

Business Week
July 11, 1988

The Corporation

eventually. "It's enhanced their entire product line," says Bernard L. Schwartz, chairman of Loral Corp. One example of how Sperry's strength in flight controls complements Honeywell's in navigation systems: McDonnell Douglas Corp. hired Honeywell to integrate cockpit systems in its new MD-11 airliner, the first time an outsider has won the job.

Renier is counting on his commercial aerospace business to help ride out the rough times looming for defense contractors. Honeywell has not been implicated in the spreading investigation of bidding improprieties, but it has plenty of challenges. One is the steady slowdown in the growth of defense spending. Another is the Pentagon's more hard-nosed attitude toward contractors. Honeywell's recent write-offs, for example, included cost overruns it will have to swallow on fixed-price contracts for test equipment for the F-15 fighter.

HEADSTART. Outside of defense and aerospace, Honeywell's prospects are mixed. The business of selling heating controls and alarms for buildings remains vulnerable to sluggishness in the real estate market. A surge in capital spending, meanwhile, has brightened the outlook in automation controls. But it is a cutthroat business, where manufacturers tend to stick with the suppliers they use already. "To dislodge someone is not an easy thing to do," says J. Tracy O'Rourke, president of rival Allen-Bradley Co.

Fortunately, Honeywell has gotten a headstart in putting together the sensors, instruments, and other gear used to keep tabs on continuous manufacturing processes, such as those in the pulp and paper industries. Now it is trying to find new applications in industries with similar production processes, such as drugs and food, while helping existing customers find new uses for its products, such as packaging paper towels.

As he builds the automation business while fixing the defense business, Renier is certain to employ the same patient, low-key approach he has used throughout his career. He makes a point of leaving the office early enough to spend time with his family, for example, and often doesn't even bother taking a briefcase home. It's an attitude that grew out of a personal tragedy and colors his view of business. After his first wife died of cancer in the early 1970s, Renier devoted himself to raising their five children on his own. "If you have a wife dying over three years, there isn't a damn thing that can bother you as much," he says. "If something goes haywire at Honeywell, you say: 'So what? We're here to fix it.'"

By [Name] For more information contact the Archives Center at archivescenter@si.edu, 202-633-3270

STRATEGIES

WHY NOXELL IS TOUCHING UP ITS LATEST CREATION

Sales of its Clarion makeup are less glamorous than expected

George L. Bunting Jr. runs Noxell Corp. the same way he pilots his 34-foot sloop, Utopia: No matter how rough the going, he's unflappable. The helmsman has helped lead the cosmetics and skin care company to spectacular growth over the past decade, often mesmerizing Wall Street. And he's determined to hew to the course.

Yet Noxell is bucking some new headwinds. Its Clarion line of cosmetics is struggling after a dazzling launch in 1986. That's bad news because Clarion was designed to take up the slack when Noxell's successful Cover Girl line slowed down, as it is showing signs of doing. No surprise, then, that Noxell's share price hasn't recovered from the October market crash—languishing at about 20, down from a high of nearly 34 last year.

Plenty of CEOs in the cosmetics business would love to be in Bunting's Top-Siders. In the past five years, Noxell, founded by Bunting's grandfather, has grown twice as fast as the industry. In 1987 net income rose 17%, to \$43.6 million on sales of \$490 million. Similar growth is expected this year, but Wall Street is fretting about the future.

MURKY MESSAGE. Clarion made its debut in September, 1986. While Cover Girl, the nation's most popular makeup, appeals to fresh-faced teens, hypoallergenic Clarion was targeted to the fast-growing over-25 set. Drugstores and supermarkets snapped up \$24 million worth of the new line in the first quarter, and analysts predicted sales four times that for 1987. But Clarion saw sales of only \$42 million for the year.

The problem: a murky ad message. By

beautiful color can be," Noxell promoted Clarion for sensitive skin and for fashion—and diluted both ideas. Says Allan Mottus, a marketing consultant: "They were half-pregnant on this thing. Bunting is trying to get it right. He cut some of the line's colors. And he moved Clarion's \$18 million ad budget to Leo Burnett USA in Chicago, from Lintas:New

York, Noxell's agency of 41 years. TV ads breaking in July highlight the Clarion computer, which buyers can use to analyze their coloring. The new tag line: "Looking great. And knowing it!"

If the new approach doesn't work, Clarion may tumble off some shelves. For instance, its sales have been 33% below expectations at Pathmark, the supermarket chain. Says spokesman Robert Wunderle: "Normally, with a situation like that we would discontinue the product, but our experience with Noxell has been that it's



CEO BUNTING: AD AGENCY SWITCH

an exceptionally reliable company."

Even Bunting knows that Cover Girl sales can't keep growing at their historical 11% clip. Growth slipped to 7% in the first quarter, not much more than other brands. Blame it on competition from a feistier Revlon Inc. and Schering-Plough Corp., which is pumping big ad and development dollars into No. 2 Maybelline.

But Noxell has other plans. While Bunting is mum on what they might be, analysts expect Noxell to launch another skin cream. A new fragrance seems a good bet, too, since Noxell has filed a trademark for a scent called Cooler. And with \$85 million in cash and no debt, he just might go shopping. But nothing else could produce the quick results he could get from freshening up Clarion.

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7TH STORY of Level 1 printed in FULL format.

Copyright (c) 1989 Crain Communications, Inc.;
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January 23, 1989

SECTION: Pg. A

LENGTH: 739 words

HEADLINE: Skincare faces new products

BYLINE: By PAT SLOAN

BODY:

Noxell Corp. and Cosmair will try to skin the competition in the \$1.6 billion-plus facial skincare market with new lines under the Clarion and Plenitude brands.

The two lines will be priced competitively with Almay and other Revlon entries.

Noxell will introduce Clarion skincare in April; Cosmair will follow in September with Plenitude, the leading mass-market skincare line in France.

Advertising for Clarion's 13 skincare products will fit into the "Looking good and knowing it" theme first used in Clarion makeup last year (AA, July 4). Leo Burnett USA, Chicago, handles Clarion.

Plenitude, a line of 12 products; will be marketed under the theme "Reduces signs of aging." Publicis, Paris, is handling.

Neither Noxell nor Cosmair would disclose ad spending for their introductions, but Cosmair executives said the Plenitude launch will represent its major mass-market effort for 1989.

The skincare introduction will help push Clarion's total ad spending up by more than 20%, said Steve Colnitis, marketing director for the brand. Last year, Nox **For more information contact the Archives Center at archivescenter@si.edu or 202-633-3270**

The two lines will be entering a growing market but one that hasn't always

Several new lines haven't fared well, said Allan Mottus, an industry consultant who singled out Colgate-Palmolive Co.'s Lournay and Beiersdorf's Nivea Visage as having been disappointing.

Still, several have made some headway and, in doing so, have contributed to a further slide in market share for the No. 1 brand, Oil of Olay, from Procter & Gamble Co.'s Richardson-Vicks subsidiary.

Mass-market brands now account for only 29% of all consumer dollars spent on facial skincare, Mr. Colnitis said.

But after a flat 1987, sales accelerated during the second and third quarters of 1988 with increases of as much as 14%, said Diana Temple, a VP with Salomon

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Brothers.

Oil of Olay, far and away the leader with an estimated 29% share in drugstores and 25.2% in food stores for 1987, has seen its share soften in the face of gains by competitors. Among them are St. Ives Laboratories and Neutrogena Corp.

St. Ives now has a 5.8% share in food stores. Neutrogena, which in 1988 added an eye cream, night cream and sunblock, saw sales increase 32% last year to an estimated \$179 million, Ms. Temple said.

She's projecting a 27% increase for Neutrogena this year. It's particularly strong in drugstores, where it competes with Revlon's Almay line, which has a 6%-plus share.

Ms. Temple said Oil of Olay's food-store share dropped to 20.4% by the third quarter of 1988.

Oil of Olay is said to be working on a form of anti-aging cream, though sources say no decision has been made to move ahead with the item.

Cosmair will carefully address the subject of aging so it doesn't cross any of the U.S. Food & Drug Administration's new guidelines on anti-wrinkle claims.

The marketer hasn't disclosed Flenitude's claims.

Cosmair is said to have had a share drop for its L'Oreal cosmetics over the past year and may need a winner to regain momentum.

Meanwhile, Clarion has said it will associate its new line with "state of the art" ingredients such as hyaluronic acid, elastin and collagen, all names common to upscale skincare lines sold in department stores.

Like the makeup, the skincare line will be tied to the Clarion computer. Advertising claims the computer helps take the confusion out of consumer selection.

Though Clarion makeup had a difficult start, the latest success, from Burnett is credited with spurring growth. Clarion sales were up 20% in 1988 to an estimated \$50 million, said Jack Salzman, analyst with Goldman, Sachs & Co.

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If Noxell, the No. 2 skincare competitor, wins with Clarion, it will beat the No. 3 marketer to the punch.

Chesebrough-Pond's has said it's studying another skincare line through its Prince Matchabelli division.

With a Clarion success in skincare, Noxell also may feel free to introduce a Cover Girl skincare line, which Wall Street analysts say it's still working on.

Clarion has been caught up in a trademark dispute with Clarins. The upscale French skincare marketer challenged the U.S. Company's rights to the Clarion name before the Trademark Trial & Appeal Board in Washington, charging consumer confusion (AA, March 28).

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But Clarins USA President Joseph Horowitz said the two companies are "now working toward an amicable solution."

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SECTION: INFORMED SOURCES

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BYLINE: By Tom Delaney; ADWEEK senior editor Tom Delaney's "Informed Sources" appears weekly

BODY:

NOXELL CORP.'S long-held desire to have a third key agency may influence the outcome of th \$ 20-million review of the Clarion skin treatment line, which is now at Lintas:New York.

"Having a third major agency has always been an issue at Noxell, and maybe this [the review] will be a good excuse for them to make the move," one agency executive said.

Incumbent Lintas, Noxell agency William Esty Co., Lotas Minard Patton McIver/N.Y and Ammirati & Puris/N.Y. are the agencies in pursuit of Clarion.

GRAPHIC: Picture, no caption; Symbol, no caption

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The skincare introduction will help push Clarion's total ad spending up by more than 20%, said Steve Colnitis, marketing director for the brand. Last year, Noxell spent \$30 million on Clarion products in the AA market.

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But Clarins USA President Joseph Horowitz said the two companies are "now working toward an amicable solution."

Once industry darling, Clarion gets makeover

By Pat Sloan

Its detractors say consumers have not heard the call to Clarion too clearly; fans say otherwise, pointing to a respectable \$46 million in sales. By yearend it should be obvious who's right.

This fall, an ad campaign from Clarion's new agency, Leo Burnett USA, Chicago, should be well in place along with a complementary skincare line, a souped-up program for the Clarion in-store color-analysis computer and refinements in Clarion's color selection.

By then the line also will be 2 years old. Whether it's going to catch on should be easier to judge as should the possible outcome of a significant legal dispute with Clarins USA (AA, Feb. 29 et seq).

Opinion wasn't always so divided about the cosmetics brand the Noxell Corp. introduced in fall 1986. Within three months of launch, Clarion had chalked up \$25 million in sales. Wall Street gleefully predicted sales of as much as \$70 million for 1987.

Instead, Clarion sales slowed to \$9 million during fourth

quarter 1987, down from an estimated quarterly average of \$12 million, according to Shearson Lehman Hutton's Andrew Shore, who now estimates Clarion will hit \$55 million in sales this year.

Clarion's problems aren't only fiscal. Beyond the balance sheet, it faces possible legal action from Clarins USA, which has filed a complaint with the Trademark Trial & Appeal Board in Washington charging trademark confusion.

So far no lawsuit has been filed by Clarins in federal court. But that could change when Clarion goes into skincare, Clarins' specialty. Clarins USA President Joseph Horowitz says, "We are opposing their trademark registration. There is clear confusion. Customers are coming into department stores asking our saleswomen for Clarion lipstick. We don't even make lipstick."

Added Clarins attorney Susan Douglass, "We have proceedings going on all over the world. We've stopped them in other countries where they've tried to register their trademark. They've made a mistake and because of all the money they've spent they don't want

■ End of '88 to answer questions as legal woes and higher expectations haunt Noxell line

to admit it." A Noxell spokesman acknowledges discussion between the two companies but would not comment further.

The company has been just as quiet about other matters. Despite the shortfall in sales—widely believed to have sparked the January creative review that led to Burnett's succeeding 41-year Noxell agency Lintas:Worldwide on Clarion—Noxell has never acknowledged any problems with the brand. In fact, sources say, Noxell considers the shortfall Wall Street's problem, not Clarion's. One source close to the company says Noxell feels "that some analysts, in hindsight, had really unrealistic expectations for the brand."

Noxell steadfastly has denied the agency review stemmed from any difficulties, explaining the search for new creative instead was to "explore Clarion's full growth potential" (AA, Jan. 11).

While Noxell will not elaborate, one source explains, "The company's feeling is the brand is doing very well. It has a 6.9% dollar share in liquid makeup in chain drugstores and a 4.5% overall share. Lintas could have kept the business but Noxell thinks Burnett found something that will take the brands to bigger heights."

Still, Noxell observers have a hard time viewing such assessments without skepticism, reasoning if something needs fixing it must be broken. "Clarion needs to be more clearly positioned in the marketplace," says Brenda Lee Landry of Morgan Stanley, New York. "Management must work on solving Clarion's image problem and evening out its retail distribution. We continue to think that the company's advertising should be more pointedly hypoallergenic, i.e., a more precise message like Lauder's medicinally oriented campaign for Clinique."

Sources at Burnett say a new campaign has not been exe-

Gentle pulled in \$7 million in sales. Notes Tom Virtue, president of Roure Bertrand Dupont, a fragrance and flavor supplier, "It's a merry-go-round on the same dollar. Color each day is chewed up a little more by Maybelline and Cover Girl."

Noxell may have already begun to find Clarion a fashion niche. Noxell is broadening Clarion's color range, a possible indication it has decided to shoot for a fashion position after all. Slow-selling dark color shades have been phased out and four eyeshadows are being added as were new nail enamels last year.

"Things have smoothed out," says Gary Crawford, director of



A hit with retailers, the Clarion Color System computer can add programs, such as speaking Spanish to Hispanic consumers.

cuted yet. But other agency executives have indicated that Noxell is calling for a more focused brand image.

A diluted product message straddling both a hypoallergenic and fashion positioning is generally believed by market observers to have contributed to Clarion's shortfall in sales. "The question now is can Clarion figure out what it wants to be: hypoallergenic for sensitive skin or a fashion line?" says industry consultant Allan Mottus. He suggests a different solution than Ms. Landry. "Right now, the hypoallergenic market is getting cluttered," he notes. "There's Lournay from Colgate in skincare. Then in cosmetics there's Aziza, Almay, Physicians Formula and ancillary brands such as Revlon's New Complexion, Maybelline's Ultra Pure and even Noxell's own extension of its flagship brand Cover Girl with the Extremely Gentle spinoff."

"Clarion has a lot of opportunity on the color side. Cover Girl does not have a fashion image. That is not its reason for being, [which is] an all-American clean, clear look. That leaves Clarion room to be a fashion line," he says.

It's even possible that Noxell's flanking of Cover Girl with Extremely Gentle may have contributed to Clarion's shortfall. During 1987, Extremely

cosmetics and H&BA operations for Houston-based retailer Randall's. "Shade breaks will change now and will be ongoing with the seasons and fashion."

"At first, their reps weren't experienced at handling a fashion line. They were out of stocks in some stores; in others they were overstocked," Mr. Crawford notes. "But I applaud their efforts."

"This retailer is particularly enthused about the Clarion computer. While the computer created by New York-based Intermark originally acted as a basic guide to introduce consumers to the line, it has the capability of adding on more advanced programs. For instance, in areas with a high number of Spanish-speaking consumers, the computer will be bilingual in the manner of many bank automatic teller machines. In Canada, the Clarion computer will speak French in addition to English."

Its program also will be expanded to incorporate the skincare introduction and may eventually have other uses, too. Sources say the computer could easily be adapted to distribute coupons, or even show consumers how to apply makeup.

Michael Wahl, chairman-ceo of the Howard Mariboro Group, Intermark's parent company,

(Continued on Page S-14)

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Clarion undergoes 'limited review'

By PAT SLOAN

NEW YORK—Noxell Corp. is conducting a creative review, including incumbent Lintas:New York, for its \$20 million Clarion cosmetics brand.

Four other agencies also are participating, sources said, in what a Noxell spokeswoman characterized as a "limited review."

The shops are said to include Noxell agencies William Esty Co. and Lotas Minard Paton McIver.

The review does not extend to the Baltimore-based company's flagship Cover Girl cosmetics brand, which is at Lintas.

The Noxell spokeswoman, stressing Lintas'

active role in the Clarion review, said the agency has handled Noxell for more than 40 years and "even now is developing alternatives for Clarion."

Although there have been industry rumors that Clarion has been a disappointment since its fall 1986 introduction, the spokeswoman denied that was the reason for the review.

Rather, she said, "We want to explore Clarion's full growth potential. Our current strategy is working. Clarion's sales are good, and its market share is growing."

Last fall, Clarion reportedly hit a 3.8% share, which Noxell claims is up to 4.5% now.

However, by comparison, Cover Girl, the leader in the mass-market makeup category,

has an 18% share.

"It's not that Clarion has been bad. But it is not as big as Cover Girl, and it has not been as big as anticipated," said industry consultant Allan Mottus.

Mr. Mottus said Wall Street forecast sales of more than \$60 million for 1987 but that sales are expected to fall closer to \$50 million.

"It has not lived up to the hoopla," he said.

But Salomon Bros.' Diana Temple said she estimates Clarion sales at \$55 million, compared with about \$60 million for Revlon Group's Almay, the largest mass-market hypo-allergenic brand.

Mr. Mottus said that, in some stores, sales slowed once Clarion was moved from an indi-

vidual display to wall systems. He also said Maybelline Co. and Revlon responded quickly to Clarion's introduction with the launch of their own brands, such as Maybelline's Ultra Pure and Revlon's New Complexion.

Other sources claim the brand spent more than 50% of its 1987 budget in the first half of the year, leaving a disproportionately small amount for the fall.

Although market observers credit Lintas' advertising with being attractive, they say it has had to walk a fine line between a hypo-allergenic and strong fashion positioning.

That dual positioning, they believe, may have called into question the effectiveness of the advertising and spurred the review. ■

Tambrands

(Continued from Page 3)

Gargano, New York, Tambrands' agency for Maxithin sanitary napkins.

The further evolution of Tambrands into a healthcare company may come slowly. "Home diagnostics as a category is growing fast, but regulatory approvals are slow," said Diana Temple, Salomon Bros. analyst.

In sanitary napkins, a market in which Tambrands' Maxithins so far has carved out only a 6%-to-7% share, the company is testing what it considers a new concept—a trapezoidal Maxithin. The napkin, now in test in Washington state, is full-size and thicker than regular Maxithins.

Mr. Konney said Tambrands' strategy with the new test product is not shape but thickness. He said Tambrands is not convinced a thin sanitary napkin is meeting consumers' psychological needs, noting the company's research proved some women want a thicker pad. Ally & Gargano also handles.

The Lake Success, N.Y.-based company is testing whether to augment or replace the existing Maxithin line with thicker pads, he said. Acknowledging Tambrands had hoped Maxithins would gain a larger share of the sanitary napkin market, Mr. Konney said the company "won't abandon the market. We have a viable share, and with the high profit, it makes sense to stay in."

Tambrands also is experimenting with two new tampon shapes and sizes. In Canada, the company is testing Tampax Compak, a tampon with a plastic applicator that fits in the palm of a woman's hand. A complete

package is slightly larger than a pack of cigarettes, Mr. Konney said.

By trying out new sizes and applicators, Tambrands may be moving closer to two competitors—International Playtex, which markets a plastic applicator tampon, and Johnson & Johnson's Personal Products Co., which markets o.b., a small-size tampon.

Mr. Konney said that if the test is successful, the product will be brought to the U.S., though he declined to say how soon.

Burnett handles print and TV advertising in Canada.

In Minneapolis, the company is testing a closed-end tampon under the Tampax name. The applicator is flushable. The closed-end applicator long has the hallmark of competitor Playtex, Stamford, Conn. Tambrands will have a price advantage because its cardboard applicator is less expensive to manufacture than Playtex's plastic. William Esty Co., New York, is handling spot TV.

Industry observers said one reason Tambrands is eager to expand its product line is to make itself less vulnerable to a takeover and to protect itself from the hazards of being a single-product concern. Those hazards manifested themselves when toxic shock syndrome hit the \$500 million tampon industry in 1980.

"By marketing only one product, we were vulnerable to things like TSS," Mr. Konney said. He said the majority of the company's fiscal 1988 sales, estimated by analysts at \$535 million, came from tampons.

But Tambrands also is perceived

as vulnerable to a takeover, especially on Wall Street. "Tambrands is too profitable not to be taken over," said Andrew Shore, a Shearson Lehman Bros. analyst.

Although Mr. Konney said the new products push is meant to decrease the company's dependence on tampons, Mr. Shore said the company is "a cash monster," trying to invest its excess cash to avoid takeover.

"Tambrands, with its explosive cash-generating capabilities, will ultimately fall prey to an unfriendly suitor who recognizes that the structure of the tampon market precludes extensive competition and that the only way to enter the market is through purchase," Mr. Shore said.

Among possible suitors, he said, would be J&J, Kimberly-Clark Corp., Playtex and Procter & Gamble Co. P&G withdrew its Rely tampon from the market because of the TSS threat.

Mr. Konney said the company is aware it is perceived as vulnerable because of its cash-rich state. "It is generally accepted that we as a tampon marketer are a cash cow," he said. But he said he doubts Tambrands would be taken over, because "we are well-managed and the stockholders are well-pleased. We are not a candidate for breakup."

Not all of Wall Street is looking at Tambrands as a takeover target. Salomon's Ms. Temple said the company simply "needs more growth" outside tampons and is leveraging its well-entrenched brand name.

She pointed to Tambrands' Physician's Formula allergic makeup line as evidence that the company is in no hurry to diversify.

"If they were really serious about diversification, they'd be taking it national," Ms. Temple said. ■

Olympic ads

(Continued from Page 3)

Olympics sponsor. Since the Olympics are bona fide news events, publishers have created special editorial sections to attract advertisers.

As long as these publishers do not use the Olympics trademark or portray themselves as official sponsors, their actions do not legally infringe on Time Inc.'s agreement with Olympics organizers.

But they hurt. Conde Nast Publications will publish *Street & Smith's Olympics Guide* in May, reviewing the Winter Games, previewing the Summer Games and carrying about 40 ad pages.

Magazines as diverse as *Self* and *Rolling Stone* have sold ads for Olympics supplements for their February issues.

Possibly the biggest competition is Gannett's *USA Today*, which has aggressively sold a "1988 Winter Games Bonus" section to appear each weekday of the Winter Games, starting Feb. 12, and of the Summer Games, beginning Sept. 16.

The *USA Today* section "has certainly confused the issue for advertisers and ad agencies," said Thomas J. Hickey, *SI's* ad sales director.

Another publisher, Welsh Publishing Group, will publish *The Kid's Official 1988 Olympic Games Magazine* in August. With a circulation of 1 million, the one-shot magazine will carry about 40 ad pages, said Welsh Publishing President Don Welsh.

Bruce Hallett, general manager of *Time's* international editions, said,

"Time Inc. isn't going to tell other publications what they can and cannot print. But this puts Time in an awkward position."

Other Time Inc. executives, who asked not to be identified, said they felt *ISL* or the U.S. Olympic Committee should have regulated more firmly who can produce special Olympics sections.

Time Inc. will not take legal action against a publication, but it has written letters to the *ISL* objecting to the plans of some magazines.

Bill Breen, president, *ISL USA Inc.*, said Time Inc. could attempt to block a publication, such as the *Kid's* guide, by taking legal action. However, Time Inc. officials said they have no plans to do so.

In its own right, the worldwide sponsorship label has served Time Inc. well.

The international editions of *Time* have collected \$3 million in ad revenue from the Olympics sections. International editions of *Time* will carry stories written by *Sports Illustrated* that would be appropriate for international editions.

"For what we paid vs. what we've been able to get from advertisers, it's been a superior business decision on our behalf," said William P. Kupper Jr., international ad sales director, *Time*.

SI has done even better. The magazine's "Winter Olympics—Special Preview Issue" will be the second largest in *SI's* history, carrying more than 200 ad pages and pulling in more than \$20 million in ad revenue. ■

Revlon

(Continued from Page 1)

the Revlon Classic Cosmetics & Fragrance Group headed up by Arnold Zimmerman, previously president of Revlon Group I.

A new Fashion & Designer Group also has been formed to be headed up by Robert Nielsen, recently a senior executive at Estee Lauder Inc.

Both BJK&E and Grey left Revlon claiming their accounts were unprofitable, sources said.

BJK&E was unhappy with how much its billing had been reduced in the last year, sources said. When BJK&E won the account in 1986, it took home \$25 million in network media buying and \$20 million in regular billings.

Since then, BJK&E's cosmetics billings have dropped to less than \$1 million. HHCC and the 50th Floor Workshop, an in-house agency, picked up much of the business.

As its status waned, BJK&E found it hard to turn a profit on Revlon.

Revlon has not reassigned BJK&E's media-buying billings, sources close to the company said.

The 27-year-old Grey-Revlon relationship also appears to have deteriorated with time because of money.

One week after Grey left Revlon, it was assigned the \$10 million Pantene account by P&G. It happened so quickly that the move raised questions about who initiated the Grey-Revlon split.

Officially, neither will say. Revlon's Mr. Cohen, who years ago worked at Grey, said, "We have the deepest respect for Grey, for Ed Meyer and all the people who worked on our business. Looking at the situation at the end of the year, we just decided a breather was in order."

And from Ed Meyer, Grey's chairman: "It was a 27-year relationship that petered out. We had a good run together. . . . During that time the cosmetics business environment changed, and the relationship lost its strength and its character. After a while you just move on."

Unofficially, there are those who said it was Grey that decided to make the move.

One senior Grey executive said the agency opted for P&G's Pantene because Revlon "doesn't spend split," or at least was no longer a

profitable client.

Grey had made a last-ditch effort in 1986 to hold onto its full Revlon billings by hiring Rochelle Udell of Della Femina-Udell as a creative consultant for the review BJK&E ultimately won. Grey hoped to get back some of those billings when Lorimar later announced a BJK&E spinoff.

But, finally, Grey refused to wait, the executive said.

"Hill Holliday is Revlon's favorite agency of the week, but even they seem to get jerked around," he said. "Assignments remain projects, and campaigns get stuck in the can."

After Grey left, Revlon was stuck without an agency or a campaign for its \$22 million introduction of the Clean & Clear haircare system, set for March.

To deal with the problem, Revlon reassigned Clean & Clear on a project basis to HHCC.

Supported by \$10 million in media spending and \$12 million in promotion, Clean & Clear may find a permanent home at the Boston-based shop, sources said.

The other brands that left Grey were Jontue fragrance and Flex haircare. Revlon is handling those in-house for the time being. ■

Coca-Cola in 3-D

(Continued from Page 1)

tails of the 3-D commercial, saying only that it will be a 60-second spot.

The company also will promote the "Moonlighting" episode and commercial with point-of-purchase displays and special tie-in sweepstakes.

The 3-D episode will be "Moonlighting's" season finale, which usually is during the May network sweeps. ABC has not announced a date for the episode.

The 3-D commercial and "Moonlighting" episode will use Nuoptix, a special technology developed by Coca-Cola that eliminates the double-vision distortion normally associated with 3-D at theatres, said Ted Harbert, VP-motion pictures and scheduling, ABC Entertainment, Los Angeles.

Coca-Cola developed the Nuoptix process.

"The scale of this is bigger than anything we have done," Mr. Lynn said. "This is the first time the company has done a coordinated promotion where the same promotion is running with retail fast-food cus-

tomers, supermarkets and convenience stores."

The 3-D effect will be evident during at least eight minutes of the episode, Mr. Harbert said.

The ABC executive added that an unspecified character will don 3-D glasses on the episode to cue viewers that the 3-D segment is about to begin.

"Moonlighting" has averaged a 31 Nielsen share in the 15-week primetime season through Jan. 3, down somewhat from its 34 average a year ago.

In terms of household rating average, the series ranks No. 10 in the season to date, compared with No. 8 a year ago.

That slippage is attributed largely to the fact that Cybill Shepherd was hardly visible in this season's episodes, due to being pregnant with twins; she is due back full-time this month. ■

Patrick McCoshan and James P. Forkan, New York, and Wayne Wulley, Los Angeles, contributed to this story.

On January 6, 1988, President Ronald Reagan made this point in a speech about Nicaragua.



On January 7, 1988, President Daniel Ortega made these points in a speech about Isuzu.



American Isuzu's spot featuring President Reagan and Nicaraguan leader Daniel Ortega didn't clear the networks, but it did earn publicity for the automaker and Della Femina, Travisano & Partners.

Isuzu gains notoriety with outlawed spot

WHITTIER, CALIF.—Apple Computer picked up loads of publicity from a 1984 commercial that aired only once on national TV. But American Isuzu Motors may swamp Apple's watermark with a spot that has yet to air.

This time, President Reagan started it all. In early February, the president likened Nicaraguan leader Daniel Ortega to Isuzu's "lying" spokesman, Joe Isuzu.

Although the U.S. leader mispronounced the name of the Japanese import company, Isuzu and its agency, Della Femina, Travisano & Partners, Los Angeles, quickly capitalized on the situation by creating a TV commercial that features both Messrs. Reagan and Ortega.

Just as quickly, the three networks rejected the spot. Despite its failure to clear the networks, the commercial has gotten national airplay.

Nationally syndicated "Entertainment Tonight" and Cable News Network ran the spot as news, as did the local NBC-TV affiliate in Los Angeles.

Agency President Peter Stranger denied suggestions that his shop planned the timely tongue-in-cheek commercial simply for the publicity.

"The networks' clearance people are their own worst enemies," he said. "The spot is tongue-in-cheek, funny, entertaining and truly extends the campaign."

The commercial features documentary footage of President Reagan remarking that President Ortega is like "that fellow in the Isuzu commercial."

It follows with a clip of the Nicaraguan leader giving a speech in Spanish, while the subtitles offer fictional translations, including "Hey, Joe Isuzu. Could you cut me a deal on an Impulse Turbo?" and "I hear the Impulse is faster than a speeding bullet. I could use that in a car."

The agency isn't giving up on the spot.

Mr. Stranger said that if the networks continue to reject the commercial, the agency will begin the process of clearing it for spot markets.

And he's not lying. #

GF campaign

(Continued from Page 3)

Boxes in order to boost both.

The Claymation spots resemble those used in the line's Houston and San Antonio, Tex., test markets, said Alice Wheelwright, O&M account supervisor.

"Claymation was used because we wanted to target children a little older," she said. "We didn't want to use animation because there is so much animation on Saturday morning TV."

The Kool-Aid campaign is themed "Wacky, wild Kool-Aid style." The advertising shows silly situations with Kool-Aid's Pitcher Man character.

This is the first year since the Koolers aseptic line rolled out that it hasn't been supported with sensa-

One possible reason for umbrella campaigns for Kool-Aid and Tang is that sales in the powdered soft-drink category, estimated at \$800 million a year, are declining at a rate of about 5%, while aseptically packaged drinks are experiencing double-digit growth.

Aseptics are now at about \$500 million and are expected to exceed sales for powdered soft drinks by 1991, Ms. Cudlip said. The aseptic category grew 12% in 1987.

Coca-Cola Foods' Hi-C line is the market leader. Kool-Aid Koolers is in second.

In powdered soft drinks, Kool-Aid is the runaway leader with an estimated 64% market share. Wala's recently announced

Noxell delivers

Burnett gets Clarion, and more

By PAT SLOAN

Noxell Corp. assigned more than Clarion cosmetics to Leo Burnett USA; the agency got a skincare account, too.

In selecting the Chicago shop last week, Noxell apparently is asking the agency to create advertising that can incorporate both a cosmetics and skincare message. Ad spending for the current Clarion cosmetics line is put at \$20 million.

Sources close to Noxell say it plans to introduce Clarion skincare in the second half of this year.

Executives at the Baltimore-based marketer previously have said Clarion skincare is in the works but have not disclosed a timetable.

Sources also report Noxell's skincare plans are giving fits to Clarins USA, New York, an upscale French skincare marketer that feels the Clarion trademark on skincare products will be too similar to its own.

Asked to comment on reported talks with Clarins, a Noxell spokeswoman said, "We are not involved in litigation. There is no lawsuit at this point."

Clarins executives could not be reached for comment.

To win Clarion, Burnett beat out New York agencies Ammirati & Puris; William Esty Co.; Jordan, McGrath, Case & Taylor; and in-

Noxell "wanted to get an additional agency in there for [future] growth."

—Industry source

cumbent Lintas: New York, which keeps \$60 million in billings on Cover Girl and Noxzema products.

No airdate has been set for a new Clarion campaign, which is in development.

Burnett has not had a cosmetics account since it parted with Revlon in 1981.

The Clarion assignment offers potential problems as well as opportunities for the agency. Although Burnett may be in a position to pick

up more Noxell assignments, the agency first will have to help get Clarion's act together.

Lintas' advertising, while attractive, had to walk a fine line between a hypoallergenic and fashion positioning because of the dual nature of the brand.

This duality, some market observers believe, has diluted Clarion's strength.

Though it has built a respectable \$50 million in sales volume, the line has fallen short of expectations Wall Street had for it at the time of its introduction in 1986 (AA, Jan. 11).

Still, sources close to Noxell maintain that Clarion's performance and a desire to keep it separate from Cover Girl were not the primary forces behind an agency change.

"They wanted to get an additional agency in there for [future] growth," one source said, noting that Noxell is interested in acquisitions. "They'll concentrate on personal care. But they have an unbelievable financial statement; they could be interested in a lot of different companies." #

'N.Y. Post' to press for upscale readers

By PATRICK REILLY

NEW YORK—The *New York Post* is in for some changes that might leave the racy tabloid's traditional blue-collar readers out in the cold.

The changes are the brainchild of Peter Price, who was named publisher two weeks ago. His appointment came after former owner Rupert Murdoch reached trade union agreements that allowed the newspaper to be sold to real estate developer Peter Kalkow for \$37 million.

In an interview with *ADVERTISING AGE*, Mr. Price said he plans to reposition the *Post* as an afternoon newspaper marketed for a largely white-collar audience.

The revamp includes plans for a more sedate approach to covering the news by abandoning the *Post's* penchant for sensational headlines and lurid crime stories.

If Mr. Price succeeds in keeping the paper alive, it will amount to a modern-day newspaper miracle of saving an afternoon metro daily.

The key, industry experts say, is stopping the erosion of advertising lineage from the *Post's* pages. But Mr. Price said he will first redefine and "sharpen" the editorial product to find the right readers to draw advertisers.

"Now it's a quality game," Mr. Price said. "Our mission is not to build up circulation again but to enrich the circulation. We will keep our half-million circulation but

to 690,000 in 1987, but sources within the *Post* said it has dropped to 425,000 in recent months.

The tabloid's share of total advertising lineage continues to dwindle, reaching 8% in 1987, according to Media Records.

In the newspaper's revamping, Mr. Price said he will reshuffle two key positions. Frank Devine

sell \$1,000 dresses from Saks, but we will be the place to sell dresses to the young working girl in Manhattan," he said.

To that end, Mr. Price said that within 60 days he will increase the number of daily *Post* editions from two to possibly four. And he is considering bringing back the tabloid's "Wall Street" edition, which carried

stock market closings.

Late last year, the man Mr. Price succeeded, Patrick Purcell, slashed the paper's eight daily editions to two. The action was an attempt to reduce costs at the paper, which was losing more than \$10 million a year.

Mr. Price said he will "sharpen" the paper's graphics but will not alter them extensively. "We'll make it more engaging. Not magazine-like, but less blunt," he said.

He also will not follow through with plans for a Sunday edition.

More importantly, Mr. Price will change what has made the *Post* notorious in recent years, essentially cutting out the Murdoch trademark of sensational news coverage while keeping its right-wing politics.

"You won't see the ax murder story or the skimpy bathing suit photo anymore," Mr. Price said. "But we will be something different from the a.m. papers. We'll have stories that tell about the people behind the news in a spunky, feisty way. You don't have to be lurid to



Repositioning of the *New York Post* is included in the changes being made by Peter Kalkow (l.) and Peter Price.

will remain executive editor and Patrick Smith will stay on as VP-advertising.

The *Post's* \$2 million ad account, which has not had an agency for some time, is under review.

In recent years, the *Post* and its larger competitor, the *New York Daily News*, have been hurt by the city's declining middle-market retail base due to the departure of some major department stores. Regardless, Mr. Price said his

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ARCHIVES

Burnett Lands As Client Asks Networks To Review Avon Claims

By Dottie Enrico

NEW YORK—In an effort to strengthen its Clarion brand of cosmetics, Noxell Corp. added Chicago's Leo Burnett to its roster of agencies last week, ending a two-month review. But Noxell is also waging another quiet war for Clarion by contacting the three television networks, asking them to review claims made by competitor Avon Products Inc. for its line of color products.

Noxell is urging the networks to review claims made in Avon ads that it is the first (Continued on page 6)

An Ad Invasion of 'Privacy' 'Kvetch-Age' Ads Test Copywriting Skills

By Dottie Enrico

NEW YORK—Noel Coward didn't corner the market when he dreamed up the concept of *Private Lives*. Advertising is the latest industry to indulge the nation's obsession with looking behind closed doors, and the result is a slew of national ad campaigns that depict a new intimacy.

Forget the hokey slice-of-life ads that used to feature women who were radiant because they'd just licked a bad case of ring around the collar. The new aspirational models in advertising are letting their hair down and talking about real insecurities and their desires to escape life in the fast lane.

A new campaign from DDB Need-



A detail from Chivas' new campaign shows how intimate the latest ads can get.

ham New York for Chivas Regal carries the statement, "You used to hate it when he told you what to do. Now sometimes you wish he could." AT&T and McCann-Erickson offer heated exchanges among close business associates (Continued on page 4)

WHAT'S INSIDE



Sharing some honest opinions

Exercise in Good Advertising

Cher's plain speaking is about as renowned as her fancy attire and svelte figure. So when a health-club chain asked the actress to talk candidly about working out, critic Barbara Lipper had a lot to say.

(INDEX CONTINUED ON PAGE 2)

Super Tues. Yields No Media Bonanza

By Stephen Battaglio
and Candace Talmadge



NEW YORK—Super Tuesday isn't turning out to be as super as media buyers and television stations had expected.

March 8, the date when 16 states hold

Presidential primaries and four others hold Democratic Party caucuses was expected to create a hotbed of media-buying (Continued on page 6)

Simmons, Arbitron Unveil 'Fusion' Data

By Noreen O'Leary

NEW YORK—Simmons Market Research Bureau and Arbitron Ratings Co. surprised competitors last week with their joint "fusion" research service, combining cross-media measurement with product-consumption data. But early reaction from national advertisers (Continued on page 10)

Can Saturn, Ford Coexist
In Same Galaxy? Page 10

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Noxell Asks Networks to Review Avon's Ad Claims

(Continued on page 1)

company to offer a color-coordinated makeup system. Noxell says it already offers a coordinated makeup system with Clarion.

Noxell has taken no legal action nor filed complaints with the National Advertising Division of the Council of Better Business Bureaus, but it is hoping the networks will ask Avon to make modifications. N W Ayer handles Avon.

"We became concerned when we saw the Avon ads and questioned the 'first' designation Avon was making," said a Noxell spokesperson.

Avon acknowledges the challenge, and, according to Mary Lou Quinlan, Avon director/advertising, Noxell is questioning the line "the first color collection coordinated, organized and perfected into one simple system."

"We are eagerly ready to meet this challenge," said Quinlan. "And we are 100% confident that we will win."

Clarion will get a bigger push from Noxell

and Burnett this year when the company enters the mass skin-care market with its first treatment line. Noxell has been working on several treatment products for some time and was mulling the possibility of launching the line under the Clarion, Cover Girl or Noxzema Skin Cream names.

Sources say Noxell has decided to enter the market under the Clarion banner and that it will probably launch the line nationally by the end of the year. The line will include a beauty bar, creams and lotions.

Bill Lynch, chairman/ceo of Leo Burnett U.S.A., said Noxell may have been predisposed toward New York shops for Clarion but added Burnett after seeing its reel.

"I don't think geography was a factor. I think we demonstrated our commitment and creative ability and that we could understand their business," said Lynch.

Geography may not have been a factor,

but Burnett's current client roster was, according to cosmetics-industry sources. Noxell apparently wanted a major packaged-goods agency to service the Clarion account, and Burnett, along with Young & Rubicam and J. Walter Thompson, were among the few agencies without conflicts.

Other finalists for Clarion were the incumbent, Lintas:New York, which continues handling about \$60 million in Noxell billings, including the flagship Cover Girl line; William Esty Co., another Noxell agency; Ammirati & Puris; and Jordan, McGrath, Case & Taylor.

While Clarion is a \$15-million assignment, Noxell has already spent about \$5 million on the brand this year. Noxell assigned Burnett both creative and media buying for Clarion.

Although Clarion's rollout in 1986 was viewed as a success, sales were not up to expectations last year, sources said.

—with Kelly Class in Chicago

Super Tuesday Proves to Be No Bonanza for the Media

(Continued from page 1)

activity, with candidates scrambling to get their paid messages on the air. But tight campaign funds, dependence on field organizations and cautious strategies have limited early buys to a trickle.

"It's referred to around here as not-so-super Tuesday," said Alice Riehl, national sales manager for WXIA, the NBC affiliate in Atlanta. "It doesn't look very good at all. Some candidates don't have the money. Some candidates feel their money is better spent in the field."

A number of stations in the mostly Southern Super Tuesday states also reported little buying activity, with less than two weeks to go. "Unless they come in on Friday or Monday, they're not going to have a lot of weight in the market," said Barry Allentuck, national sales manager for WTVJ, the CBS affiliate in Miami. Sen. Albert Gore, D-Tenn., is the only candidate to buy time on national cable networks, which had been touted as a quick and efficient option for reaching the Super Tuesday markets.

One top political media buyer says expectations for Super Tuesday spending are too high. "It's not going to be the media onslaught everyone thought it was going to be," the buyer said. "The money is going into other places."

Dan Payne, a media consultant handling Democratic Presidential contender Gov. Michael Dukakis of Massachusetts, noted that campaign treasuries are not for media alone. "All campaigns have to meet pretty heavy travel budgets," he says. "If you've got \$1 million in the bank, that doesn't mean you've got \$1 million available [for advertising]." The spate of paid media seen in early primary and caucus states such as Iowa, New Hampshire and South Dakota was due part-

ly to the low price of spots in those states.

But strategy is another reason for holding back ad buys. Campaigns are delaying media buys to see what salvos opponents will fire first. Others may spring negative spots this weekend, leaving opponents little or no time to respond. That strategy helped Vice President George Bush topple Sen. Bob Dole, R-Kan., in New Hampshire's Republican primary and Rep. Richard Gephardt, D-Mo., defeat Dukakis in South Dakota last Tuesday.

Candidates also have to take a close look at their chances in each state before spending. While there are 111 Republican delegates up for grabs in Texas, candidates are

not likely to spend heavily as it is considered a home state for Bush, who represented the Houston area in Congress. "It's rare in product advertising to have a situation in which [for example] GM can get 50% of the market share in [one state] but only 15% in [another]," said Bill Zimmerman, president of Zimmerman, Fiman & Dixon/Santa Monica, Calif. Candidates also have to contend with party rules, which do not always distribute convention delegates in proportion to the total popular vote in a state. Buys must target areas where candidates have the best chances of snaring delegates.

—with Jay Sandusky in Miami

Ads Get Nasty on Eve of Super Day

By Stephen Battaglio

NEW YORK—The low road will be well traveled by television ads breaking this week for Super Tuesday, when one-third of the delegates for the 1988 Presidential candidates will be chosen.

"I think Super Tuesday is going to get real ugly on both sides," says Dan Payne, media consultant for Democratic contender Gov. Michael Dukakis of Massachusetts.

Last week, Sen. Robert Dole, R-Kan., who was stunned by a negative spot that aided Vice President George Bush's come-from-behind victory in the New Hampshire primary, hired Murphy & Castellanos/Alexandria, Va., to handle his spots. The firm has been told to "go negative." Bush already has attack-spot specialist Roger Ailes of Ailes Communications/N.Y. in his corner.

Dukakis one of the few active candidates not to run negative spots. But that will change after last week's paid-media ambush

in South Dakota by Rep. Dick Gephardt, D-Mo. Dukakis was livid over a widely run Gephardt spot saying the governor had told Iowa farmers that growing blueberries and endive would relieve the farm crisis. The spot turned Dukakis' comments on diversifying crops into "clever shorthand to call him the yuppie candidate," says consultant Payne, who promised his candidate would respond in kind by midweek.

The negative tone emerging in the campaign contradicts earlier predictions by consultants that candidates' ads would inform and not attack this year. That was "a New Year's resolution, like, 'I'm going to quit smoking,'" says Payne. "But candidates get desperate."

Another factor is the effectiveness of negative advertising. "Unfortunately, it works," says Payne. "America has gotten very cynical about politics, and they've come to believe that you're better off smoke, there's fire." □

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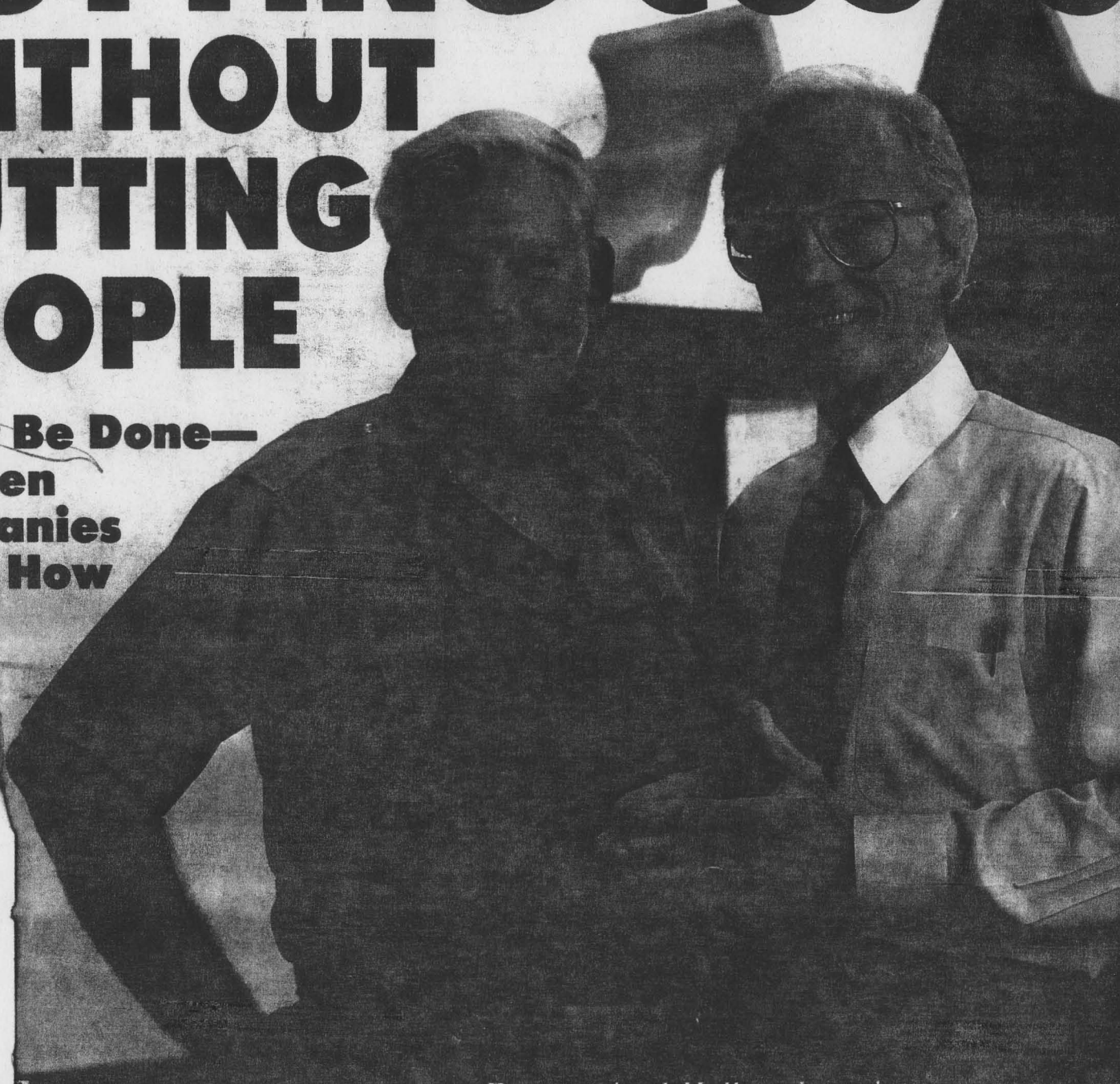
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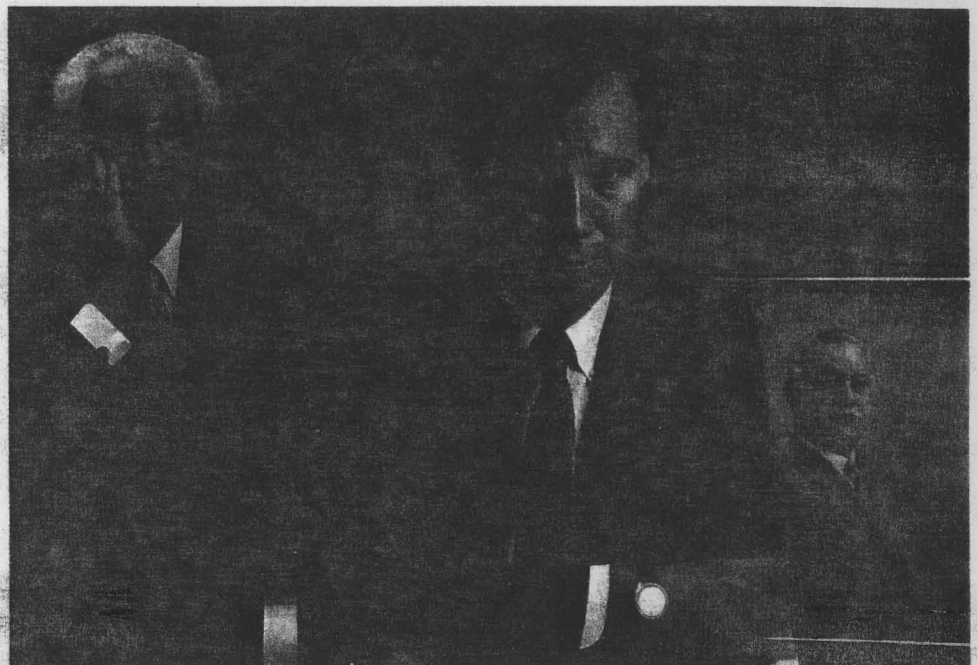
The aging of the population opens a marketing opportunity for Noxell, the leader in mass-sale cosmetics. Customers with sensitive skin are heeding the call to Clarion. ■ by Faye Rice

A COMPANY that has made millions from the skin game now has a new wrinkle. Noxell Corp., producer of Noxema creams and the Cover Girl line of makeup for younger women, is cashing in on the aging of the population. The company has introduced its Clarion line of cosmetics for Cover Girl's older sister, the woman who is over 30 and has sensitive skin. And in an enormously successful marketing ploy, Clarion is using an in-store computer that helps customers select the most becoming shades of makeup. Computers have long lent that touch of "science" to the expensive lines sold in department stores, but Clarion is the first mass distributor of medium-priced brands to marry makeup and the microchip.

The erasable, programmable 16-bit computer works like a cash machine. A customer punches in the color of her eyes and hair and the type and the color of her skin. The machine immediately displays the base, blushers, eye shadows, and lipsticks she should dab on. Clarion's computer has been a hit with customers, giving them confidence that they are selecting colors that enhance their looks and capitalizing on the color analysis trend popularized in the book *Color Me Beautiful*.

In the crowded cosmetics firmament, where higher-priced brands like Coty and Charles of the Ritz are fading fast, Noxell glows like the skin of the pretty models who adorn its ads. Its Cover Girl line helped the company overtake Revlon and Maybelline last year as the leader of the industry's \$2.6-billion-a-year mass-market segment. Mass-market cosmetics are sold in grocery, drug, and discount stores. In the past several years, Noxell's sales have risen about 14% annually, to \$439 million, and profits have been growing at an average 17% rate, to \$37 million.

Introduced in September, the Clarion line
REPORTER ASSOCIATE Barbara C. Loos



Three generations of Baltimore Buntings have run Noxell Corp.: founder George (shown in the portrait), his son Lloyd (left), and grandson George, who succeeded him as chairman in 1986.

rang up a remarkable \$25 million in sales in the last quarter of 1986, and security analysts reckon the total will climb to \$70 million this year. While the makeup is designed for women who are a bit more mature and for those who are often allergic to the ingredients in many cosmetics, the real reaction has come from Wall Street. "Clarion has the biggest potential of any new brand that we have seen in the cosmetics business in more than a decade," says security analyst Brenda Lee Landry of Morgan Stanley. She expects that in two or three years, Clarion will boost Noxell's share of the mass-market cosmetics business from the current 21% to as much as 30%.

Clever marketing has been the foundation of Noxell's success ever since 1914, when George Bunting whipped up the first batch of Dr. Bunting's Sunburn Remedy in his Balti-

more pharmacy. Soon, a customer who tried a free sample exclaimed that it had "knocked my eczema," and Bunting promptly renamed his concoction Noxzema. Advertising and promotion helped him cultivate an image for it as a multipurpose cream to soothe tired feet at the end of the day, soften chapped hands, and take the sting out of kitchen burns. In one early ad, a nurse called the "Angel of Mercy" extolled the product's many medical uses. Seventy-three years later it is still the country's top-selling sunburn remedy and medicated facial cleanser, and Noxema shave cream is also cleaning up.

Today, under the third generation of the Bunting family and located in suburban Hunt Valley, Maryland, Noxell hasn't changed its formula much. The company still produces high-quality, moderately priced products that

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SELLING

it sells for a third to half the price of department store cosmetics. It advertises heavily, using easily recognized, fresh-faced superstar models like Carol Alt, Christie Brinkley, Jennifer O'Neill, and Cheryl Tiegs. Tiegs has been *the* Cover Girl for an astonishing 19 years, and O'Neill began her relationship with Noxell 23 years ago. Noxell allots 20% of sales to advertising, consistently outspending Revlon and Maybelline.

"Unlike some of its schizophrenic competitors, Noxell scores well on every part of the marketing equation," says analyst Nancy Hall of Smith Barney. When Maybelline recently changed the color of its packaging from yellow to blue, Hall notes, it did not make a complete changeover in the stores. Some of the packaging on the racks was blue, some was yellow, and customers were confused. "Noxell doesn't do things like that," says Hall. Display is sufficiently important to Noxell that the company since 1980 has been producing its own modular, translucent black racks to showcase its cosmetics. The fixtures are so eye-catching that many retailers order them to display all the cosmetic lines.

When launching Clarion, the company dusted off the basic plan that was devised 25 years earlier for Cover Girl's debut. In 1980, having thoroughly researched the market to determine the need for a reasonably priced makeup line for sensitive skin, Noxell called

INVESTOR'S SNAPSHOT

NOXELL

SALES (LATEST FOUR QUARTERS)	\$456.3 MILLION
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NET PROFIT	\$39.3 MILLION
CHANGE	UP 17%
RETURN ON COMMON STOCKHOLDERS' EQUITY	21%
FIVE-YEAR AVERAGE	21%
RECENT SHARE PRICE	\$51.25
PRICE/EARNINGS MULTIPLE	26
TOTAL RETURN TO INVESTORS (12 MONTHS TO 4/24)	25%
PRINCIPAL MARKET	OTC

in its advertising agency, SSC&B. The assignment: Build an image around a new group of products designed for the growing group of women beyond 30.

Over the years Noxell had tried to crack the older market by bringing out such Cover Girl line extensions as Moisture Wear and Replenishing makeup and allowing its models Tiegs and O'Neill to age gracefully. The formula never worked. Cover Girl had been all too successful in appealing to consumers in their teens and twenties, and older women did not feel comfortable using products with such a youthful image.

Meanwhile industrial designers were busy working on the computer. The brand manag-

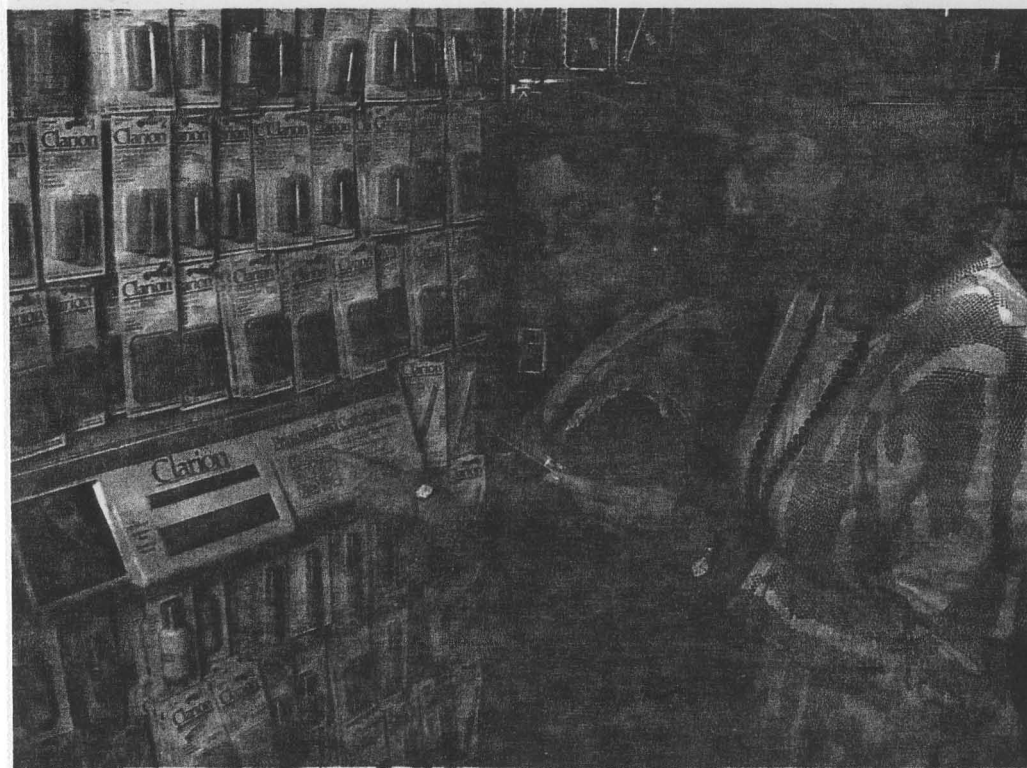
ers who conceived of it realized that customers would get no sales help in self-service drug stores and supermarkets. Women would be on their own, trying to figure out what colors they should buy and reluctant to try products they weren't sure would work best with their skin tone and hair color. The computer would be a surrogate salesperson, advising the customer on what she should wear.

Last fall, five years after its development began, Clarion hit the market with a thunderous \$20-million TV ad campaign. Fans of *Cosby*, *Moonlighting*, and *Dynasty* heard the pitch: "Clarion is beautiful makeup with a sensitive touch." It was delivered by an almost clinical female voice while an attractive brunette model stroked on makeup.

Not all of Noxell's adventures in the skin trade have been as successful as Clarion and Cover Girl. In 1974 Raintree, a moisturizing lotion, arrived in drugstores bolstered by an ad campaign that showed a model on horseback riding through a desert. "The ad didn't make sense because a parched desert did not relate to moisturizing your face," recalls industry consultant Allan Mottus. Not surprisingly, Raintree sales dried up.

Now that Noxell has finally found a winner in the over-30 market, it is working on a product specifically for aging skin. Treatments for aging skin are the new frontier in the millennium-old cosmetics trade, and they are growing faster than any other part of it. But the Food and Drug Administration has warned manufacturers about claiming their products have any effect on the aging process. So far all of the action is at the top end of the market, where the price tags are a jaw-sagging \$60 to \$100 an ounce. Noxell hopes to have a product by 1988 that it can sell for around \$7 a bottle, or about 10% of the cost of the high-priced spreads.

Chairman George Bunting, 48, a low-key, friendly man who roars around northern Maryland on his 1,000-cc silver BMW motorcycle in his leisure time, dismisses the prospect of entering the haughty, upscale cosmetic market. Noxell's skin treatment products will continue to be moderately priced and distributed to drug and grocery chains. Why spend money on commissions to outside salespeople or leases for counter space, which companies must do to merchandise cosmetics in department stores? Completely at home in the mass market, Bunting says firmly, "We've studied the top end, but we don't feel we know it." **F**



Press the buttons and Clarion's computer tells you the shade of makeup to wear.

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Burnett Lands As Client Asks Networks To Review Avon Claims

By Dottie Enrico

NEW YORK—In an effort to strengthen its Clarion brand of cosmetics, Noxell Corp. added Chicago's Leo Burnett to its roster of agencies last week, ending a two-month review. But Noxell is also waging another quiet war for Clarion by contacting the three television networks, asking them to review claims made by competitor Avon Products Inc. for its line of color products.

Noxell is urging the networks to review claims made in Avon ads that it is the first (Continued on page 6)

An Ad Invasion of 'Privacy' 'Kvetch-Age' Ads Test Copywriting Skills

By Dottie Enrico

NEW YORK—Noel Coward didn't corner the market when he dreamed up the concept of *Private Lives*. Advertising is the latest industry to indulge the nation's obsession with looking behind closed doors, and the result is a slew of national ad campaigns that depict a new intimacy.

Forget the hokey slice-of-life ads that used to feature women who were radiant because they'd just licked a bad case of ring around the collar. The new aspirational models in advertising are letting their hair down and talking about real insecurities and their desires to escape life in the fast lane.

A new campaign from DDB Need-



A detail from Chivas' new campaign shows how intimate the latest ads can get.

ham New York for Chivas Regal carries the statement, "You used to hate it when he told you what to do. Now sometimes you wish he could." AT&T and McCann-Erickson offer heated exchanges among close business associates (Continued on page 4)

WHAT'S INSIDE



Sharing some honest opinions

Exercise in Good Advertising

Cher's plain speaking is about as renowned as her fancy attire and svelte figure. So when a health-club chain asked the actress to talk candidly about working out, critic Barbara Lippert was all ears. (See page 19)

(INDEX CONTINUED ON PAGE 2)

Super Tues. Yields No Media Bonanza

By Stephen Battaglio
and Candace Talmadge



NEW YORK—Super Tuesday isn't turning out to be as super as media buyers and television stations had expected.

March 8, the date when 16 states hold

Presidential primaries and four others hold Democratic Party caucuses,

media-buying (Continued on page 6)

Simmons, Arbitron Unveil 'Fusion' Data

By Noreen O'Leary

NEW YORK—Simmons Market Research Bureau and Arbitron Ratings Co. surprised competitors last week with their joint "fusion" research service, combining cross-media measurement with product-consumption data. But early reaction from national advertisers (Continued on page 10)

Can Saturn, Ford Coexist
In San Gabriel? Page 10

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Noxell Asks Networks to Review Avon's Ad Claims

(Continued on page 1)

company to offer a color-coordinated makeup system. Noxell says it already offers a coordinated makeup system with Clarion.

Noxell has taken no legal action nor filed complaints with the National Advertising Division of the Council of Better Business Bureaus, but it is hoping the networks will ask Avon to make modifications. N W Ayer handles Avon.

"We became concerned when we saw the Avon ads and questioned the 'first' designation Avon was making," said a Noxell spokesperson.

Avon acknowledges the challenge, and, according to Mary Lou Quinlan, Avon director/advertising, Noxell is questioning the line "the first color collection coordinated, organized and perfected into one simple system."

"We are eagerly ready to meet this challenge," said Quinlan. "And we are 100% confident that we will win."

Clarion will get a bigger push from Noxell

and Burnett this year when the company enters the mass skin-care market with its first treatment line. Noxell has been working on several treatment products for some time and was mulling the possibility of launching the line under the Clarion, Cover Girl or Noxzema Skin Cream names.

Sources say Noxell has decided to enter the market under the Clarion banner and that it will probably launch the line nationally by the end of the year. The line will include a beauty bar, creams and lotions.

Bill Lynch, chairman/ceo of Leo Burnett U.S.A., said Noxell may have been predisposed toward New York shops for Clarion but added Burnett after seeing its reel.

"I don't think geography was a factor. I think we demonstrated our commitment and creative ability and that we could understand their business," said Lynch.

Geography may not have been a factor,

but Burnett's current client roster was, according to cosmetics-industry sources. Noxell apparently wanted a major packaged-goods agency to service the Clarion account, and Burnett, along with Young & Rubicam and J. Walter Thompson, were among the few agencies without conflicts.

Other finalists for Clarion were the incumbent, Lintas:New York, which continues handling about \$60 million in Noxell billings, including the flagship Cover Girl line; William Esty Co., another Noxell agency; Ammirati & Puris; and Jordan, McGrath, Case & Taylor.

While Clarion is a \$15-million assignment, Noxell has already spent about \$5 million on the brand this year. Noxell assigned Burnett both creative and media buying for Clarion.

Although Clarion's rollout in 1986 was viewed as a success, sales were not up to expectations last year, sources said.

—with Kelly Class in Chicago

Super Tuesday Proves to Be No Bonanza for the Media

(Continued from page 1)

activity, with candidates scrambling to get their paid messages on the air. But tight campaign funds, dependence on field organizations and cautious strategies have limited early buys to a trickle.

"It's referred to around here as not-so-super Tuesday," said Alice Riehl, national sales manager for WXIA, the NBC affiliate in Atlanta. "It doesn't look very good at all. Some candidates don't have the money. Some candidates feel their money is better spent in the field."

A number of stations in the mostly Southern Super Tuesday states also reported little buying activity, with less than two weeks to go. "Unless they come in on Friday or Monday, they're not going to have a lot of weight in the market," said Barry Allentuck, national sales manager for WTVJ, the CBS affiliate in Miami. Sen. Albert Gore, D-Tenn., is the only candidate to buy time on national cable networks, which had been touted as a quick and efficient option for reaching the Super Tuesday markets.

One top political media buyer says expectations for Super Tuesday spending are too high. "It's not going to be the media onslaught everyone thought it was going to be," the buyer said. "The money is going into other places."

Dan Payne, a media consultant handling Democratic Presidential contender Gov. Michael Dukakis of Massachusetts, noted that campaign treasuries are not for media alone. "All campaigns have to meet pretty heavy travel budgets," he says. "If you've got \$1 million in the bank, that doesn't mean you've got \$1 million available [for advertising]." The spate of paid media seen in early primary and caucus states, where New Hampshire and South Dakota was due part-

ly to the low price of spots in those states.

But strategy is another reason for holding back ad buys. Campaigns are delaying media buys to see what salvos opponents will fire first. Others may spring negative spots this weekend, leaving opponents little or no time to respond. That strategy helped Vice President George Bush topple Sen. Bob Dole, R-Kan., in New Hampshire's Republican primary and Rep. Richard Gephardt, D-Mo., defeat Dukakis in South Dakota last Tuesday.

Candidates also have to take a close look at their chances in each state before spending. While there are 111 Republican delegates up for grabs in Texas, candidates are

not likely to spend heavily as it is considered a home state for Bush, who represented the Houston area in Congress. "It's rare in product advertising to have a situation in which [for example] GM can get 50% of the market share in [one state] but only 15% in [another]," said Bill Zimmerman, president of Zimmerman, Fiman & Dixon/Santa Monica, Calif. Candidates also have to contend with party rules, which do not always distribute convention delegates in proportion to the total popular vote in a state. Buys must target areas where candidates have the best chances of snaring delegates.

—with Jay Sandusky in Miami

Ads Get Nasty on Eve of Super Day

By Stephen Battaglio

NEW YORK—The low road will be well traveled by television ads breaking this week for Super Tuesday, when one-third of the delegates for the 1988 Presidential candidates will be chosen.

"I think Super Tuesday is going to get real ugly on both sides," says Dan Payne, media consultant for Democratic contender Gov. Michael Dukakis of Massachusetts.

Last week, Sen. Robert Dole, R-Kan., who was stunned by a negative spot that aided Vice President George Bush's come-from-behind victory in the New Hampshire primary, hired Murphy & Castellanos/Alexandria, Va., to handle his spots. The firm has been told to "go negative." Bush already has attack-spot specialist Roger Ailes of Ailes Communications/N.Y. in his corner.

Dukakis one of the few active candidates who has not yet received a negative spot, but that will change after last week's paid-media ambush

in South Dakota by Rep. Dick Gephardt, D-Mo. Dukakis was livid over a widely run Gephardt spot saying the governor had told Iowa farmers that growing blueberries and endive would relieve the farm crisis. The spot turned Dukakis' comments on diversifying crops into "clever shorthand to call him the yuppie candidate," says consultant Payne, who promised his candidate would respond in kind by midweek.

The negative tone emerging in the campaign contradicts earlier predictions by consultants that candidates' ads would inform and not attack this year. That was "a New Year's resolution, like, 'I'm going to quit smoking,'" says Payne. "But candidates get desperate."

Another factor is the effectiveness of negative advertising. "Unfortunately, it works," says Payne. "America has gotten very cynical about politics, and they've come to believe that if you don't smoke, there's fire." □

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292

⑤ 10 BPI
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AdWeek's Marketing Week 28: MRC8 Ag 3 '87

SUBJECTS COVERED:
Noxell Corporation

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THOSE LIPS, THOSE EYES . . .



In retrospect, the idea was a natural. Noxell Corp.'s launch of a slick department-store-like color cosmetic line at mass market outlets and prices is working out beautifully. In a year's time, Clarion, a makeup line for those with sensitive skin, has bounded into hard-to-get drug chains, enticed customers with personalized computer analysis, stunned competitors with an aggressive ad campaign and emerged as the most successful cosmetic debut in over a decade.

The high-flying Clarion ended 1987 with \$50 million in sales and a 4.5% to 5% share of the mass cosmetics market. This performance was good enough to nearly smear Almay, the longtime leader in hypoallergenic makeup, which lays claim to 5.2% of the market and \$55 million in sales. Indeed, Clarion got off to such a pink-checked start and "there was such a clamor for it, they [Noxell] couldn't satisfy everybody," tells Jack L. Salzman, analyst at Goldman Sachs & Co., who had originally projected first-year sales at \$35 million. "It was too successful."

For Noxell, this was a very happy problem. Other, more difficult ones might have been expected. After all,

the makeup section of the cosmetic market had paled in contrast to all the action going on in the skin-treatment and fragrance sides of the business.

Then, too, though promotional wizardry à la computers that design a customer's ideal look based on personal input had proved a draw at department stores, it was an unwieldy concept for other types of outlets. In drug and discount chains, for example, shelf and counter space is at a



premium. Just who would be overseeing Clarion's extensive product line and computer workings? At department stores, sales staff oversees a brand's operations, but in the \$3 billion mass-cosmetic market, the mode of sell is strictly pegboard.

And finally, there was concern that Clarion might eat into the sales of Noxell's best-selling Cover Girl line. Though it has a different positioning, a 25% higher price tag and a supposed appeal to audiences older than Cover Girl's teen and

Noxell made the mass market blush with a new line of smartly positioned and promoted makeup.

by Renee Edelman

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young-adult buyers, the Clarion lineup was still similar to the Hunt Valley, Md.-based Noxell's bread-and-butter brand.

Nevertheless, Noxell spied a marketing opportunity. Company execs were sure they could capitalize on the good reputation Noxell already enjoyed as a vendor with Cover Girl and its Noxzema line of skin products. They also saw that no one was selling a slickly packaged and advertised line of color cosmetics for sensitive skin. Almay was the segment leader, but its attention seemed to be wandering. Its lineup and marketing were dull, and there was internal turmoil. International Playtex, which owned the brand, underwent a restructuring and finally sold Almay off to the Revlon Group in 1986, which itself had just changed hands.

And most enticingly, Noxell executives only had to look at the Clinique division of cosmetic queen Estée Lauder to see there was a wide audience for hypo-allergenic products. Clinique is one of the top-selling department-store lines selling under the brush of fragrance-free, pure products.

With all this in mind, the marketing program then became a series of clear applications. Noxell saw an opportunity in "sensitive-skin makeup with a strong beauty image," says Peter M. Troup, Noxell's senior vice president of marketing. Clarion's personalized computer — the first in the mass market — would lend a touch of science and reassure women that they were making the right purchases without a cosmetician's help. Finally, aggressive advertising would establish Clarion as an important brand.

In the first year, Noxell spent \$20 million on advertising for Clarion — a

total of \$25 million in the first 15 months — says Noxell's Troup, making it the third most heavily advertised brand behind Cover Girl and Maybelline, a division of Schering-Plough Corp. According to Leading National Advertisers, during the first nine months of 1987, Clarion spent \$15.3 million on advertising as compared to Cover Girl's \$35 million and Maybelline's \$34.9 million. Noxell far and away outspent other competitors, including Revlon Group's Almay, Revlon and Max Factor brands, as well as Cosmair Inc.'s L'Oréal.

Since the color-cosmetic market grew only modestly last year, Clarion had to and did take market share away from competitors' more traditional, mass-marketed color lines. This included the showings of Max Factor and Unilever's Aziza. By the same token, the company insists it did not cannibalize its own Cover Girl sales, which



Among the many in marketing, research & development, operations and sales for Clarion: Bottom row (left to right): Edward Jackson, Sam LaFrank, Steven Colnitis, Edward Lorenz. Back Row (left to right): Eugene Levering, Michael McNamara, Nicholas Mumford, Peter Troup, Nancy Mugele, Robert Winters, Barbara Harris, Robert Butler, Gabriel Porres.



has forged by its salesforce's close supervision of Cover Girl, Clarion found ready acceptance in chain drug stores. Noxell designed a good-looking display that would hold Clarion products as well as an easy-to-use computer. "The cosmetic computer was an exciting new merchandising technique no one had ever tried in the mass market," says analyst Salzman. The Clarion Personalized ColorSystem works as easily as a cash machine. Women answer questions about their skin type, complexion, hair and eye color. The computer then recommends specific Clarion products and color groups from which women can choose.

The trade and even Noxell's competitors have responded favorably to Clarion's computer. "The computer is different. It gives it that department-store image," says Nancy Stone, divisional merchandise manager at Revco Drug Stores, Inc. of Twinsburg, Ohio. "Their computer was a good system to primarily convince the trade" to put the line in their store, says Maybelline's Mulloy.

Consumers such as Joni Dietrich of North Brunswick, N.J., found the computer worked as a "gimmick" to lure her to the brand and to make multiple purchases. "I thought it was rather clever," she says, "so I tried it, and I ended up buying more than just blush: I bought all the things that matched it."

In a fashion-color business, the line is constantly changing and evolving. The collection as of this past January boasts 140 items, including a new eyeliner, new blushers and improved color

shades. Last July, Clarion introduced a nail polish and new eyeshadows. As Revco's Stone notes, "If they see an item not moving, they're already changing shades and replacing it with something else."

The company is developing a skin-

ell switched the brand's advertising to Leo Burnett. "We're so heavily advertising oriented," Troup says carefully, "we want to be sure the message we give to the consumer is the clearest and most motivating."

Nevertheless, in its insistence on making Clarion a "strong and long-lasting force in the marketplace," Nox-

CLARION				
Media Expenditures January-September 1987 (000)				
	Media total	Network tv	Spot tv	Magazines
Clarion cosmetics	\$19,291.0	\$14,948.8	\$5.5	\$4,336.7
Clarion eye make-up	40.5	—	—	40.5
Clarion make-up	432.3	—	—	432.3
Totals	\$19,763.8	\$14,948.8	\$5.5	\$4,809.5

Sources: Leading National Advertisers; Media Records doesn't report quarterly newspaper expenditures; no cable, network and spot radio, Sunday magazines or outdoor were reported.

care line that will probably be ready for introduction in the spring or summer, Salzman says. Troup will not specify whether the products — probably a cleanser and moisturizer — will be tested first or launched nationally.

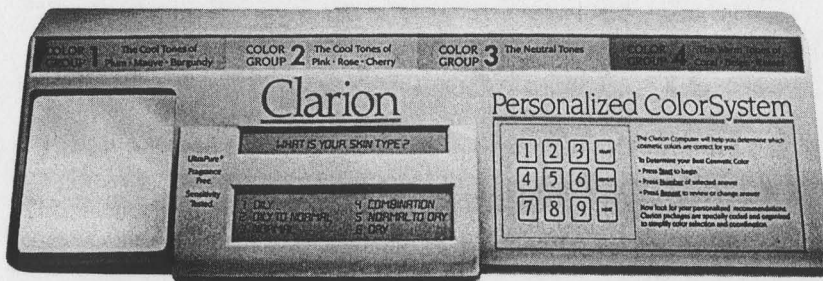
For all of its success, however, there are some warning signs. Consultant Mottus thinks Clarion sales slowed last year when retailers moved the products from the display units to the wall and that Clarion is missing the repeat purchase. Troup does admit that with the initial heavy sell-in, "maybe there was some sluggishness." Some buyers, in their enthusiasm, overpurchased. In hindsight, he says the company might have been better advised to control distribution more closely. The problem

ell switched the brand's advertising to Leo Burnett. "We're so heavily advertising oriented," Troup says carefully, "we want to be sure the message we give to the consumer is the clearest and most motivating."

This commitment to advertising, and its proven success with Cover Girl, has earned Noxell respect in the trade, according to retailers, analysts and competitors. "Noxell's behind it," says Revco's Stone of the Clarion launch, which means consistent advertising. "They're going to do whatever they can to keep the line going."

In a first-ever award listing in Goldman Sach's winter 1988 *Fragrance and Cosmetic Buyer Survey*, Clarion and Noxell cleaned up. Clarion won 1987's "Best New Product," Noxell was voted "overwhelmingly" as "Best All-Around Vendor," and the company won "by a landslide" for "Best Salesforce."

Not immodestly, Troup wants it known that, "The sensitive-skin category in the cosmetic market is the fastest growing. And one of the reasons is because we're in there." As he puts it, "We're a beauty product first and foremost." And in 1987, at least, Clarion was a pretty sight, indeed. ■



Consumers found the mystique of computer analysis irresistible.

Once industry darling, Clarion gets makeover

By Pat Sloan

Its detractors say consumers have not heard the call to Clarion too clearly; fans say otherwise, pointing to a respectable \$46 million in sales. By yearend it should be obvious who's right.

This fall, an ad campaign from Clarion's new agency, Leo Burnett USA, Chicago, should be well in place along with a complementary skincare line, a souped-up program for the Clarion in-store color-analysis computer and refinements in Clarion's color selection.

By then the line also will be 2 years old. Whether it's going to catch on should be easier to judge as should the possible outcome of a significant legal dispute with Clarins USA (AA, Feb. 29 *et seq.*).

Opinion wasn't always so divided about the cosmetics brand the Noxell Corp. introduced in fall 1986. Within three months of launch, Clarion had chalked up \$25 million in sales. Wall Street gleefully predicted sales of as much as \$70 million for 1987.

Instead, Clarion sales slowed to \$9 million during fourth

quarter 1987, down from an estimated quarterly average of \$12 million, according to Shearson Lehman Hutton's Andrew Shore, who now estimates Clarion will hit \$55 million in sales this year.

Clarion's problems aren't only fiscal. Beyond the balance sheet, it faces possible legal action from Clarins USA, which has filed a complaint with the Trademark Trial & Appeal Board in Washington charging trademark confusion.

So far no lawsuit has been filed by Clarins in federal court. But that could change when Clarion goes into skincare, Clarins' specialty. Clarins USA President Joseph Horowitz says, "We are opposing their trademark registration. There is clear confusion. Customers are coming into department stores asking our saleswomen for Clarion lipstick. We don't even make lipstick."

Added Clarins attorney Susan Douglass, "We have proceedings going on all over the world. We've stopped them in other countries where they've tried to register their trademark. They've made a mistake and because of all the money they've spent they don't want

■ End of '88 to answer questions as legal woes and higher expectations haunt Noxell line

to admit it." A Noxell spokesman acknowledges discussion between the two companies but would not comment further.

The company has been just as quiet about other matters. Despite the shortfall in sales—widely believed to have sparked the January creative review that led to Burnett's succeeding 41-year Noxell agency Lintas:Worldwide on Clarion—Noxell has never acknowledged any problems with the brand. In fact, sources say, Noxell considers the shortfall Wall Street's problem, not Clarion's. One source close to the company says Noxell feels "that some analysts, in hindsight, had really unrealistic expectations for the brand."

Noxell steadfastly has denied the agency review stemmed from any difficulties, explaining the search for new creative instead was to "explore Clarion's full growth potential" (AA, Jan. 11).

While Noxell will not elaborate, one source explains, "The company's feeling is the brand is doing very well. It has a 6.9% dollar share in liquid makeup in chain drugstores and a 4.5% overall share. Lintas could have kept the business but Noxell thinks Burnett found something that will take the brands to bigger heights."

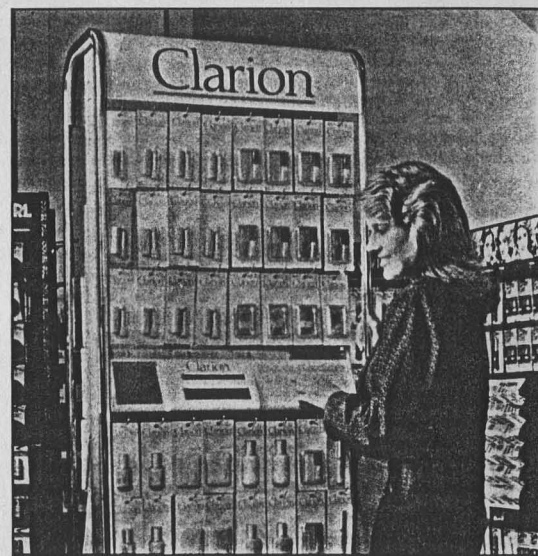
Still, Noxell observers have a hard time viewing such assessments without skepticism, reasoning if something needs fixing it must be broken. "Clarion needs to be more clearly positioned in the marketplace," says Brenda Lee Landry of Morgan Stanley, New York. "Management must work on solving Clarion's image problem and evening out its retail distribution. We continue to think that the company's advertising should be more pointedly hypoallergenic, i.e., a more precise message like Lauder's medicinally oriented campaign for Clinique."

Sources at Burnett say a new campaign has not been exe-

Gentle pulled in \$7 million in sales. Notes Tom Virtue, president of Roure Bertrand Dupont, a fragrance and flavor supplier, "It's a merry-go-round on the same dollar. Color each day is chewed up a little more by Maybelline and Cover Girl."

Noxell may have already begun to find Clarion a fashion niche. Noxell is broadening Clarion's color range, a possible indication it has decided to shoot for a fashion position after all. Slow-selling dark color shades have been phased out and four eyeshadows are being added as were new nail enamels last year.

"Things have smoothed out," says Gary Crawford, director of



A hit with retailers, the Clarion Color System computer can add programs, such as speaking Spanish to Hispanic consumers.

cutted yet. But other agency executives have indicated that Noxell is calling for a more focused brand image.

A diluted product message straddling both a hypoallergenic and fashion positioning is generally believed by market observers to have contributed to Clarion's shortfall in sales. "The question now is can Clarion figure out what it wants to be: hypoallergenic for sensitive skin or a fashion line?" says industry consultant Allan Mottus. He suggests a different solution than Ms. Landry. "Right now, the hypoallergenic market is getting cluttered," he notes. "There's Lournay from Colgate in skincare. Then in cosmetics there's Aziza, Almay, Physicians Formula and ancillary brands such as Revlon's New Complexion, Maybelline's Ultra Pure and even Noxell's own extension of its flagship brand Cover Girl with the Extremely Gentle spinoff.

"Clarion has a lot of opportunity on the color side. Cover Girl does not have a fashion image. That is not its reason for being, [which is] an all-American clean, clear look. That leaves Clarion room to be a fashion line," he says.

It's even possible that Noxell's flanking of Cover Girl with Extremely Gentle may have contributed to Clarion's shortfall. During 1987, Extremely

cosmetics and H&BA operations for Houston-based retailer Randall's. "Shade breaks will change now and will be ongoing with the seasons and fashion.

"At first, their reps weren't experienced at handling a fashion line. They were out of stocks in some stores; in others they were oversold," Mr. Crawford notes. "But I applaud their efforts."

"This retailer is particularly enthused about the Clarion computer. While the computer created by New York-based Intermark originally acted as a basic guide to introduce consumers to the line, it has the capability of adding on more advanced programs. For instance, in areas with a high number of Spanish-speaking consumers, the computer will be bilingual in the manner of many bank automatic teller machines. In Canada, the Clarion computer will speak French in addition to English.

Its program also will be expanded to incorporate the skincare introduction and may eventually have other uses, too. Sources say the computer could easily be adapted to distribute coupons, or even show consumers how to apply makeup.

Michael Wahl, chairman-CEO of the Howard Marlboro Group, Intermark's parent company,

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Upscale tactics honed for mass market

By Faye Brookman

To put a jolt in lackluster sales, mass-market cosmetics companies continue to use coupons and sweepstakes promotions. But they also are emulating strategies more common to tony department stores.

That doesn't mean elegantly dressed women will be spritzing K mart shoppers with the latest scent, but it does suggest a new sophistication has come to marketing cosmetics and fragrances in food, drug and discount stores.

The industry can use the added excitement, observes Michael Wahl, chairman-ceo of Howard Marlboro Group, a New York-based sales-promotion company.

"What has happened in mass outlets is the fun has been taken out of shopping," he says. "It's fun to shop Blooming's and get all those samples . . . but [today] women are caught in a time crunch and have to shop for cosmetics on food store or drugstore visits. The trick is to bring the department store to the mass outlet."

During the past 10 years women have been shopping more and more in convenient food, drug and discount stores. Department stores still control 43% of the estimated \$7.5 billion spent on all cosmetics and fragrances in 1987, but

Faye Brookman, a New York-based free lance writer, specializes in toiletries and beauty aids topics.

that share has dwindled; drug stores now snare 37%; food stores, 7%; and discounters, 13%, according to industry sources.

Breaking out the mass sales volume alone, A.C. Nielsen Co. figures reveal food stores are growing the fastest. Food stores' share jumped from 13% in 1986 to 18.7% last year; drugstores climbed slightly to 60.1%; discounters' share dipped from 24.4% to 21.2%.

As shoppers have become accustomed to buying blush with bagels, they also have become more discerning, says Carol Brennan, director of marketing/women's fragrances at Jovan, a division of Beecham Cosmetics, Chicago.

Fort Lee, N.J.-based Point of Purchase Institute research reveals more than 80% of shopping decisions are made in the store. Thus, in-store promotions are becoming a bigger factor in cosmetics purchasing.

Steven F. Costa, VP-marketing for Revlon Beauty Group, New York, says Revlon is becoming more aggressive with its promotions. "We are spending more because we feel it is important and it keeps Revlon exciting." Revlon Group's upcoming promotional tie-in with the Academy Awards includes a chance to win a trip to Hollywood and selection as one of Revlon's unforgettable faces.

The Academy Awards promotion also involves gift-with-purchase deals. The advent of the G-W-P in the mass market is important because mass retailers long have tried to find a

Drug, other stores put fun into cosmetics shopping via in-pack samples, gifts

method to give shoppers free gifts without adding sales help. They also perceive shrink-wrapping as having a poor image. Revlon's solution was to design a clip that attached the gift to the product.

L'Oreal, the mass-market division of Cosmair Inc., New York, also has plans for G-W-P promotions. L'Oreal's Lash Out Mascara features a free in-pack sample of Adieu Refreshing Eye Makeup Remover. Jovan is including free soap and bubble bath with its new Florals scents in a gift set presentation. Jovan also is planning a back-to-school calendar consumers can receive free by mailing in a proof-of-purchase.

Ironically, G-W-Ps are catching on in drug, food and discount stores just as the strategy is fading in department stores. "It is old hat in the department store—people can only use so many umbrellas," says consultant Allan Mottus. "Offering product is a smart way to go since it promotes future sales."

Says Mr. Costa, "Consumers want value and [G-W-Ps are] a good deal for them. We also hope it will encourage them to buy the product the next time."

Another tactic borrowed from department stores is the use of scent and color samplers. Rev-

lon is including color strips in its Celebrity Weekend booklet available in stores during the Academy Awards promotion. The strips—bulk cosmetics pressed onto paper for sampling colors—will be used to promote Revlon lipsticks, blush and eye shadow.

Jovan is taking the ubiquitous fragrance strip to a new level with its new cou-paks,

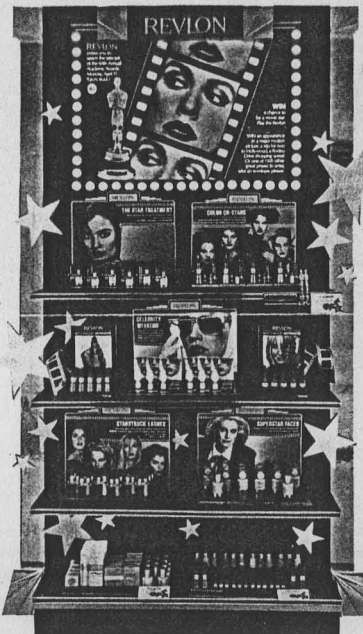
"The Noxell fixture got more stockkeeping units out in front of the customer, it alleviated the cluttered look in the stores and it allocated space properly to sales," explains Mr. Wahl. Noxell and Marlboro Group teamed up again last year to fill the service void in the mass market. The result was a computer that helped shoppers in their product selections. The computer was a key in the \$15 million launch of Clarion, a fragrance-free, sensitivity-tested line quickly dubbed the mass-market Clinique, which also uses a computer at its department store counters.

The Clarion computer marks the first, but not last appearance of computers in chain stores. Retailers say Clairor is testing a computer for hair colors and that it will be logical for a skincare marketer to educate consumers about its products via a computer. "Skincare will work in drugstores once the manufacturers educate the consumers," says industry consultant Jeanette Solomon, a former buyer for K&B Drugs in New Orleans.

Mass retailers also are adding gloss to their image by upgrading cosmetics departments with carpeting, service and better quality merchandise, plus accepting credit cards. The efforts are paying off.

In Houston, for example, a color cosmetics market leader is not a department store, but Randall's supermarket chain. Cosmetics sales are up at New Orleans-based Schwegman's supermarket chain, now that credit cards are accepted.

"The retailing sectors continue to blur," concludes Peter Scott, corporate VP-marketing/men's fragrance, Beecham Cosmetics. "The mass channels are looking more like department stores. It is all changing."



P.O.P. materials tie in Revlon Group cosmetics with next month's 60th Academy Awards.

two-piece promotions for Florals featuring a scented towellette on one side and a \$1-off coupon on the other.

Another important tool in the mass market is fixturing, an early success being the Beauty Boutique created by Marlboro Group for Noxell Corp. in the early 1980s. It has become an important tool in the mass market.

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Dana Blackwell, Exec. V.P.
Jenny Van Dusen, Rsch. Mgr.
Sherry Schatmeyer, Fl. Dir.

Clarion gets makeover

(Continued from Page S-12)
says, "We even have retailers calling who want to buy the computer themselves. Computers can create multiple purchases far and above what the normal purchase might be."

Noxell no doubt is in the market with Clarion to maximize corporate sales as much as possible, whether that be with a computer or other support such as advertising. Says Ms. Landry, "Cover Girl seems to be losing momentum."

At the same time, Cover Girl's archival Maybelline has been steadily gaining ground with 25% of its sales generated by products introduced in the last two years, according to Sa-Temple.

With Cover Girl accounting for well more than half of Nox-

ell's cosmetics sales, it is important that Noxell build other strong brand franchises to lessen its dependence on a single brand.

Clarion is one option; indeed, when it was launched it was hailed by Wall Street as a logical way for Noxell to make up for any slowdown in Cover Girl sales as that brand matured.

But Noxell is expected to examine other options, including a fragrance launch under the Cooler name, skincare under the Cover Girl and Noxema names and a major acquisition in toiletries or other personal care products.

Even a 20% sales gain this year won't put Clarion much more than \$30 million in sales. And 20% is what most of those recently chastened Wall Streeters are predicting now.

SELLING

MAKING MILLIONS ON WOMEN OVER 30

The aging of the population opens a marketing opportunity for Noxell, the leader in mass-sale cosmetics. Customers with sensitive skin are heeding the call to Clarion. ■ by Faye Rice

A COMPANY that has made millions from the skin game now has a new wrinkle. Noxell Corp., producer of Noxema creams and the Cover Girl line of makeup for younger women, is cashing in on the aging of the population. The company has introduced its Clarion line of cosmetics for Cover Girl's older sister, the woman who is over 30 and has sensitive skin. And in an enormously successful marketing ploy, Clarion is using an in-store computer that helps customers select the most becoming shades of makeup. Computers have long lent that touch of "science" to the expensive lines sold in department stores, but Clarion is the first mass distributor of medium-priced brands to marry makeup and the microchip.

The erasable, programmable 16-bit computer works like a cash machine. A customer punches in the color of her eyes and hair and the type and the color of her skin. The machine immediately displays the base, blushers, eye shadows, and lipsticks she should dab on. Clarion's computer has been a hit with customers, giving them confidence that they are selecting colors that enhance their looks and capitalizing on the color analysis trend popularized in the book *Color Me Beautiful*.

In the crowded cosmetics firmament, where higher-priced brands like Coty and Charles of the Ritz are fading fast, Noxell glows like the skin of the pretty models who adorn its ads. Its Cover Girl line helped the company overtake Revlon and Maybelline last year as the leader of the industry's \$2.6-billion-a-year mass-market segment. Mass-market cosmetics are sold in grocery, drug, and discount stores. In the past several years, Noxell's sales have risen about 14% annually, to \$439 million, and profits have been growing at an average 17% rate, to \$37 million.

Introduced in September, the Clarion line
REPORTER ASSOCIATE Barbara C. Loos



Three generations of Baltimore Buntings have run Noxell Corp.: founder George (shown in the portrait), his son Lloyd (left), and grandson George, who succeeded him as chairman in 1986.

rang up a remarkable \$25 million in sales in the last quarter of 1986, and security analysts reckon the total will climb to \$70 million this year. While the makeup is designed for women who are a bit more mature and for those who are often allergic to the ingredients in many cosmetics, the real reaction has come from Wall Street. "Clarion has the biggest potential of any new brand that we have seen in the cosmetics business in more than a decade," says security analyst Brenda Lee Landry of Morgan Stanley. She expects that in two or three years, Clarion will boost Noxell's share of the mass-market cosmetics business from the current 21% to as much as 30%.

Clever marketing has been the foundation of Noxell's success ever since 1914, when George Bunting whipped up the first batch of Dr. Bunting's Sunburn Remedy in his Balti-

more pharmacy. Soon, a customer who tried a free sample exclaimed that it had "knocked my eczema," and Bunting promptly renamed his concoction Noxema. Advertising and promotion helped him cultivate an image for it as a multipurpose cream to soothe tired feet at the end of the day, soften chapped hands, and take the sting out of kitchen burns. In one early ad, a nurse called the "Angel of Mercy" extolled the product's many medical uses. Seventy-three years later it is still the country's top-selling sunburn remedy and medicated facial cleanser, and Noxema shave cream is also cleaning up.

Today, under the third generation of the Bunting family and located in suburban Hunt Valley, Maryland, Noxell hasn't changed its formula much. The company still produces high-quality, moderately priced products that

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SELLING

it sells for a third to half the price of department store cosmetics. It advertises heavily, using easily recognized, fresh-faced superstar models like Carol Alt, Christie Brinkley, Jennifer O'Neill, and Cheryl Tiegs. Tiegs has been *the* Cover Girl for an astonishing 19 years, and O'Neill began her relationship with Noxell 23 years ago. Noxell allots 20% of sales to advertising, consistently outspending Revlon and Maybelline.

"Unlike some of its schizophrenic competitors, Noxell scores well on every part of the marketing equation," says analyst Nancy Hall of Smith Barney. When Maybelline recently changed the color of its packaging from yellow to blue, Hall notes, it did not make a complete changeover in the stores. Some of the packaging on the racks was blue, some was yellow, and customers were confused. "Noxell doesn't do things like that," says Hall. Display is sufficiently important to Noxell that the company since 1980 has been producing its own modular, translucent black racks to showcase its cosmetics. The fixtures are so eye-catching that many retailers order them to display all the cosmetic lines.

When launching Clarion, the company dusted off the basic plan that was devised 25 years earlier for Cover Girl's debut. In 1980, having thoroughly researched the market to determine the need for a reasonably priced makeup line for sensitive skin, Noxell called

INVESTOR'S SNAPSHOT

NOXELL

SALES (LATEST FOUR QUARTERS) \$456.3 MILLION
CHANGE FROM YEAR EARLIER UP 17%

NET PROFIT \$39.3 MILLION
CHANGE UP 17%

RETURN ON COMMON STOCKHOLDERS' EQUITY 21%
FIVE-YEAR AVERAGE 21%

RECENT SHARE PRICE \$51.25

PRICE/EARNINGS MULTIPLE 26

TOTAL RETURN TO INVESTORS (12 MONTHS TO 4/24) 25%

PRINCIPAL MARKET OTC

in its advertising agency, SSC&B. The assignment: Build an image around a new group of products designed for the growing group of women beyond 30.

Over the years Noxell had tried to crack the older market by bringing out such Cover Girl line extensions as Moisture Wear and Replenishing makeup and allowing its models Tiegs and O'Neill to age gracefully. The formula never worked. Cover Girl had been all too successful in appealing to consumers in their teens and twenties, and older women did not feel comfortable using products with such a youthful image.

Meanwhile industrial designers were busy working on the computer. The brand manag-

ers who conceived of it realized that customers would get no sales help in self-service drug stores and supermarkets. Women would be on their own, trying to figure out what colors they should buy and reluctant to try products they weren't sure would work best with their skin tone and hair color. The computer would be a surrogate salesperson, advising the customer on what she should wear.

Last fall, five years after its development began, Clarion hit the market with a thunderous \$20-million TV ad campaign. Fans of *Cosby*, *Moonlighting*, and *Dynasty* heard the pitch: "Clarion is beautiful makeup with a sensitive touch." It was delivered by an almost clinical female voice while an attractive brunette model stroked on makeup.

Not all of Noxell's adventures in the skin trade have been as successful as Clarion and Cover Girl. In 1974 Raintree, a moisturizing lotion, arrived in drugstores bolstered by an ad campaign that showed a model on horseback riding through a desert. "The ad didn't make sense because a parched desert did not relate to moisturizing your face," recalls industry consultant Allan Mottus. Not surprisingly, Raintree sales dried up.

Now that Noxell has finally found a winner in the over-30 market, it is working on a product specifically for aging skin. Treatments for aging skin are the new frontier in the millennium-old cosmetics trade, and they are growing faster than any other part of it. But the Food and Drug Administration has warned manufacturers about claiming their products have any effect on the aging process. So far all of the action is at the top end of the market, where the price tags are a jaw-sagging \$60 to \$100 an ounce. Noxell hopes to have a product by 1988 that it can sell for around \$7 a bottle, or about 10% of the cost of the high-priced spreads.

Chairman George Bunting, 48, a low-key, friendly man who roars around northern Maryland on his 1,000-cc silver BMW motorcycle in his leisure time, dismisses the prospect of entering the haughty, upscale cosmetic market. Noxell's skin treatment products will continue to be moderately priced and distributed to drug and grocery chains. Why spend money on commissions to outside salespeople or leases for counter space, which companies must do to merchandise cosmetics in department stores? Completely at home in the mass market, Bunting says firmly, "We've studied the top end, but we don't feel we know it." **E**



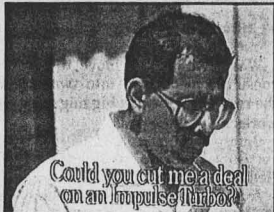
Press the buttons and Clarion's computer tells you the shade of makeup to wear.

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On January 6, 1988, President Ronald Reagan made this point in a speech about Nicaragua.



On January 7, 1988, President Daniel Ortega made these points in a speech about Isuzu.



American Isuzu's spot featuring President Reagan and Nicaraguan leader Daniel Ortega didn't clear the networks, but it did earn publicity for the automaker and Della Femina, Travisano & Partners.

Isuzu gains notoriety with outlawed spot

WHITTIER, CALIF.—Apple Computer picked up loads of publicity from a 1984 commercial that aired only once on national TV. But American Isuzu Motors may swamp Apple's watermark with a spot that has yet to air.

This time, President Reagan started it all. In early February, the president likened Nicaraguan leader Daniel Ortega to Isuzu's "lying" spokesman, Joe Isuzu.

Although the U.S. leader mispronounced the name of the Japanese import company, Isuzu and its agency, Della Femina, Travisano & Partners, Los Angeles, quickly capitalized on the situation by creating a TV commercial that features both Messrs. Reagan and Ortega.

Just as quickly, the three networks rejected the spot. Despite its failure to clear the networks, the commercial has gotten national airplay.

Nationally syndicated "Entertainment Tonight" and Cable News Network ran the spot as news, as did the local NBC-TV affiliate in Los Angeles.

Agency President Peter Stranger denied suggestions that his shop planned the timely tongue-in-cheek commercial simply for the publicity.

"The networks' clearance people are their own worst enemies," he said. "The spot is tongue-in-cheek, funny, entertaining and truly extends the campaign."

The commercial features documentary footage of President Reagan remarking that President Ortega is like "that fellow in the Isuzu commercial."

It follows with a clip of the Nicaraguan leader giving a speech in Spanish, while the subtitles offer fictional translations, including "Hey, Joe Isuzu. Could you cut me a deal on an Impulse Turbo?" and "I hear the Impulse is faster than a speeding bullet. I could use that in a car."

The agency isn't giving up on the spot.

Mr. Stranger said that if the networks continue to reject the commercial, the agency will begin the process of clearing it for spot markets.

And he's not lying. #

GF campaign

(Continued from Page 3)

Boxes in order to boost both.

The Claymation spots resemble those used in the line's Houston and San Antonio, Tex., test markets, said Alice Wheelwright, O&M account supervisor.

"Claymation was used because we wanted to target children a little older," she said. "We didn't want to use animation because there is so much animation on Saturday morning TV."

The Kool-Aid campaign is themed "Wacky, wild Kool-Aid style." The advertising shows silly situations involving Kool-Aid's Pitcher Man character.

This is the first year since the Koolers aseptic line rolled out that it hasn't been supported with separa-

One possible reason for umbrella campaigns for Kool-Aid and Tang is that sales in the powdered soft-drink category, estimated at \$800 million a year, are declining at a rate of about 5%, while aseptically packaged drinks are experiencing double-digit growth.

Aseptics are now at about \$500 million and are expected to exceed sales for powdered soft drinks by 1991, Ms. Cudlip said. The aseptic category grew 12% in 1987.

Coca-Cola Foods' Hi-C line is the market leader. Kool-Aid Koolers is the runaway leader with an estimated 64% market share.

Walter's recently announced plans to build up circulation again but to enrich the circulation. We will keep our half-million circulation but

Noxell delivers

Burnett gets Clarion, and more

By PAT SLOAN

Noxell Corp. assigned more than Clarion cosmetics to Leo Burnett USA; the agency got a skincare account, too.

In selecting the Chicago shop last week, Noxell apparently is asking the agency to create advertising that can incorporate both a cosmetics and skincare message. Ad spending for the current Clarion cosmetics line is put at \$20 million.

Sources close to Noxell say it plans to introduce Clarion skincare in the second half of this year.

Executives at the Baltimore-based marketer previously have said Clarion skincare is in the works but have not disclosed a timetable.

Sources also report Noxell's skincare plans are giving fits to Clarins USA, New York, an upscale French skincare marketer that feels the Clarion trademark on skincare products will be too similar to its own.

Asked to comment on reported talks with Clarins, a Noxell spokeswoman said, "We are not involved in litigation. There is no lawsuit at this point."

Clarins executives could not be reached for comment.

To win Clarion, Burnett beat out New York agencies Ammirati & Puris; William Esty Co.; Jordan, McGrath, Case & Taylor; and in-

Noxell "wanted to get an additional agency in there for [future] growth."

—Industry source

cumbent Lintas:New York, which keeps \$60 million in billings on Cover Girl and Noxzema products.

No airdate has been set for a new Clarion campaign, which is in development.

Burnett has not had a cosmetics account since it parted with Revlon in 1981.

The Clarion assignment offers potential problems as well as opportunities for the agency. Although Burnett may be in a position to pick

up more Noxell assignments, the agency first will have to help get Clarion's act together.

Lintas' advertising, while attractive, had to walk a fine line between a hypoallergenic and fashion positioning because of the dual nature of the brand.

This duality, some market observers believe, has diluted Clarion's strength.

Though it has built a respectable \$50 million in sales volume, the line has fallen short of expectations Wall Street had for it at the time of its introduction in 1986 (AA, Jan. 11).

Still, sources close to Noxell maintain that Clarion's performance and a desire to keep it separate from Cover Girl were not the primary forces behind an agency change.

"They wanted to get an additional agency in there for [future] growth," one source said, noting that Noxell is interested in acquisitions. "They'll concentrate on personal care. But they have an unbelievable financial statement; they could be interested in a lot of different companies." #

'N.Y. Post' to press for upscale readers

By PATRICK REILLY

NEW YORK—The *New York Post* is in for some changes that might leave the racy tabloid's traditional blue-collar readers out in the cold.

The changes are the brainchild of Peter Price, who was named publisher two weeks ago. His appointment came after former owner Rupert Murdoch reached trade union agreements that allowed the newspaper to be sold to real estate developer Peter Kalikow for \$37 million.

In an interview with ADVERTISING AGE, Mr. Price said he plans to reposition the *Post* as an afternoon newspaper marketed for a largely white-collar audience.

The revamp includes plans for a more sedate approach to covering the news by abandoning the *Post's* penchant for sensational headlines and lurid crime stories.

If Mr. Price succeeds in keeping the paper alive, it will amount to a modern-day newspaper miracle of saving an afternoon metro daily.

The key, industry experts say, is stopping the erosion of advertising lineage from the *Post's* pages. But Mr. Price said he will first redefine and "sharpen" the editorial product to find the right readers to draw advertisers.

to 690,000 in 1987, but sources within the *Post* said it has dropped to 425,000 in recent months.

The tabloid's share of total advertising lineage continues to dwindle, reaching 8% in 1987, according to Media Records.

In the newspaper's revamping, Mr. Price said he will not reshuffle two key positions. Frank Devine

will remain executive editor and Patrick Smith will stay on as VP-advertising.

The *Post's* \$2 million ad account, which has not had an agency for some time, is under review.

In recent years, the *Post* and its larger competitor, the *New York Daily News*, have been hurt by the tail base due to the departure of some major department stores. Regardless, Mr. Price said his newspaper will remain executive editor and Patrick Smith will stay on as VP-advertising.

The *Post's* \$2 million ad account, which has not had an agency for some time, is under review.

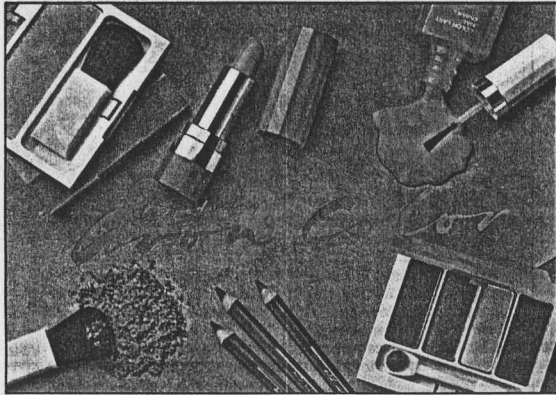
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Repositioning of the *New York Post* is included in the changes being made by Peter Kalikow (l.) and Peter Price.

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Color splash from Avon

Avon Products, New York, breaks its new \$20 million-plus campaign for Avon Color on network TV Jan. 27. An eight-page print ad (L.) will run in February and March issues of women's magazines. The campaign is part of Avon's intensive effort to upgrade its image with consumers. The new ads stress Avon's unique color system that minimizes mistakes. N W Ayer handles.

BBDO eyes beauty Spurned by Noxell, chasing Revlon

By PAT SLOAN

New York—By participating in two of the largest cosmetics account reviews in the past year, BBDO Worldwide is showing its determination to win a beauty client.

One of the accounts, Noxell Corp.'s \$20 million Clarion account, is in a creative review that includes incumbent Lintas:New York (AA, Jan. 11).

The other marketer, Revlon Group, is looking to park \$25 million in network media buying at a new agency. Bozell, Jacobs, Kenyon & Eckhardt resigned the account but will handle the business until Revlon moves it (AA, Jan. 11).

Clarion, rumored to be adding skincare to its hypoallergenic cosmetics line, is expected to choose an agency by month's end. Along with Lintas, agencies said to be under consideration are Ammirati & Puris and Jordan, McGrath, Case & Taylor here; Leo Burnett USA, Chicago; and one other Noxell shop, William Esty Co., New York. Lotas Minard Patton McIver is not in the competition.

Sources said BBDO initially was

in the running, but Noxell has since ruled the agency out because of a possible conflict.

Baltimore-based Noxell apparently perceived a conflict with one of BBDO's other personal-care clients—Gillette Co. or Lever Bros.

BBDO's sister division at Omnicom Group, DDB Needham Worldwide, is the agency of record for Noxell rival Maybelline Co., but Noxell reportedly was not bothered by this.

Although BBDO made a run at Clarion and lost, the agency still is in the running for New York-based Revlon's media buying and/or individual product assignments.

BJK&E's departure from Revlon's agency roster will leave the marketer without an agency known for either its media buying or international capabilities.

Other Revlon agencies are the smaller Hill, Holliday, Connors, Cosmopolis; Korey, Kay & Partners; and Hal Riney & Partners. Tarlow Advertising is agency of record for Revlon's Max Factor division.

One industry source noted that

last year BBDO was supposed to get a Revlon Vanna White fragrance line after Revlon concluded that pending deal.

But Revlon eventually opted not to sign TV's "Wheel of Fortune" personality and BBDO's Revlon relationship was left in limbo.

A BBDO spokesman said the agency already is a Revlon shop and is "awaiting an assignment," but a source close to Revlon said BBDO does not have a lock on winning the Revlon business.

Della Femina, Travisano & Partners also may be interested in working for Revlon. Both agency Chairman Jerry Della Femina and his wife, TV personality Judy Licht, are said to be on friendly terms with Revlon Chairman-CEO Ronald Perelman and his wife, writer-TV personality Claudia Cohen.

Della Femina's chances may be enhanced by its being part of London-based WCRS Group. This link gives the New York agency the international capability that is said to be a Revlon priority once it gets its U.S. business in order. #

Pac Bell spots continue to pluck at heartstrings

By RUTH STROUD

The time: the 1950s.

The place: an orphanage where 11-year-old Nick and his kid sister Lucy are about to be separated.

They run away to Uncle Forrest's ranch, where the arm of the law soon threatens newfound happiness.

But the story has a happy ending in Pacific Bell's new series of TV spots that replaces its award-winning "Garland & Me" campaign.

The new saga, scheduled to start Jan. 22, is running in four California markets—Los Angeles, Sacramento, San Diego and San Francisco.

The San Francisco-based regional phone company's long-running "Don't drift away" theme continues. The campaign's premise is that the telephone strengthens the bonds between people.

Footo, Cone & Belding handles.

As in the "Garland" series, the new commercials are written like a screenplay and involve the relationships between three characters.

Called "The Boy, the Child, and the Girl," the spots feature stories about relatives. The "Garland" spots featured friends.

In the "Rain" series, the brother and sister, now adults, along with Uncle Forrest, are heard in voiceovers as they reminisce in phone conversations about their childhood.

Forrest Coy, a free-spirited recluse, is played by Levon Helm, former drummer with The Band and an actor who played Sissy Spacek's fa-

merciars are designed "to bring a lump to the throat," Mr. Olivo said.

In the current series, the suspense centers on whether little Lucy, separated from her relations after a court awards her custody to another family, will be reunited with her brother and uncle. She is, sources said.

The "Garland" series, which began in 1986, helped increase consumer calls and caught the public's imagination as the story line built over time, Mr. Olivo said.

One of the spots also garnered a Clio and a coveted Bronze Lion at the 1987 Cannes advertising festival.

The new series, which sources said cost more than \$1 million to produce, will air locally during next month's Winter Olympics and continue running for another six months or so.

Mr. Olivo said the company is spending somewhat less in advertising in 1988 than last year.

Pac Bell spent \$8.7 million on advertising in 1986 (exclusive of directory and classified ads), according to sources. For the first three quarters of 1987, Pac Bell spent \$3.5 million. #

"The phone is portrayed as the vital link that keeps [a family] together."

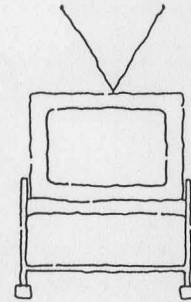
—Allen Olivo
Pacific Bell

ther in "Coal Miner's Daughter," among other roles.

The seven-part series, shot in central and southern California, basically is a "search for family," said Allen Olivo, Pac Bell advertising manager.

Like the previous series, the com-

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(ASH COND.)

OSMOPOLITAN Apr '89



COLOR WARS

Clarion's extensive product line has sounded the call to battle in the previously tame color cosmetics category.

by Phyllis Fine

In a color-cosmetic market that was looking pretty wan, Noxell Corp. has sashayed in with a red-hot line — Clarion — that has raised more than a few well-plucked eyebrows. Though its name and positioning — it bills itself as makeup for sensitive skin — smacks some as imitative of industry power Clinique, the line's innovative packaging and strong sales are being roundly applauded by retailers, consumers and Wall Street analysts. "It's one of the most successful cosmetic launches in the last 15 to 20 years," declares Jack Salzman, analyst at Goldman Sachs.

Since its introduction in the fall of 1986, Clarion, which sells at prices slightly higher than Noxell's best-selling, mass-marketed Cover Girl line, has painted on \$28 million in sales at the manufacturer's level. "And this is without even tapping some

of the top mass merchandisers, such as K mart, yet," marvels Salzman.

Sell-through figures to the consumer also look strong. Enthusiastic reports in Goldman Sachs' survey of independent and chain drugstore buyers have led Salzman to revise his sales predictions for 1987. He jumped Clarion's estimates from \$35 million to about \$60 million. And Nancy Hall,

vice president at Smith Barney, Harris & Upham, anticipates that "Clarion could be a \$100 million brand next year."

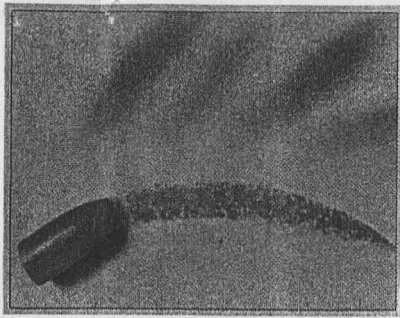
What makes these numbers even headier — and even has competitors cheering — is that Clarion's warm reception proves there is still life left in the makeup category. Color products — lipsticks, eyeshadows and the like — are a major source of cosmetics revenue, generating an estimated \$2.5 billion in retail sales. These tools for painting the face are key to the business of beauty; yet in recent years, color lines have had little visibility in the wider marketing community. The hot product success stories were written in the other beauty categories: skincare (Oil of Olay, Lip Fix, Night Repair) and fragrance (Giorgio and Obsession).

But if Clarion has succeeded in turning a drab made-up face into a comely one, it is because Noxell used all its marketing

STEVEN BEGLEITER



Clarion's interactive computer gives women what they asked for: help in shade selection.



brushes — and used them expertly. Knowledgeable trade sources (Noxell has a policy of not speaking for the record to the trade press) say the company combined three elements in a fresh way: the positioning for sensitive skin; high-tech in-store presentation; and the use of color analysis to divide the line into four color groups.

Positioning Clarion as “The beautiful makeup with the sensitive touch” was partly inspired by a Noxell research finding that 50% of women who use makeup perceive their skin to be sensitive. But the company is obviously targeting a wider consumer base than the supersensitive-skinned. Both ad and package copy prominently feature the statement, “Makeup so pure, even women with sensitive skin can wear it. And so beautiful, every woman will want to.”

With this broad-based approach, the company may be taking a marketing cue from Clinique, the best-selling Estee Lauder color and skincare brand. Clinique began its rise by hyping its hypoallergenic stance, but quickly captured much more of the department store market than just the allergic woman. (Perhaps one reason for the Clarion name was to subliminally suggest, with the same initial “CI” sound, one of the biggest cosmetic success stories ever written.)

According to one industry observer, the line tries “to get beyond hypoallergenic, [a word] which tends to put people off, [since it] has a medicinal sound which could lead women into thinking that products have a chalky texture, poor consistency or don’t blend well.” Thus, “the word ‘allergenic’ doesn’t appear anywhere on the package or ads.” What appears instead are the terms “Ultrapure” (a licensed company trademark), “fragrance free” and “sensitvity tested” —

“which spells out exactly what is meant,” notes the source.

Clarion’s second marketing element, the computer, can again be seen as a refinement of a tactic pioneered by Clinique. But this is a case of extreme refinement indeed, since Clarion’s interactive electronic model is light years ahead of Clinique’s simple pegboard one. What is similar, though, is the concept of giving the woman at the counter something to play with, which also aids in product selection.

In-store computers — and pretty elaborate ones at that — have done well for such department store brands as Elizabeth Arden and Shiseido. But Clarion is the first mass-market line to try an electronic model, according to John King, senior vice president, merchandising group for Howard Marlboro, which created the in-store unit for Noxell.

Using the computer, which works essentially like a cash machine, women push buttons to answer questions about their skin, hair and eye colors, and are then given a shopping list of their best

shades. This way they get personalized sales help in a shopping environment where a salesperson may not be available.

The machines work so well that retailers are crediting them with doing the next-to-impossible: bringing in multiple sales with the first purchase. “Normally, when a consumer tries a new line, she tries only one product,” notes Janice Jacobs, cosmetics and fragrance buyer for Austin Drugs, based in East Meadow, N.Y. “But with the computer’s multiple recommendations, she figures, ‘Okay, I have to try my new eyeshadow color, too.’”

The third element in Clarion’s marketing plan — color analysis — is another first for a major mass cosmetics line. Popularized a few years back by the book *Color Me Beautiful*, color analysis allegedly provides women with their most flattering fashion and makeup colors on the basis of skin, hair and eye tones. It has not been widely used as yet in color cosmetics; the only other major line to incorporate it to date is Lauder’s Prescriptives, a department store brand.

In fact, some cosmetics marketers see analysis as a limiting concept rather than an aid to selection. Among them is Mark Genauer, president of Stage-light Cosmetics, who thinks the theory “stifles creativity and pigeonholes a woman. I believe any color can work on any skin tone, as long as all the colors [used] complement each other.”

Moreover, according to Genauer, there is one problem with the color analysis provided by the computer: consumers have to figure out, for themselves, what their skin tone is — a feat that some women may not be up to.

But sources close to Noxell say extensive market research showed company strategists that this was the path to follow. When consumer focus groups were asked what they wanted in color cosmetics, two major responses were: help in color selection (thus the computer and the color groups) and good value (thus the upscale packaging and advertising, coupled with modest price points.) And research demographics pointed to “a more sophisticated consumer, more sure of what her image is — and ready for a more sophisticated line than Cover Girl,” adds one source.



GUY GILLETTE

“Clarion’s packaging is attractive and it has good distribution.”

Marcia Levis
Vice president, marketing,
Almay Cosmetics

Clarion undergones 'limited review'

By PAT SLOAN

NEW YORK—Noxell Corp. is conducting a creative review, including incumbent Lintas:New York, for its \$20 million Clarion cosmetics brand.

Four other agencies also are participating, sources said, in what a Noxell spokeswoman characterized as a "limited review."

The shops are said to include Noxell agencies William Esty Co. and Lotas Minard Patton McIver.

The review does not extend to the Baltimore-based company's flagship Cover Girl cosmetics brand, which is at Lintas.

The Noxell spokeswoman, stressing Lintas'

active role in the Clarion review, said the agency has handled Noxell for more than 40 years and "even now is developing alternatives for Clarion."

Although there have been industry rumors that Clarion has been a disappointment since its fall 1986 introduction, the spokeswoman denied that was the reason for the review.

Rather, she said, "We want to explore Clarion's full growth potential. Our current strategy is working. Clarion's sales are good, and its market share is growing."

Last fall, Clarion reportedly hit a 3.8% share, which Noxell claims is up to 4.5% now.

However, by comparison, Cover Girl, the leader in the mass-market makeup category,

has an 18% share.

"It's not that Clarion has been bad. But it is not as big as Cover Girl, and it has not been as big as anticipated," said industry consultant Allan Mottus.

Mr. Mottus said Wall Street forecast sales of more than \$60 million for 1987 but that sales are expected to fall closer to \$50 million.

"It has not lived up to the hoopla," he said.

But Salomon Bros.' Diana Temple said she estimates Clarion sales at \$55 million, compared with about \$60 million for Revlon Group's Almay, the largest mass-market hypo-allergenic brand.

Mr. Mottus said that, in some stores, sales slowed once Clarion was moved from an indi-

vidual display to wall systems. He also said Maybelline Co. and Revlon responded quickly to Clarion's introduction with the launch of their own brands, such as Maybelline's Ultra Pure and Revlon's New Complexion.

Other sources claim the brand spent more than 50% of its 1987 budget in the first half of the year, leaving a disproportionately small amount for the fall.

Although market observers credit Lintas' advertising with being attractive, they say it has had to walk a fine line between a hypo-allergenic and strong fashion positioning.

That dual positioning, they believe, may have called into question the effectiveness of the advertising and spurred the review. #

Tambrands

(Continued from Page 3)

Gargano, New York, Tambrands' agency for Maxithin sanitary napkins.

The further evolution of Tambrands into a healthcare company may come slowly. "Home diagnostics as a category is growing fast, but regulatory approvals are slow," said Diana Temple, Salomon Bros. analyst.

In sanitary napkins, a market in which Tambrands' Maxithins so far has carved out only a 6%-to-7% share, the company is testing what it considers a new concept—a trapezoidal Maxithin. The napkin, now in test in Washington state, is full-size and thicker than regular Maxithins.

Mr. Konney said Tambrands' strategy with the new test product is not shape but thickness. He said Tambrands is not convinced a thin sanitary napkin is meeting consumers' psychological needs, noting the company's research proved some women want a thicker pad. Ally & Gargano also handles.

The Lake Success, N.Y.-based company is testing whether to augment or replace the existing Maxithin line with thicker pads, he said. Acknowledging Tambrands had hoped Maxithins would gain a larger share of the sanitary napkin market, Mr. Konney said the company "won't abandon the market. We have a viable share, and with the high profit, it makes sense to stay in."

Tambrands also is experimenting with two new tampon shapes and sizes. In Canada, the company is testing Tampax Compak, a tampon with a plastic applicator that fits in the palm of a woman's hand. A complete

package is slightly larger than a pack of cigarettes, Mr. Konney said.

By trying out new sizes and applicators, Tambrands may be moving closer to two competitors—International Playtex, which markets a plastic applicator tampon, and Johnson & Johnson's Personal Products Co., which markets o.b., a small-size tampon.

Mr. Konney said that if the test is successful, the product will be brought to the U.S., though he declined to say how soon.

Burnett handles print and TV advertising in Canada.

In Minneapolis, the company is testing a closed-end tampon under the Tampax name. The applicator is flushable. The closed-end applicator long has the hallmark of competitor Playtex, Stamford, Conn. Tambrands will have a price advantage because its cardboard applicator is less expensive to manufacture than Playtex's plastic. William Esty Co., New York, is handling spot TV.

Industry observers said one reason Tambrands is eager to expand its product line is to make itself less vulnerable to a takeover and to protect itself from the hazards of being a single-product concern. Those hazards manifested themselves when toxic shock syndrome hit the \$500 million tampon industry in 1980.

"By marketing only one product, we were vulnerable to things like TSS," Mr. Konney said. He said the majority of the company's fiscal 1988 sales, estimated by analysts at \$535 million, came from tampons.

But Tambrands also is perceived

as vulnerable to a takeover, especially on Wall Street. "Tambrands is too profitable not to be taken over," said Andrew Shore, a Shearson Lehman Bros. analyst.

Although Mr. Konney said the new products push is meant to decrease the company's dependence on tampons, Mr. Shore said the company is "a cash monster," trying to invest its excess cash to avoid takeover.

"Tambrands, with its explosive cash-generating capabilities, will ultimately fall prey to an unfriendly suitor who recognizes that the structure of the tampon market precludes extensive competition and that the only way to enter the market is through purchase," Mr. Shore said.

Among possible suitors, he said, would be J&J, Kimberly-Clark Corp., Playtex and Procter & Gamble Co. P&G withdrew its Rely tampon from the market because of the TSS threat.

Mr. Konney said the company is aware it is perceived as vulnerable because of its cash-rich state. "It is generally accepted that we as a tampon marketer are a cash cow," he said. But he said he doubts Tambrands would be taken over, because "we are well-managed and the stockholders are well-pleased. We are not a candidate for breakup."

Not all of Wall Street is looking at Tambrands as a takeover target. Salomon's Ms. Temple said the company simply "needs more growth" outside tampons and is leveraging its well-entrenched brand name.

She pointed to Tambrands' Physician's Formula allergenic makeup line as evidence that the company is in no hurry to diversify.

"If they were really serious about diversification, they'd be taking it national," Ms. Temple said. #

Olympic ads

(Continued from Page 3)

Olympics sponsor. Since the Olympics are *bona fide* news events, publishers have created special editorial sections to attract advertisers.

As long as these publishers do not use the Olympics trademark or portray themselves as official sponsors, their actions do not legally infringe on Time Inc.'s agreement with Olympics organizers.

But they hurt. Conde Nast Publications will publish *Street & Smith's Olympics Guide* in May, reviewing the Winter Games, previewing the Summer Games and carrying about 40 ad pages.

Magazines as diverse as *Self* and *Rolling Stone* have sold ads for Olympics supplements for their February issues.

Possibly the biggest competition is Gannett's *USA Today*, which has aggressively sold a "1988 Winter Games Bonus" section to appear each weekday of the Winter Games, starting Feb. 12, and of the Summer Games, beginning Sept. 16.

The *USA Today* section "has certainly confused the issue for advertisers and ad agencies," said Thomas J. Hickey, *SI's* ad sales director.

Another publisher, Welsh Publishing Group, will publish *The Kid's Official 1988 Olympic Games Magazine* in August. With a circulation of 1 million, the one-shot magazine will carry about 40 ad pages, said Welsh Publishing President Don Welsh.

Bruce Hallett, general manager of *Time's* international editions, said,

"Time Inc. isn't going to tell other publications what they can and cannot print. But this puts Time in an awkward position."

Other Time Inc. executives, who asked not to be identified, said they felt *ISL* or the U.S. Olympic Committee should have regulated more firmly who can produce special Olympics sections.

Time Inc. will not take legal action against a publication, but it has written letters to the *ISL* objecting to the plans of some magazines.

Bill Breen, president, *ISL USA Inc.*, said Time Inc. could attempt to block a publication, such as the *Kid's* guide, by taking legal action. However, Time Inc. officials said they have no plans to do so.

In its own right, the worldwide sponsorship label has served Time Inc. well.

The international editions of *Time* have collected \$3 million in ad revenue from the Olympics sections. International editions of *Time* will carry stories written by *Sports Illustrated* that would be appropriate for international editions.

"For what we paid vs. what we've been able to get from advertisers, it's been a superior business decision on our behalf," said William P. Kupper Jr., international ad sales director, *Time*.

SI has done even better. The magazine's "Winter Olympics—Special Preview Issue" will be the second largest in *SI's* history, carrying more than 200 ad pages and pulling in more than \$20 million in ad revenue. #

Revlon

(Continued from Page 1)

the Revlon Classic Cosmetics & Fragrance Group headed up by Arnold Zimmerman, previously president of Revlon Group I.

A new Fashion & Designer Group also has been formed to be headed up by Robert Nielsen, recently a senior executive at Estee Lauder Inc.

Both BJK&E and Grey left Revlon claiming their accounts were unprofitable, sources said.

BJK&E was unhappy with how much its billing had been reduced in the last year, sources said. When BJK&E won the account in 1986, it took home \$25 million in network media buying and \$20 million in regular billings.

Since then, BJK&E's cosmetics billings have dropped to less than \$1 million. HHCC and the 50th Floor Workshop, an in-house agency, picked up much of the business.

As its status waned, BJK&E found it hard to turn a profit on Revlon.

Revlon has not reassigned BJK&E's media-buying billings, sources close to the company said.

The 27-year-old Grey-Revlon relationship also appears to have deteriorated with time because of money.

One week after Grey left Revlon, it was assigned the \$10 million Pantene account by P&G. It happened so quickly that the move raised questions about who initiated the Grey-Revlon split.

Officially, neither will say. Revlon's Mr. Cohen, who years ago worked at Grey, said, "We have the deepest respect for Grey, for Ed Meyer and all the people who worked on our business. Looking at the situation at the end of the year, we just decided a breather was in order."

And from Ed Meyer, Grey's chairman: "It was a 27-year relationship that petered out. We had a good run together. . . . During that time the cosmetics business environment changed, and the relationship lost its strength and its character. After a while you just move on."

Unofficially, there are those who said it was Grey that decided to make the move.

One senior Grey executive said the agency opted for P&G's Pantene because Revlon "doesn't spend spit," or at least was no longer a

profitable client.

Grey had made made a last-ditch effort in 1986 to hold onto its full Revlon billings by hiring Rochelle Udell of Della Femina-Udell as a creative consultant for the review BJK&E ultimately won. Grey hoped to get back some of those billings when Lorimar later announced a BJK&E spinoff.

But, finally, Grey refused to wait, the executive said.

"Hill Holliday is Revlon's favorite agency of the week, but even they seem to get jerked around," he said. "Assignments remain projects, and campaigns get stuck in the can."

After Grey left, Revlon was stuck without an agency or a campaign for its \$22 million introduction of the Clean & Clear haircare system, set for March.

To deal with the problem, Revlon reassigned Clean & Clear on a project basis to HHCC.

Supported by \$10 million in media spending and \$12 million in promotion, Clean & Clear may find a permanent home at the Boston-based shop, sources said.

The other brands that left Grey were Jontue fragrance and Flex haircare. Revlon is handling those in-house for the time being. #

Coca-Cola in 3-D

(Continued from Page 1)

tails of the 3-D commercial, saying only that it will be a 60-second spot.

The company also will promote the "Moonlighting" episode and commercial with point-of-purchase displays and special tie-in sweepstakes.

The 3-D episode will be "Moonlighting's" season finale, which usually is during the May network sweeps. ABC has not announced a date for the episode.

The 3-D commercial and "Moonlighting" episode will use Nuoptix, a special technology developed by Coca-Cola that eliminates the double-vision distortion normally associated with 3-D at theatres, said Ted Harbert, VP-motion pictures and scheduling, ABC Entertainment, Los Angeles.

Coca-Cola developed the Nuoptix process.

"The scale of this is bigger than anything we have done," Mr. Lynn said. "This is the first time the company has done a coordinated promotion where the same promotion is running with retail fast-food cus-

tomers, supermarkets and convenience stores."

The 3-D effect will be evident during at least eight minutes of the episode, Mr. Harbert said.

The ABC executive added that an unspecified character will don 3-D glasses on the episode to cue viewers that the 3-D segment is about to begin.

"Moonlighting" has averaged a 31 Nielsen share in the 15-week prime-time season through Jan. 3, down somewhat from its 34 average a year ago.

In terms of household rating average, the series ranks No. 10 in the season to date, compared with No. 8 a year ago.

That slippage is attributed largely to the fact that Cybill Shepherd was hardly visible in this season's episodes due to being pregnant with twins; she is due back full-time this month. #

Patrick McGeehan and James P. Forkan, New York, and Wayne Walley, Los Angeles, contributed to this story.