launch a service called SAT. 1 Reisen that offers inexpensive tour packages and shopping trips.

SAT. 1 Reisen has become so popular that ticket sales doubled to 10,000 last year from 1995 and are expected to reach 28,000 this year. The service is promoted before the SAT. 1 evening news and in one-page ads placed in Bild am Sonotag, the largest-circulation Sunday newspaper.

Marketing the rest of the merchandise range also involves on-air promotion on SAT. 1 and print campaigns in popular newspapers. All ads are created in-house.

--Dagmar Mussey

Arik Vardi TEL AVIV

Mirabilis ICQ

When Arik Vardi developed Internet software company's ICQ Internet communications product, one of the features he built in was an ability to market itself. That characteristic enabled Tel Aviv-based Mirabilis to have its product at work on 5 million PCs worldwide within a year of beginning operations in late 1996, when the company's four young founders--Vardi, Yair Goldfinger, Sefi Vissiger and Ariel Yarnitzky--shunned conventional advertising or marketing efforts in favor of distributing ICQ (a play on the words "I seek you") free to about mo friends.

The program works on Windows software and enables Internet users to know which other users of ICQ are on-line when they are, explained Mr. Vardi, who at 27 iS the oldest of the Mirabilis founders. (The group decided to forgo any other titles for themselves.)

ICQ supports most major Internet telephone products, allowing users to call up friends around the world using cheap Internet phone calls--and without the complications of setting up prearranged times.

ICQ also sends real-time messages, e-mail and files that travel via its own server, instead of through both the sender's and receiver's servers. On-screen icons show if the message has been received or if the recipient is off-line, in which case the data will appear as soon as he or she connects to ICQ.

To take advantage of ICQ users must be sure that those they want to contact also have the program. So ICQ provides a function for users to send messages with the ICQ universal resource locator, or URL, attached, to make it easy for others to download the free program. The number of registered users grows by about 26,000 a day, the company estimates.

"Our goal was for ICQ to market itself," confirmed Mr. Vardi. "The users are our marketers and salespeople."

The policy to give away the user-friendly Internet product stems from a decision to establish it as a market leader in its field--rather than to turn a profit right away. The long-term plan is to sell advertisers on ICQ

"We were first in the market, and we were alone for six months," Mr. Vardi noted Competing products now include America Online's Buddy List.

Also key to Mirabilis' marketing effort is its Web site (www.icq.com), which U.S. search engine specialist Alta Vista has ranked 16th among the 100 hottest sites and fifth on its top Internee technology list. Other Internet opinion-formers have also given the company a marketing boost: Shareware.com named ICQ best Internet program of 1997

But word of mouth is still the company's chief marketing tool, which has worked so effectively that Mirabilis has begun to market ICQ Intranet servers to companies around the world.

"We haven't had to advertise the servers at all, as people who already use ICQ have encouraged their companies to set up ICQ Intranet servers for in-house communications," Mr. Vardi said.

--Margo Sugarman

Jurgen Kindervater BONN

Deutsche Telekom

By creating a brand called the T-share, Jurgen Kindervater masterminded the sale of $12.5 billion in Deutsche Telekom stock.

"Telekom shares had to become a brand just like Coca-Cola. That's why we named them T-shares," said Mr. Kindervater, 52, communications director.

In what has become a model for big state companies in Germany and elsewhere facing privatization, Deutsche Telekom's marketing strategy led to 1.9 million Germans, one-third of whom had never owned a share of stock in their lives, snapping up 41% of the stock offering on Nov. 17, 1996. Institutional investors in Germany and in other markets, who bought 26% and 33% of the shares, respectively, weren't forgotten either.

"To raise interest among private citizens as well as institutional investors in our T-shares, we informed them continuously during our ad campaign that Telekom is a leading technology company that telecommunications is the market of the future," Mr. Kindervater explained.

He spent $45 million on advertising between April and November 1996. Aware that only 5.9% of the German population owned stock, Mr. Kindervater relied on direct mail and set up a share information forum under the slogan "Knowledge is money." Callers who registered were sent information about the offering and provided a database of information on Deutsche Telekom.

For the TV, radio and print campaign, Mr. Kindervater tapped longtime agency SEA Spiess Ermisch & Andere, Dusseldorf, and signed London-based Dewe Rogerson for itS expertise in advertising aimed at institutional investors through German and international business print media. By July (three months into the campaign), 10% of Germans had requested offering information.

The last pre-offering ad push starred German soap opera and detective drama actor Manfred Krug in 15 humorous commercials. In one, Mr. Krug told viewers, "Telekom. It's absolutely crazy what that company can achieve."

Crazy or not, after Mr. Krug's spots aired, calls to the company's information service rose to 70,000 an hour.

Not surprisingly, the Deutsche Telekom offering ended up being five times oversubscribed. When it became clear that demand for shares would be overwhelming Mr. Kindervater sold back media the company had bought for the latter stages of the campaign.

But with typical German fastidiousness, he made sure that the company's ads finished the job. When the offering was complete a final burst of ads admonished "The T-share is here. Now go to your bank."

--Dagmar Mussey

Carlos Alberto Poletini SAO PAULO

Guarana Antarctica

As the marketing director for Brazil's No. 2 soft drink after Coca-Cola, Carlos Alberto Poletini is going after the leader.

Guarana Antarctica is Companhia Antarctica Paulista's entry in the lucrative guarana soft drink segment. Guarana, a small, red Amazonian fruit believed to boost energy levels, is still little-known outside Brazil--although Antarctica is trying to change that.

"The past 12 months have been particularly interesting for [Guarana Antarctica]," said Mr. Poletini, 46. "Growth has reached 5%, and the soft drink market has shrunk 1.3%."

In Brazil, the $6.8 billion soft drink category is clearly led by Coke, with a 34.3% market share, but fast-growing Guarana Antarctica is second with 8.1%. Within the guarana segment, Antarctica turns the tables: Its guarana drink commands a leading 26.2% share compared with 11% for Coke's Tai brand.

So strong is the competition from Guarana Antarctica that Coke has introduced a new brand Kuat, to compete directly with it, backed by a $10 million ad budget.

Tai, meanwhile, will be considered a second brand and may eventually be withdrawn from the market.

Although guarana drinks' biggest following is among very young drinkers, Mr. Poletini has shifted his marketing strategy to target slightly older Brazilians--who tend to drink more Coke . Emphasis is placed on Guarana Antarctica's taste, natural ingredients and Brazilian identity.

The brand's $16 million account at W/Brasil, Sao Paulo, plasters the Guarana Antarctica name across TV, magazines, transit and airport media. The brand's current slogan, "Uh! Guarana!," is a takeoff on a popular Brazilian soccer chant. In the current TV campaign, teen-age couples kiss and sensually toy with the straw commonly used to drink guarana from the bottle.

"Guarana's communication means dynamism, joy and sensitivity, sharing the best things in life with friends and family," Mr. Poletini said.

In addition, the drink likes to convey a sense of humor--even if it is at the expense of rivals. After PepsiCo Inc. last year unveiled an international TV spot that shows a chimpanzee in a laboratory displaying greater intelligence after drinking Pepsi and less after consuming Coke, Guarana Antarctica came up with sequel. In it, the chimp spurns cola altogether and orders a guarana drink--and is rewarded with a beach-and-sun lifestyle.

Outside Brazil, Guarana Antarctica is already bottled in Portugal, China and Japan. To further expand, the company in October opened a U.S. office in Miami and is looking for bottlers and distributors in Florida and on the U.S. East Coast.

In Asia, the company is researching markets and plans to increase its bottling in China.

"Our prime markets are Asia and the United States, but we are already negotiating to take the product to Canada, Mexico and Europe," Mr. Poletini said.

--Claudia Penteado

Takeshi Yoshida BANGKOK

Toyota Soluna

Engineers aren't known for being overly emotional, but when Toyota Motor Corp.'s Takeshi Yoshida introduced Toyota's first overseas launch of a new international model--the Soluna--in a downtown Bangkok hotel last December, he was visibly moved.

"Today is one of the happiest days of my life," he told his audience, "because I can introduce my lovely child, the affordable family car, to all of you. I feel confident that this passenger car will be one of the leading models in the motorization of Thailand."

The prediction of Mr. Yoshida, 47, wasn't far off the mark. The Soluna, developed jointly by a Tokyo-based team of engineers led by Mr. Yoshida and a Thailand-based product development committee chaired by Senior Managing Director Ninnart Chaithearapinyo, went on sale Jan. 31. Priced at $10,000, it has become the best-selling car in the highly competitive 1500CC engine passenger car category, the segment of the market that accounts for 60% of all passenger car sales in Thailand.

Moreover, the Soluna already has been exported to Brunei and Singapore, and has edged out the similarly positioned Honda City (introduced in Thailand in April 1996) in head-to-head competition.

Some 24,135 Solunas--more than half the model's projected sales of 40,000 for 1997--were ordered in the six months before the Thai currency crisis hit the national economy and sent after-shocks through the car market. Auto sales in Thailand fell hard, about 40%, in August and September, and even the Soluna has felt the effects, with Toyota production suspended in early November at two of its main Thai production plants.

Still, the Soluna has maintained its leading position in a declining market, and the months before the shutdown were indisputably stellar. The momentum for Soluna's success goes back to even before the car's launch, when Toyota enlisted Dentsu (Thailand) to create the multi-million dollar "Great Journey Campaign" to help build anticipation for the car's debut.

The series of TV commercials showed two young Thais driving a Soluna all over the world--from Paris to Turkey to the Middle East--with their homecoming to Bangkok coinciding with the rollout of the Soluna.

As an engineer, Mr. Yoshida wouldn't be expected to be much involved in marketing strategy, but he came up with a number of appealing Soluna features that have been parlayed into striking ads.

Print running in the Bangkok metropolitan area, for example, emphasized how the car is tailored specifically for driving in Thailand and Asia. The modifications include a low-revving engine designed to withstand proliferating traffic jams (legendary in Bangkok), a high car mount that navigates flooded streets during rainy seasons, and easily replaceable and inexpensive parts.

Indeed, the Japanese's recognition of price sensitivity has been key to Soluna's success, said Tim Dunn, automotive analyst at Automotive Resources Asia in Bangkok.

"The number one objective is not to create something unique for the market but to make something affordable for the emerging Asian middle class, to put in reach of consumers," he observed.

--John Clewley

Enrique D'alessandro BUENOS AIRES

Arcor

A salty old sea captain sprung from the imagination of Enrique D'Alessandro is steering Arcor toward its goal of becoming the world's leading sweets marketer.

The nautical navigator is the star of a series of animated short programs created for cable TV, called "The Stories of the Captain." The cartoons, running up to five minutes in length with an Arcor ad at the end of each, represent the first advertorials in Argentina, said Mr. D'Alessandro, 35, Arcor's communications and public relations manager.

"We did it because nobody else is doing it and one day everybody will be," he said.

Such forward thinking doesn't stop with the internally produced cartoons, however. Besides being the domestic leader in nearly every candy and food market it participates in, Arcor, with sales of almost $1 billion in 1996 (up from $200 million a decade ago), is in the thick of creating an international marketing structure with Argentine headquarters. The family-run, locally owned company already ships to 75 countries, with exports growing to 5138 million last year from $37 million just three years ago.

Brazil, Uruguay and Chile rank among Arcor's most lucrative and promising foreign markets. Indeed, in Brazil alone Arcor plans to double its $7 million advertising budget every year for the next four years, Mr. D'Alessandro said.

Last year, Arcor also established a candy factory in Peru to bypass high tariffs and to export to Venezuela, Bolivia, Columbia--and even China. An office in Ecuador is on the books for a March opening.

Arcor's 35 advertising accounts are spread among Young & Rubicam-owned ADD, Omni Publicidad, Leo Burnett and Ruben Maril. Although Mr. D'Alessandro wouldn't divulge spending figures, sharing the wealth has paid off: The marketer has earned numerous awards over the years, including Argentine Advertiser of the Year in 1995 (selected by local advertising magazine El Publicitario).

Frequent product launches are another important component of Arcor's winning strategy. The latest was the November rollout of powdered juice brand Verao, which means summer in Portuguese. To compete against market giant Tang from Kraft General Foods, Arcor and agency Ruben Maril used the same technology employed in making the movie "The Mask" to create two 40-second, hi-tech TV commercials for its marketing arsenal. In the ads, a boy dons an empowering mask to get his juice back from a dinosaur.

--Andrea Mandel-Campbell

Claude Benchetrit PARIS

Intercall

On business trips to the U.S., French computer services specialist Claude Benchetrit observed the phenomenal success of prepaid telephone cards. The concept rung his bell, especially because in March 1995 he had met a like-minded entrepreneur, Alain Chatteau, a French expert in computer applications who had spent six years in Silicon Valley.

Mr. Benchetrit, 45, combined his pragmatic vision with Mr. Chatteau's technological expertise to help tailor the U.S. prepaid phone card concept for France--and add a twist: the ability to put audio advertising on the card. The results since Intercall's launch in 1996 have been so positive that the card was exported to Italy this year, and Germany, South Africa and the U. K. are expected to follow.

Sales this year are estimated to hit $6.5 million, up from $500,000 in 1996. They're expected to double in 1998.

"We are not selling telephone cards," said Mr. Benchetrit, who is officially Intercall's co-founder and CEO. "We are selling promotion on a telephone card."

Unlike competitor France Telecom, Intercall's remote memory card allows it to be used from any telephone and carry a promotional audio message. When customers dial the toll-free access number, a message from the advertiser is played. The number allows Intercall to know immediately a promotion's impact.

Some 60 advertisers, who buy a certain amount of telecommunication minutes and insert their own audio spot, have signed on with Intercall since February 1996. Intercall doesn't advertise itself or use an agency, relying in stead on its own staff and word of mouth to sell the card.

Ford France obviously liked the pitch, and it invited prospects to visit Ford dealers to receive an Intercall card with free phone time and an audio message from the automaker.

Advertisers pay Intercall $2,40a to $320,000--depending on the number of cards bought and the amount of telephone time offered.

A more recent push is into theme cards. For the holidays. Toys 'R' Us, newsstands and hypermarkets will sell a $16 set of three Barbie cards, which will tell a Barbie story over the telephone. Another card, printed with a Santa Claus, allows children to call Santa Claus and hear a Christmas story.

By the end of 1998, the theme cards could represent 20% to 25% of total sales, Mr. Benchetrit said.

"Our strength is to have understood that a telephone unit is a commodity which appeals to everyone, whatever his or her age, sex or income," he added. "Everyone enjoys a free call."

--Anika Michalowska

Franco Bosisio TURIN, ITALY

Superga

Once known exclusively for a rubber-soled sneaker developed decades ago, Superga is now a fast-growing operation that spans the seasons with sportswear, fashion-forward clothes and a winter shoe collection. Credit for the makeover goes to Franco Bosisio, 47, who joined Superga two years ago as managing director after nine years at SMH.

Working for the Swiss watch-maker, he earned the nickname "Mr. Swatch" for his molding of the trendy watch brand. As the new Mr. Superga, Mr. Bosisio doubled ad spending to $9 million last year and took to TV for the company's first commercials. Within his first year at the helm, Mr. Bosisio picked up a Bronze Lion at the International Advertising Festival in Cannes, France for an ad titled "The Challenge."

The progress in sales has been equally dramatic, rising to $76 million in 1996 from $62 million in 1995. This year's figures are expected to hit $94 million.

Milan-born Mr. Bosisio started his career in 1975 as a brand manager at Procter & Gamble Co. in Rome, but he soon moved on to Cartier as Geneva-based director of marketing. When he joined SMH in Italy in 1986, he stepped into the three-pronged role of worldwide creative director. global head of communications and advertising, and managing director for Italy.

He joined Superga in November 1995 after some prodding from executives at Superga's owner, investment company Societa Partecipazioni Finanziarie SpA, which acquired most of the shoemaker in 1993 from Pirelli Tires.

"Up to 1995, sales for summer shoes made up 99% of sales," said Mr. Bosisio, who isn't shy about pairing a pair of his favorite orange Supergas with his tailored Italian look. "The clothing business was marginal, exports were low and advertising was seasonal. The biggest change we made back then concerned strategy. I wanted quick changes and quick results."

So he slashed staff to 170 from 310, beefed up his forces with proven performers from Swatch, moved half of production to less expensive Asia and set to work on product development.

In 1996 Superga presented its first winter shoe collection--and tripled sales. The category now makes up 25% of sales. Mr. Bosisio also extended the clothing line, hiring designers to give the preppy apparel more flair, while cutting prices by 20% on the classic sneaker.

This year he began developing an extensive retail network, with 15 company-owned and franchise boutiques scheduled to open by year's end. Superga's strongest markets are Italy, Germany, France, Spain, the U.S. and Japan.

The domestic Italian market represents 80% of sales, but Mr. Bosisio aims to accelerate growth overseas, entering South America and new Asian countries. Superga's five-person creative staff works with ad agency Pirella Gottsche Lowe, Milan, on a global basis.

A new product-focused print campaign with the headline "If you really want to cover yourself" was introduced earlier this year in Italy and Japan to tout the fall/winter line. Ads show naked models posing with the shoe and clothing collections.

Mr. Bosisio wants to make Superga a $118 million company with 100 stores by 1999. To help reach that goal, he's putting the finishing touches on launching children's apparel and eyewear in 1998 and is in negotiating for a license to develop beauty products.

"Our goal is to focus more on fashion, less on sports," Mr. Bosisio said, "but shoes will always be our core business."

--Amy B. Barone

Nicholas Hieronimus PARIS

L'Oreal Fructis

Nicolas Hieronimus' hunch to extensively pre-test L'Oreal Fructis built up the haircare line's muscle to compete against successful global rivals Pantene and Organics.

"It was for us a strategic launch," said Mr. Hieronimus, 34, marketing manager for L'Oreal subsidiary Laboratoires Gamier. "We wanted Fructis to be a key brand in the haircare market in France as well as internationally."

It's well on its way to meeting both goals. Since launching in France in July 1996, Fructis' five shampoos, three conditioners and hair mask have emerged as France's No. 2 haircare brand. With a 9% market share, the expensive mass-market line trails only leader Elseve (also from L'Oreal) and its 13.5% share.

Fructis conditioners also exploit the undeveloped conditioner market in France, where only one in seven women uses one. Already, Fructis claims the No. 2 spot in the market with an 18% share. Again, Elseve holds the top spot, with 30%.

Fructis is already crossing borders as well, trying to catch Procter & Gamble Co.'s Pantene and Unilever's Organic--both of which have enjoyed recent success by emphasizing hair nourishment from roots to ends. Fructis launched in Italy in May, in Spain in June and in Russia in September. The potential for further moves abroad abounds: Gamier is present in 45 countries.

Planning, planning and still more planning in the three years before Fructis' rollout hit upon the right product formula and marketing mix. European research showed that consumers' desire for healthy, shiny hair with body coincided with a preference for a product that was natural. As a result, Gamier developed a blend of vitamins, glucose, fructose and fruit acids.

TV and print ads and packaging build on this natural theme. Advertising, featuring people in black and white and the product and various fruits in color, emphasizes how Fructis builds shiny, strong hair using fruit ingredients. Publicis Conseil handles the account, but Mr. Hieronimus declined to reveal a budget.

--Anika Michalowska

Juan Cano MADRID

Quo

When Hachette Filipacchi Magazines' ad sales department in Spain started begging for a new men's title to attract a different range of advertisers, Hachette VP Juan Cano was already working on an idea. More than just a men's magazine, he wanted a publication that could easily move beyond Spain and appeal to both men and women.

Mr. Cano's brainchild--Quo--has soared since its October 1995 debut, becoming the country's leading monthly with a circulation of 335,393. It packs some 60 ad pages--at a

cost of $10,000 per color page--and seven inserts in a typical 150-page issue.
But what really makes Quo a standout is its ability to cross borders.
"At Hachette, we try to build up trade names that can go international," Mr. Cano, 52, confirmed. "The future of magazines is international."
Indeed, Quo is already a seasoned traveler. Simultaneous with its launch in Spain, Hachette introduced the magazine in Portugal, in France in November 1996 and in the Czech Republic in May 1997. The most recent additions are a Mexican edition, begun in October with Editorial Televisa, and a version for Argentina that appeared in November with the help of newspaper partner Clarin.
And Quo's journeys have just begun. Hachette plans to introduce Quo in 12 countries, including Brazil, Italy and Germany, in the next five years.
His creation's success comes as no surprise to Mr. Cano, who planned every detail of the magazine down to the short title that would work in different languages, the gender-neutral format that attracts as much as 48% female readership and the massive pre-launch ad blitz.
The Hachette VP said he learned how to launch international titles from his experience in introducing to Spain a German monthly called Muy Interesante, from international publisher Gruner & Jahr.
A successful modern magazine has to offer insights into specific current topics, Mr. Cano stressed. Quo, for example, leverages genderless editorial topics, such as environmental issues, stress management, birth control options and automobile reviews.
"The world is changing very quickly," Mr. Cano said. "Quo helps to provide the tools to keep up with today's fast-paced changes. We don't touch subjects that cannot be applied to everyday living."
One shortcoming Mr. Cano found with the Muy Interesante formula was that the name couldn't cross the language barrier and had to be changed each time it entered a new country. Quo, which means "why" or "where" in Latin, is unusually universal.
"Quo is a short, modern name," Mr. Cano said. "It is inquisitive. It encourages the reader to pick up the magazine."
And if the name didn't hook readers, Mr. Cano made sure that Hachette invested in marketing to create a Quo buzz. The initial effort, for example, inserted 5 million copies of an eight-page mini Quo into Spain's national newspapers the Sunday before the launch.
"It was a very expensive trick, but the results have been tremendous," Mr. Cano said.
The tack was so successful, in fact, that Hachette repeated it in Portugal and France.
Hachette's strategy also included an introductory discount price for the first three issues and an extensive ad campaign by De Federico, Herrero y Ochoa, Madrid.

--Pamela Rolfe

Simeon Garcia VALENCIA, VENEZUELA

Aserca

Aserca airlines President Simeon Garcia is off to a flying start.
Initiating operations with just a trio of eight-seat Cessnas in 1991, Aserca today boasts 10 DC-9s that move 110,000 passengers a month, or 45% of the country's domestic air traffic.
That figure is nearly triple what Aserca carried in January 1996--but far less than Mr. Garcia's goal.
Indeed, the 35-year-old entrepreneur has even higher hopes for his venture. Aserca will,

for instance, break out of national boundaries by year's end with flights to Colombia, Cuba, St. Martin, the Dominican Republic, Aruba and northern Brazil. And a new contract with Sabre Travel Information Network for computerized reservations, the type major carriers use, will boost the airline's efficiency.

Sidestepping the tourist market to avoid seasonal ups and downs, Mr. Garcia instead steered his venture toward the constant stream of business travelers. He chose industrial center Valencia as the airline's hub rather than the capital Caracas and made punctuality the company mantra.

But far from sacrificing comfort for the sake of efficiency, Mr. Garcia also aims to make business travel a pleasure, offering first-class amenities for the same price other airlines charge for economy class. Catering, an open bar and roomy, ergonomically correct seats are standard.

"Por todo lo alto," roughly translated as "Nothing but the best," is Aserca's advertising slogan. Pegaso Publicidad in Caracas handles the nearly $1 million budget for the multimedia campaign.

"We only offer first-class service because that's what our customers are--first class," Mr. Garcia said. "Companies pay for 80% of our passengers' fares, so they're pleased that it's no extra financial burden to keep their executives happy."

In fact, corporate accounts receive special attention through a program called the Secretaries' Club, which gives executives' assistants gift incentives to book their bosses on Aserca.

The upstart airline stuck with its luxury service even in the mid-1990s, when Venezuela's economic crisis spawned the lowest airfares in the hemisphere and exchange controls made buying aircraft and replacement parts a major headache. To stay afloat, the airline displayed a willingness to cut profit and reinvest as much revenue as possible.

"Service was the only way we could compete," said Mr. Garcia, who also kept adding a new plane every quarter to Aserca's fleet during this tumultuous time.

Now cruising across a calmer domestic landscape, Mr. Garcia has his eye on European routes deserted by troubled national carrier Viasa and on the U.S. as its eventual prime destination. The ascent is sure to be bumpy: Current unfavorable classification of Venezuelan airlines by the U.S.' Federal Aviation Administration prohibits Aserca from entering the country. But Mr. Garcia has become the principal advocate at home for reclassification, and he has been elected president of the Chamber of Venezuelan Air Transport Companies.

--Conrad Dahlson