

The Penalty of Freedom

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Introduction

Despite a generally positive global reaction created by the change in the US government with the election of Barack Obama in 2008, there continues to be significant anti-US sentiment worldwide. The Pew Research Center, which has been measuring global attitudes about the US since before 9/11 shows that although there was a slight improvement in America's image in 2008, it was well below ratings reported in 1999 and 2000. A poll commissioned by the BBC World Service in 2007 also indicated a negative perception: of over 25,000 people questioned across the 25 largest countries, more than 52 percent say the US is a "mostly negative" influence on the world.

The research highlights a fundamental distrust, which has always been the fundamental equity of the American system of checks and balances. Specifically, findings show a majority feels that the US could "not be trusted;" for example, 84 percent of Argentines and 80 percent of Peruvians agreed the US could not be trusted.

We have seen greater attention placed on the importance of Public Diplomacy ever since 9/11 but the erosion of US popularity on the world stage, not just in Muslim countries is of grave concern. There continues to be worldwide concern about influence of the US, especially its values and purpose.

Many multinational corporations, and the brands they market, are right in the middle of this issue. They are both a target and a key vehicle to help improve perception. Many of our clients have been concerned about the interconnected nature of the global economy, as well as potential unfavorable perception towards American businesses and brands. This was exacerbated by the dramatic global economic recession that started late summer 2008 and which has largely been perceived as a result of unrestrained US financial hubris.

The US is the largest economy in the world, almost three times bigger than Japan, which is the second largest. China's rapidly expanding economy recently achieved the third position ahead of Germany. By the year 2025, India is expected to be third, behind the US and China. As a result of its economically powerful position, the US, is seen as a dominant focal point and source of many of the social and economic influences people in the world experience. The US is both admired and disliked as measured by the Pew Center's ongoing global research.

The question is, whether the US's perception as leading influencer is consistent with who the US is and wants to be going forward. Are the US's actions and perceptions living up to its own words? We need to look at this in a fresh way. Otherwise, the US leaves perception wide open to a confluence of disparate communications from a range of sources who will try to define the US from their own self-interest. They are doing so

with their own messaging in a dramatically changed communications context, which is now everyone's to participate in. The perspective we and our multinational corporations have affects how we operate and react in a world with anti-US sentiment present.

So, what does an advertising guy have to say that would have any relevance on this important subject? A career-long experience of observing and listening to consumers from different countries and cultures has given me some insights into people's perception of the US and other nation's reputations.

My family and I lived overseas for six years from 1992-1998 in Brussels, then in Tokyo from 2004-2006. I recently moved to Singapore where I am CEO of Omnicom in a newly redefined region called APIMA (Asia Pacific India Middle East and Africa). APIMA is an expanse of the planet that represents 70% of the world's population, with 60% of this population under the age of 25 years. APIMA is experiencing rapid adoption of the latest high speed communications technologies, leaping over prior stages of technological advances.

Over the past 38 years in the advertising business, I have lived and traveled the far reaches of the globe developing marketing communications strategy and programs for some of the world's most significant advertisers. I have been privileged to work with clients like Procter & Gamble, Johnson & Johnson, PepsiCo, UBS, Deutsche Telekom, Kraft, Philips, Duracell, General Mills and Nissan Motor Company. This has given me considerable first-hand experience with changing consumer markets and perceptions, including the reputation of the US.

The global village being created by advances in communications technologies enables the world's populace to come into contact more with corporations and brands than governments. More people are in touch with icons like Pampers, Always, Gillette, McDonald's, Coca Cola, Nokia, IBM, Nike, American Express and Toyota than any single nation's government.

The responsibility of a global corporation today increasingly is judged by how it improves lives and its contribution towards making the world a better place. This lecture attempts to consider what corporations and the private sector can do to help improve life, what role they may play in shaping the world economy and social relationships among diverse people and nations.

BACKGROUND ON THIS LECTURE

This is my third lecture at Oxford. The SAID School of Business and Dr. Linda Scott first invited me to speak about global brand-building in 2007. For each lecture, Dr Scott shared with me ahead of time the course readings behind her students' focus on contemporary media and its effect on society. Dr Scott's course includes the effects of communication on women's self-esteem and gender equality, with particular emphasis on the developing world. So, for each lecture I have had the refreshing benefit of a sort of intense, back-to-school experience. Each lecture has been a catalyst to consider how changes in communications technologies affect the socio-economic landscape.

The first lecture at Oxford, "*Advertising and Universal Compatibility*," was presented in February 2007. It focused on the effects of universal compatibility of communications technology and systems, like the increased compatibility of information processing between Mac and PC. The lecture acknowledged how the rising penetration of communications technology, coupled with the increased speed of ideas transfer, was greatly changing the dynamics of global business. Logistics, multiple country sourcing and increased transparency of communication were all creating a very different marketing world. It was becoming more digital, faster and more transparent across borders.

The second lecture, took place in March 2008, six months before the global economic meltdown. The talk "*Y2K84: Does the Advertising Industry Have a Moral Conscience?*" focused on what the future might look like, as advances in communications technology accelerated behind the digital and mobile transformation. This was shifting control of information to individuals. The lecture also investigated the bioscience of idea propagation in diverse networked systems. It suggested the theory that as cultural differences are made more apparent through greater access to information, the impact on how individuals behave and form networks, or communities of their own are transformed.

In that lecture I proposed a new strategic framework for guiding global brand-building, to replace the marketing and communication paradigm of the past 20 years. The prevailing model for marketing communications, "Think Global/Act Local had been rendered less relevant as the world became more interconnected economically and transparent socially. I proposed a new strategic tool, a perceptual filter that requires a new frame-of-reference.

(Slide: Adopt a new frame of reference)

ADOPT A NEW FRAME OF REFERENCE

When your research and personal experience indicates your product or company is out of touch, our first order of the day is to seek better understanding. To seek the truth and to listen. A new frame-of-reference is needed for considering issues facing a company, brand or even a nation today, one that reflects a rapidly changing global communications environment for making decisions and implementing strategy.

Howard Gossage, a leading voice in the advertising business in the 1960's, made an observation about perception and the concept of frame-of-reference. He said: "We don't know who it was discovered water, but we're pretty sure it wasn't the fish." Like fish in water, it is sometimes hard for us to see or experience what is going on around outside of our own fishbowl. It can be hard to see the effects, when you are fixed in one geographic location, physically or mentally. New technologies are creating an intercultural global society.

What have we been doing? Since the mid-1970's the prevailing strategic mantra was called "Think Global/Act Local."

(Slide: What We've Been Doing)

"Think Global/Act Local was a stage in the evolution of the marketing process. It helped global marketers address newly opened trade borders created by the expansion of communications technologies.

However, this frame-of-reference has become obsolete. It is a geographic concept that assumes marketing communication borders that no longer exist. I have found it to be less helpful strategically today, than when I started out on the road to global brand-building in the late 1970's, before the internet, before mobile, before the web and digital.

It is less helpful in a world where individuals have more control and consequence with their communications. It does not disrupt the arrogance of a self-interested perceptive filter. I am finding this particularly relevant in the context of a book I am reading, "*The Difficulty of Being Good*" by Gurcharan Das, where the Mahabharata is studied and the key focus is individual dharma. Dharma is a unique meaning in Sanskrit, but the closest way to think about it is balance. Balance is both internal and external.

So, I find "Think Global/Act Local" much less helpful than it used to be 20 years ago. Instead I suggest a frame-of-reference I call "Think Like the Sun."

(Slide: Earth Rotation)

Think Like The Sun asks us to consider a broader, more objective perspective. Here is why:

Each day, I get up in the morning when the sun rises. I begin working with the brands and companies I work with to help understand and build their perception.

All day long, as the sun moves across the sky, I interact with colleagues and my clients in this perception-building.

Then, at the end of the day, when the sun sets, I switch off the lights in my office. I go home. I put my head on my pillow ... and fall asleep. For all intents and purposes, my perception-building stops. Until the next day and the new dawn, when the sun comes up ... at least that's how it seems to me.

We know, the Sun actually does not rise and set. It is we here on earth that revolve. In this increasingly smaller, interconnected communications marketplace, consumer perceptions are more borderless and always on. The result is a word-of-mouth community. To anticipate the needs of a world of consumers who are more in touch with each other, "Think Like The Sun" offers a more objective, extra-environmental frame-of-reference.

(Slide: Why Think Like The Sun)

Why think like the Sun? Again, because of the effect media is having on brands globally, because it requires us to focus on brands, markets and act as global citizens and because multiculturalism is where ideas are headed. It is a DIFFERENT way to THINK, than the advertising and marketing model of the past 20 years. It requires that we have a less self-centered approach to relationship building, that winning favor requires superior understanding of another's needs. This places the marketing priority onto listening better.

Frame-of-reference is the single most important factor in success or failure in building global brands. One's frame-of-reference is challenged in this rapidly changing world of communications. There are increased choices and conflicting ideas presented by a more connected world. The context for ideas is changing at an accelerating speed and the network-effects between individuals are making the dialogue for ideas and relationship-building more difficult. Having a good relationship is a) intensely more complex and b) dramatically more consequential in creating belief systems, which affect one's context/environment for living one's life.

Social Exchange Theory tells us, "In any relationship, he or she who has more choices has more power." As consumers become more connected they increasingly have more choices. They want brands and companies that offer them more choices. Likewise, they will gravitate towards ideas, like a nation's values, if they are convinced that it gives them more choices. (This was and I still believe is, the inherent appeal of America. America is not a location; it is a set of values, principles and promises made to the citizens of the world.)

Our companies and our clients are finding relevance by adopting the perceptual filter of "Think Like The Sun." This is helping them find new structures for global brand building. It is helping them operate more efficiently in their marketing, with less duplication of effort. And, the best part of all is that it is enabling us to give them better ideas, faster that have more relevance with our clients' customers. This frame-of-reference requires us to treat the consumer as client, not the other way around.

Want some evidence that "Think Like the Sun" offers you a more relevant way to win favor with people? I just got this in the other day, so you are the second audience to see what I am about to show you.

What you will see is a video from Google. This video is a map of the world, but it uses light to graphically show the usage of Google. That is, it aggregates individuals searching for things on Google, during a 24 hour day. The video will show you this over a five-day period. Now, watch closely, it is not easy to see, but the meaning is huge.

(Show video: Google Video)

See the rhythm and flow of individuals searching? No borders, no adherences to time zones. This reflects the 4.5 billion individuals who are connected to each other, seeking information and searching on Google. Let's look at it together one more time:

(Show video: Google Video, again)

This suggests that Individuals' "Googling" patterns are more in line with how they think, than with the borders and time zones of the past context that shaped marketing and advertising of the past. It also supports the thesis that their on-line searching tracks with the sun, the revolving of a 360-degree round planet that is increasingly interconnected.

Our very first example of a global brand is the event called "Y2K." Remember? It was heralded as a potentially cataclysmic event. Everything might collapse, due to our dependency on technology and the insidious control we had succumbed to as slaves of technology. There was real fear present.

Y2K was the first truly global brand experience, because more people anticipated it, were aware of it and actually experienced it themselves than any other brand before or since.

CNN captured Y2K and documented how we experienced it. I remember New Year's day, 2000, vividly. I got up and quickly turned on CNN News to see if the world was falling apart.

What I saw was coverage from an island off the International Date Line where Y2K started the day. Everybody was fine there. Having a party to celebrate. Having a rather good time.

Then, to Sydney, to Tokyo, to HK, the same thing, Happy People. Then, to Beijing, Delhi, the same, then Moscow, Paris and London, the same (what a relief) and then switched to New York City, where everyone was just fine. The Times Square ball fell right on cue to cheering joyous people, traffic lights worked, computers and phones worked, CNN worked.

(Slide: Best Example of Think Like The Sun?)

As they completed live coverage west to Hawaii, there was a tremendous feeling of well-being about Y2K. Millions of citizens had a common brand experience in sharing their relief and joy across borders, cultures, language differences.

Here is a condensed 3-minute version of Y2K:

(Show video: CNN's Y2K Video)

I believe Y2K serves as a great example of a global brand experience and illustrates how CNN practiced a "Think Like The Sun" approach to its coverage of that event.

THEN, ONE BEAUTIFUL MORNING WHEN THE SUN CAME UP.....THIS.

(Slide: 9/11 Out my office Window)

I had arrived early at work on the 11th of September. It was a spectacularly clear beautiful day in New York. I was hosting a global management meeting on our 16th floor, just on the other side of the floor, where I also had my office. We had about 20

people from all parts of the globe ready to talk about our business globally and to share learning about global brand-building internationally.

We were about to commence the meeting, when someone came over to me and quietly, but very seriously delivered some strange news. The look in their eyes told me that "a plane crashed into the World Trade Center" was not the Piper Cub that flashed in my mind. No, this was something I could tell I would need to go see for myself.

This picture was taken from my office window, which looked down on Wall Street and the view of the former Twin Towers. I used to come in every day and look down Greenwich Street to that vista. Every day, I used to talk to people on the phone all over the world, gazing down at that vista.

Bedlam was taking place, there were people screaming and running to look out that side of the building and from my office. This picture was taken by a young lady with a digital camera. She took a bunch of pictures that morning; some sickeningly close with a zoom lens. She printed the pictures and gave them to me several weeks later. I threw them out because they were too difficult to look at. My colleague and assistant her set in a file and forgot about them, until I asked her, nine years later, if she still had any left. She did. Proximity matters, but I am certain many of you recall that day and it is easy to bring up the deep feelings of fear and sadness from those events. It still is haunting and unforgettable.

US STATE DEPARTMENT BRIEFING- February 2002

On February 27, 2002, I was invited to attend a special meeting at the Department of State in Washington, DC. It was a briefing for "Global Advertisers", bringing together seasoned professionals from some of America's most respected corporations, advertising agencies and media companies. Hosted by Charlotte Beers, the then Undersecretary of State for Public Diplomacy & Public Affairs, and Peggy Conlon, President/CEO of the Advertising Council, the briefing focused on the deteriorating perception of America, outside the US, in particular, among the Muslim population worldwide.

A central part of a briefing was a Gallup poll conducted after 9/11 in nine Muslim countries from December 2001 to January 2002. The findings reported that residents in Muslim countries perceive the United States to be "ruthless and arrogant", with most describing themselves as "resentful" of the superpower. By a 2-1 margin, residents in these nations expressed an unfavorable opinion of the US. Overall, 53% had unfavorable opinions of the US. Only 22% had favorable opinions.

Many Muslims believe that American's are faithless and that America is generally biased against all other racial groups and nationalities. The research showed that there is a strongly held belief by the respondents that American values are deeply materialistic and secular, that American culture is a corrupting influence on their societies. The conclusion was that there was a "huge gap in understanding and perception about America's real values."

A subsequent study conducted by The Pew Research Center for the People and the Press in Washington DC, titled "What the World Thinks in 2002", looked at a broader audience than Muslims. The key findings were that favorability ratings for the US have fallen in 19 of 27 countries since 2000. While criticism of America is on the rise, there continued to be a solid reserve of goodwill toward the US and its citizens. People around the world embrace things American, yet are increasingly unhappy about the US influence on their societies.

A report by the US Advisory Commission on Public Diplomacy in 2002 concluded that to combat the significant resentment and misunderstanding of the US across many countries, not simply the Muslim countries, "New thinking and new structures call for new mind-sets, not new millions of dollars."

I asked myself, what might that new mind-set be? A new mindset, new frame-of-reference that is more in touch. As members of corporations that cater to global markets and who service consumers in an international community, we and our corporations have an obligation to consider what new thinking and mind-sets can help us operate more successfully globally.

APPROACH TO THE CHALLENGE:

In tackling the challenges of perception the US faces, I have approached the issue from my area of expertise—brand-building, globally. In so doing, consider for this task that US is a collection of benefits, symbols, equities and perceptions in the minds of individuals around the world. In other words, consider US as a brand for the exercise of analyzing what strategy to recommend to help with the problem of perception.

Treating a nation as a brand is controversial. Opponents believe it minimizes a nation to the level of a product or box detergent. However, thinking of a nation in a competitive perception context and as a brand has been done throughout history.

Many nations have reinvented themselves, based on historic precepts that distinguish them and made modifications to provide greater relevance in a constantly changing world. In "*Worldwide Brand Management*," Olin suggests: "Nation branding does not mean changing a country's innate sense of identity, but understanding and sharing that identity with the rest of the world. This will no doubt continue to be a confrontational issue and part of the continuing globalization debate."

My personal experience comes from over 38 years in the advertising agency business and, prior to that, an educational concentration on Fine Arts, Communications, Marketing, Consumer Psychology and Consumer Behavior. Much of my time internationally was spent getting in-market learning from consumers in places like Egypt, Saudi Arabia, Lebanon, Morocco, Tunisia, Indonesia, Malaysia, Turkey, United Arab Emirates, Yemen, Kenya, as well as Europe, Russia, China and Japan. A massive amount of learning was gained about people and perception development through testing ideas designed to influence perceptions.

(Slide: "White Paper")

THE WHITE PAPER: "Walk The Talk-- What Corporations Can do About Rising Anti-US sentiment."

I took the next eight months and tried to make sense of what I had seen out my office window. I read everything I could get my hands on about what happened, what was happening to America's reputation and watched closely to see how our leaders defined the changed relationship that our country was grasping to understand. What was unsaid, in many people's minds was a dark question—"If someone hated us enough to do that, what might we have been doing to attract that kind of hatred? And, what do we need to do to restore peaceful coexistence?"

That summer after 9/11, I had to major reconstructive surgery on my right ankle and foot. While recovering and constrained to a wheel chair and crutches, I had some time to collect all the articles, thoughts and readings I had been collecting. From this came the idea that the inherent equities and foundational values of the US were well admired and still remained an inspiration for all citizens of the world. However, for some people, their experience with our country's actions and their perception of America from the increased exposure/access they were getting in the media belied the values upon which America promises. In other words, they perceived that we were not walking the talk of our stated principles and values. And, there was good reason for them to question this since there was an increasing amount of communication coming from those who felt threatened by the evolution to a world they either could not participate in for economic reasons or for religious reasons.

We know "hind sight is 20/20". But if we don't look into the rear view mirror, we can really bring harm to ourselves. A recently published analysis of the past 9 years, by John Quelch and Katherine Jocz, Professor and Senior Research Associate, respectively of Harvard Business School, some cold hard truths for our leaders and our citizens to consider. Here is an excerpt of their article "*Can Obama Save Brand America?*":

"Former Bush Deputy Secretary of State Richard Armitage has said that, after 9/11, the United States exported fear and anger, rather than hope and optimism. As Armitage suggested, the United States' image as a global leader does not rest solely on overseas military actions and foreign policies. It also reflects American core values and U.S. economic leadership. Throughout the post-World War II period, the United States exported free-market policies and economic growth as well as popular culture. Abroad and at home, the United States stood for individual rights, impartial justice, and fulfillment of the American Dream of hope, prosperity, and opportunity. In the 1990s, views of the United States were mainly positive. According to U.S. State department data from 1999 and 2000, for example, public opinion in Indonesia, Morocco, and Turkey was 75 percent, 77 percent, and 62 percent favorable, respectively, versus 30 percent, 49 percent, and 12 percent in the Pew

2005/2006 data. Under Bush, the United States' reputation for human rights was diminished by the suspension of habeas corpus for military detainees and passage of the Patriot Act allowing secret monitoring of its citizens. Money and attention spent on wars took away resources that could have been directed at social problems in the United States, infamous for its high rates of capital punishment (fifth among countries in the number of executions) and incarceration (one out of every 100 citizens behind bars; one of every 31 adults either in prison, on probation or on parole; one of every 9 black males between ages 20 and 34 in jail).⁸ In mid-2008, a United Nations Special Report rebuked the country for problems with the military justice system and unfair applications of the death penalty.⁹ The grossly inadequate response to the destruction of a major American city by Hurricane Katrina raised questions about racial discrimination and government competence. Additionally, from the standpoint of a secular Western Europe with Enlightenment values, America's reputation for religious tolerance became enmeshed with the fundamentalist religious right and a disdain for science, as evidenced by controversies over teaching evolution or supporting stem-cell research, while from the standpoint of Islamic theocracies, religious freedom continued to represent moral decadence."

THE UNDERSTANDING GAP WORKS BOTH WAYS

The 2002 white paper which I submitted to the State Department and the White House recommended that our country was vulnerable to its own insular perceptive filter. With only 18% of Americans holding a passport in 2002 (this estimate has gone up to 30% today) including the military, with 86% having been to either Canada and Mexico, we were sorely out of touch with the rest of the world, especially the developing world that was experiencing the rapid proliferation of communications technology that was making differences and inconsistencies of behavior and economic status more apparent every day>

(Slide: Djerejian Report)

That Fall a special congressional task force report, chaired by Edward Djerejian, made some rather interesting recommendations to Congress. The Djerejian Report, as it has been called, clearly and poignantly called the situation of rising terrorism and anti-American sentiment--- a "struggle of ideas." The report says:

"At a critical time in our nation's history, the apparatus of public diplomacy has proven inadequate, especially in the Arab and Muslim world. The fault lies not with the dedicated men and women at the State Department and elsewhere who practice public diplomacy on America's behalf around the world, but with a system that has become outmoded, lacking both strategic direction and resources. The good news is that Congress and the Executive Branch understand the urgency and are ready to meet the challenge. The solutions that we advocate match these times, when we are engaged in a

major, long-term struggle against the forces of extremism, whether secular or religious. We call for a dramatic transformation in public diplomacy — in the way the U.S. communicates its values and policies to enhance our national security. That transformation requires an immediate end to the absurd and dangerous underfunding of public diplomacy in a time of peril, when our enemies have succeeded in spreading viciously inaccurate claims about our intentions and our actions.”

The report concluded: “Our adversaries’ success in the struggle of ideas is all the more stunning because American values are so widely shared. As one of our Iranian interlocutors put it, “Who has anything against life, liberty and the pursuit of happiness?” We were also told that if America does not define itself, the extremists will do it for us.”

(Slide: Terror in the Name of God)

There have been many books and opinions written to help us better understand the problem of rising anti-US sentiment and the increase in terrorist incidents since 9/11. An excellent book by Jessica Stern: “Terror in the Name of God,” helps explain the dire sense of despair and hopelessness that is present when a person straps on explosives and commits a suicide bombing. It isn’t something that makes sense to most of us, but neither did the Kamikaze pilots as the end of World War II drew closer to Japan. Eventually, we did find a way to understand this desperation. A significant contributor to understanding Japanese culture and mind-set was made by anthropologist Ruth Benedict, on behalf to the US government and published in 1947 as “*The Chrysanthemum and the Sword*,” revealed cultural differences and understanding that helped end the war sooner than it otherwise would have.

(Slide: 9 years Later, What have we learned?)

So, nine years after 9/11 and eight years after writing that white paper, what might we have learned? This is the impetus for this third invitation to lecture at Oxford. As I approach this, I am reminded by my previous experiences at Oxford. This is one of the best thinking-places in the world, with precisely the right audience of diverse students, to examine ideas. This is where the future exists, in the minds of these wonderfully intelligent youth who are the leaders of our future.

The debate over what is the status of America’s esteem, or lack there of, by pundits whose frame-of-reference has not been sufficiently acculturated by experience outside of New York or Washington DC is deceptively distracting.

NEW CONGRESIONAL RESEARCH REPORT ON PUBLIC DIPLOMACY- Dec 2009

The latest report on the issue of America’s public diplomacy suggests there is concern in the Executive branch, Congress, the media and other foreign policy observers that the United States has lost its public diplomacy capacity to successfully respond to today’s international challenges and to support the US national interests.

(Slide: US Congress Research Report)

Frankly, this report does an excellent job of summarizing the state of our public diplomacy needs, except in one significant and similar way to the Djerejian Report 8 years prior. The analysis cites many of the same issues still exist in our public diplomacy infrastructure. However, the most glaring issue seems to me to be the continued gap in understanding among people. The US still suffers from a lack of first hand experience and education with different cultures. Importantly, the very large portion of the world's population in developing markets, where 65% of the population is under the age of 25, has little first hand experience with America beyond what they see in the media or how America is being defined by thought influencers who have increased power behind the proliferation of communication technology.

Here is what the most recent Congressional report says:

"Many analysts believe that the United States generally placed public diplomacy on a "back burner" as a relic of the Cold War. In 1999, new legislation abolished USIA and folded its responsibilities into the State Department, again with reduced resources for public diplomacy. After the 9/11 terrorist attacks, and with U.S. combat operations in Iraq and Afghanistan, interest in public diplomacy as a foreign policy and national security tool was renewed.

Concerns about the events in the Middle East focused the attention of policy makers on the need for a sound, well-resourced public diplomacy program. This concern was heightened by the realization that the worldwide perception of the United States has declined considerably in recent years with the United States often being considered among the most distrusted and dangerous countries in the world.

As the United States sought to revitalize its PD initiatives, it became clear the changes in the world order and changes caused by the Internet and information technology in general created a new dynamic for U.S. public diplomacy initiatives. The world of international communications and information sharing is undergoing revolutionary changes at remarkable speed."

It took 8 years to conclude the same things?

Let's examine the issue of public diplomacy for America and look at how any nation might chose to act and communicate in the future.

(Slide: Public Diplomacy Timeline)

(Slide: 1917-1989)

(Slide: 1991-2009)

In 2002 we knew that the media and its content, the bulk of which originates from developed market culture, was out of sync with most developing markets, particularly Muslim-dominated countries. This gap alienates some audiences. It creates a negative

emotional chain-reaction, which automatically accrues to the perceived originator of the media--- America. Most developing markets, especially the Muslim-dominated markets, perceive the bulk of cultural material they observe in the media, and the economic and social changes they are experiencing, as originating from the leader of the western world, e.g. America. And this is what they are being told by key influencers in their communities.

In 2002, a New York Times report showed that US television shows are losing relevancy around the world. This is one manifestation of the decline in favorability about the US. Some people outside the US are relieved that American culture may be losing some of its appeal and effectiveness on television. This has significant economic ramifications on the communications industries. They will want to pay attention to what the head of the European Institute for the Media, Dr. Jo Groebel says, "There has always been a concern that the image of the world would be shaped too much by American culture." Our communications companies, marketers of products and the "image-makers" in the advertising industry should understand the impact of these trends. They will need to adjust accordingly.

Communications grow out of culture. Communication, when perceived as not relevant, is perceived as propaganda. And, propaganda, that is overwhelming and omnipresent, can be destructive to private, individual identity.

The subject of globalization continues to receive considerable attention today. Much has been written, with many divergent views on the subject. Naomi Klein's critique of globalization, "No Logo", says globalization has many negative ramifications, on people, economically, as well as culturally. Klein called for more controls to slow it down or to rebel/protest against globalization's effects.

Thomas Friedman's, "*The Lexus and the Olive Tree*", written before his more recent "*The World is Flat*," took a position that globalization is "inevitable" and has many positive ramifications, which will ultimately be good for the people of the world, on balance overall. He argued that there is no turning back, that we have seen acceleration in globalization since the end of the Cold War. However, he also thinks we must be aware of some of its potential shortcomings.

In his New York Times column in 2002, Friedman suggests that terrorism is a reaction to globalization, attributable to "undeterrable youth": "They look around their home countries and are humiliated by the contrast with the West and how it makes them feel, and it is this humiliation—this poverty of dignity—that drives them to suicidal revenge."

The focus on the "chain-reaction" effect was also discussed in "*World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*" by Amy Chua, a law professor at Yale University. Chua offers that the spread of free-market capitalism stimulates hostilities between the national ethnic majorities and market dominant minorities. These hostilities "foment active ethno-nationalist movements."

In the late 1960's communication theorist Marshall McLuhan had his own explanation for the "chain-reaction" effect cultures can have on one another. His explanation was in reference to our own revolt and violence over the Vietnam War and the Civil Rights movement at that time. His insight was that the introduction of a major medium of communication, such as television, involved a major shift in mental posture of that medium's users. He explained; "When our identity is in danger, we feel certain that we have a mandate for war. The old image must be recovered at any cost."

I wonder, is this what we are seeing happen with our Muslim neighbors on the planet? Are we not seeing a sort of "chain-reaction" effect and experiencing this ourselves? This gap in understanding is being ushered in by the combination of mobile and advanced digital information technologies.

What if this is right? What will the future look like?

(Slide: Binoculars)

THE FUTURE THROUGH THE REAR VIEW MIRROR

In 1948, author George Orwell wrote a dystopian tale about what the world might look like in the future. His book, "1984" captured many imaginations.

Here's the way some people thought "the future" might look, with the influx of new communications technologies.

(Video: 1984)

It is hard to believe that vision of the future is already 24 years old. Incidentally, that advertising actually only officially aired once. (The CEO of Apple and several board members at that time did not like the advertising. They pulled out of all placements except one in the Super Bowl.) The controversy was so great that it was played over and over again, for free, in the news media—well before YouTube.

There is no denying the effect new technologies have on us and the advertising industry. Fortunately, it hasn't been quite as Orwell predicted.

What might the future look like? The future will be greatly influenced by how we seize the opportunities unfolding with advances in communications. No one can really predict what the future will look like, but we can consider how it will be guided by our imagination. The future lies somewhere between Utopia and Dystopia.

(Slide: Man with globe)

Utopia is an imagined place or state where everything is perfect. Dystopia is typically a totalitarian and environmentally degraded place.

Orwell's imagination was preceded by earlier attempts at seeing into the future of technology. Russian author Yevgeny Zamyatin set the stage before Orwell in 1921, with a ground-breaking book called "We", set in the 26th century.

(Slide: Book Cover "We")

Both "We" and "1984" remind us to be wary of surrendering our individual selves, or our freedom, to the collective dream of technology. This is a key question today. What effects our communications technologies are having on our individual selves?

(Slide: Adam Smith)

About 200 years prior to Orwell and Zamyatin, in 1776, Scottish economist Adam Smith, (in the news lately as a misappropriated icon of the capitalist extreme) offered his perspective on the role of the individual offered his perspective on the role of the individual self in "Wealth of Nations."

Smith argued that common interests were not antithetical to self-interest in a free market economy. He said that charity alone could not suffice and that self-interest is an essential mechanism for economic and social development.

(Slide: Light bulb)

I have some ideas that might be of value to you in looking at the emerging world-- of technology and choice. My intention is to stimulate your thinking and ask you to consider advertising and marketing communications an important influence that can help make the world a better place.

(Slide: Frame-of-reference visual)

While creating advertising and marketing programs for brands like toothpaste, laundry powders, diapers and feminine pads may not sound exciting, it gave me a remarkably interesting window from which to observe and learn about people from different cultures. You simply cannot take culture lightly and expect to be acceptable to diverse peoples, or commercially successful, either.

The frame-of-reference one assumes is one of the most important factors in considering how to address consumer needs. Frame-of-reference is also incredibly important in attempting to address the social and economic issues facing the world today.

THE CHANGING LANDSCAPE FOR IDEAS

The business of advertising depends on the creation of ideas.

This question of the individual responsibility for ideas is being heightened by the rapid growth in communication technology across our planet. There are 6.5 billion people in the world and 4.5 billion are connected by mobile phone. Almost half of them are already connecting into the web, leap-frogging technologies at an accelerating pace. This makes advertising for a company, a brand, a nation or an individual more consequential, and, more valuable.

(Slide: Map Man)

One must acknowledge the advertising industry's visible social and economic presence attracts much commentary. Its critics question its value, focusing on its seemingly pervasive intrusion into the general consciousness of everyday public perception. They

remind us that an average person is bombarded by over 3,000, advertising messages of one kind or another, every day.

Yet, it's also reasonably well-acknowledged that advertising has been a fulcrum point of economic development and a mirror of societal change. Advertising has been called an "engine for economic progress" but also a stultifying drain on intellectual acuity. Worse perhaps, advertising is perceived by some as a Machiavellian tool with abuses ranging from false claims, shoddy political campaigns, or simply an invasion of privacy.

The dramatic changes that are occurring in the field of advertising today are releasing significant social, political and economic constraints, as never before. The changes represented by this new age are every bit as important as the Renaissance, the Industrial Revolution, the Reformation or the Post World War II Globalization, it evolved from.

If advertising is linked to economic development, like the "engine" metaphor it has been called, then how might it play a role, if any, in eliminating the "unfreedoms" that leave people with little choice and little opportunity for their status in life?

(Slide: "Development As Freedom")

This is to paraphrase the question in the context of Nobel Prize-winning economist Amartya Sen's, "*Development As Freedom*". Is advertising a by-product of run-away economic elitism? Or, is it a valuable tool to help move us towards "*The End of Poverty*".

(Slide: "End of Poverty")

The end of poverty is what Jeffrey Sachs, former Director of The United Nations Millennium Project, has suggested is possible in the next 25 years. How must advertising change in order to better address this?

Sen's book outlined the need for integrated analysis of economic, social and political activities involving a variety of institutions. It is appropriate to consider advertising as one of these institutions. This requires an integrated analysis of some of the economic, social, cultural, and even scientific aspects of communications.

The compatibility we are seeing develop in information access is now allowing different cultures to engage without losing their identity. This releases greater comparisons between the socio-economic differences of individual interactions with ideas and values.

Consider whether advertising is one of the freedoms Amartya Sen refers to as being necessary "to promote freedoms of other kinds." If so, advertisers have an inseparable responsibility in creating freedom from problems of poverty, violations of political freedoms, in encouraging gender equality, to help assure clean air and safe drinking water in our environment.

(Slide: McLuhan)

McLUHAN'S MESSAGE GALAXY

Marshall McLuhan studied how changes in media throughout history have an effect on people, economies, politics and society.

(Slide: Understand Media/Understand Man)

By understanding the effects of media we can better understand people and how to communicate with them.

McLuhan predicted that, right about now, there would be massive social and economic change, due to what he forecast from the "collision of the electronic media" of TV, radio, telephone and the computer. With the rapid expansion of the Web, (something that did not yet exist at the time of McLuhan's death in 1980)

(Slide: Women's eye looking at earth)

we can now look back through a sort of rear-view mirror and look forward to our own future, and Y2K84.

(Slide: Web 1-2-3)

Web 1-2-3

Web1.0 was the term used for the time in the 1980's when people started first using computers for word processing and email.

In the late 1990's the development of the World-Wide Web shifted us from word processing and web sites, to users gaining access to other users. Social networks were invented and blogs became prevalent. With Web2.0 people shifted from using the internet to supplement their life to using the internet to live their lives. According to "eTRENDS" magazine, this is the era we are in now and it will last until around 2013, when we will start to see Web3.0 emerge. Web3.0 is being called the "Semantic Web." It will give people access to greater intelligence, because the internet itself will be more intelligent. Search engines will understand what you are seeking even more accurately.

Linkages will multiply, increasing the interconnectedness of ideas.

The media is now truly globally dispersed. Digital information is the air we breathe in communicating. The interconnected global village of villages and communities is here. Developments in new communications technologies are supercharging perception.

(Slide: Control of Information)

Control of information is more individualized. We can store it, replay it, revise and redirect it and, we can opt out of it, too. It's not static. It's more mobile and so are we.

(Slide: Fishbowl)

OUR FISHBOWL HAS CHANGED

On the issue of who discovered water, we're pretty sure it wasn't the fish. It is sometimes hard to see the changes new communications technologies are having on us. It can be hard to see the effects, when you are fixed in one geographic location, physically or mentally. It is creating an intercultural globalized society.

(Slide: Borders+Nations)

This is a world of business where Borders... and Nations are less relevant... rendered less dominant by open trade, consolidation of industries and, the ubiquity of media, increasingly, directly connecting us. Importantly, of the world's 100 largest economic entities today, 51 are now corporations and 49 are countries. This means that more people are being touched, by corporations and brands than any single nation's government.

(Slide: Huge Gap in Understanding)

We can witness huge gaps in cultural understanding.

I observe the gaps and complexity from my area of expertise. That is, understanding how ideas effect people's perceptions. This is in large part, what we do in advertising. We have learned that perception affects beliefs and beliefs lead to action. So, focus on behavior and it will lead you to perceptions. Alternatively, focus on understanding perceptions and you can learn about potential behaviors.

(Slide: Context, Network Effects)

KEY INFLUENCES:

There are two significant concepts shaping our perceptions. These are influences of Context and the Network Effects between connected people.

(Slide: New technologies have changed)

New media technologies have changed the context for brands, corporations, even a nation. The extremes are exposed.

Extreme nationalism and religious extremism (extremism in most forms) cataract our eyes and cloud our vision. Actions, ideas and behaviors can no longer remain isolated and are more easily perceived.

Excuse me a second for a little break before I go on to the next point...

(Obliviously light a big fat, ugly cigar)

Does my cigar smoke bother anyone? ***(put it out in glass of water)***. That's the point. You see, we've come to understand the concept of second-hand smoke.

(Slide: "Second-hand culture")

But this has evolved in this interconnected world to the context of... second-hand culture. Twenty years ago, we would have been here with half of the room smoking away. We'd be on a plane with people next to us or ourselves smoking and we just

didn't think anything about it. If this happened on a plane today, the person would be tossed out in mid-air. In just a little over 20 years, the effects of second-hand smoke went from an inconvenient truth to an undeniable truth and it is not acceptable behavior in this room today.

This is a new context for content creators and communications specialists of all media. Our conversations and messaging are accessible in a far more transparent world. Like the concept of second-hand smoke, we need to become more sensitive with our communications. Just like my cigar smoke, communications can go where we don't intend it to go, get seen and heard by people it is not intended for and, sometimes, like smoke, our messages can leave a bad smell, a foul after taste.

Context matters. Let's look at an idea the TBWA agency created about context and second-hand communication. *(Video: Amora "Martians")*

One of the key issues of context is the relatively unobjective frame-of-reference that exists in some areas of the world. I am not referring to places like the developing markets. I am referring to places like the United States.

(Slide: Only 30% of Americans have passport....)

For example, according to the Bureau of Transportation Services, only approximately 30% of Americans have a passport. This reflects an increase from the 20% that existed before Homeland Security resumed making it necessary to have a passport for travel to Canada and the Caribbean. What is really troublesome about this low indication of international experience among our citizens, is that of the 30% who have a passport 86% have been to Canada and Mexico.

Think about it. What experience do you think the Canada and Mexico visits look like? Doesn't this low level of international experience indicate our people are out of touch, a little?

Thomas Friedman's perspective that the "world is flat", is a bit flat. I agree with the idea that as compatibility of systems and format connections increase across the planet, there is a kind of flattening effect, at least in terms of the purely, electronic connecting. However, we know the world is not flat in terms of race, culture or creed. Assuming a flat world leads to homogeneity of thinking.

(Slide: New Yorker illustration)

The world is round and so are the dimensions of human understanding. I am afraid "flat" still looks like this New Yorker magazine illustration, to some of my friends and acquaintances in New York.

Throughout history, changes in media technology have had profound effects on societies and economies. Some people embrace change and others try to control or resist it.

(Slide: Sir Thomas Moore)

Sir Thomas Moore wrote about this in 1516 in his book Utopia. It was written against the backdrop of a historic collision of information technologies at that time.

(Slide: Canal/Printing press/Ship)

These were the development of the canal system across Europe, the invention of the Gutenberg printing press and the development of two technologies that transformed the speed of information transfer. That was the development of the stern rudder for sailing vessels along with the shift in sailing technology from 3 masts and 3 sails, to 4 masts and 8 or more sails.

What this collision of technologies did, was to make the world a smaller place. It accelerated the speed of idea transfer. It led to an advancement of learning, "The Renaissance", and the "Voyages of Discovery" that opened up consciousness to other places and cultures. This collision of ideas also led to the "Reformation".

The canals of commerce, in the early part of the 16th Century, opened up villages and towns to a flow of new ideas, beliefs, foods, styles, stories and culture from other towns and places. It was a kind of internet, in a way, back then. And, the increase in context of information transference due to books, newspapers, leaflets and "high speed" sailing travel, dramatically changed control and authority over ideas.

Some cultures got nervous about these changes and resisted modernization. People typically react cautiously to difference, it ignites fear of change.

Isolate or integrate? Protectionism or collaboration? This is not new. As our emerging global society strains to adjust to the economic and social possibilities of new communications technologies, we see some of these same tendencies today.

For example, Reza Aslan, an acclaimed scholar and author on religions explains that certain parallels between the Christian and Islamic Reformation may seem strained. However, in his book "*No god but God*", Aslan says that "similarities should not be dismissed, because they reflect universal conflicts in all religious traditions. Chief among these is the conflict over who has authority to define faith: the individual, or the institution."

With the acceleration in speed and penetration of information access, it is no wonder there are conflicts in learning authority and control, over content.

Some people question whether this is good or bad for us?

(Video: Internet is Bad/Good)

America's economic and social policies are not meeting the needs of developing markets, especially Muslim-dominated markets. America's product needs improving. Differences in economic development are also a key cause of the gap that stimulates cultural backlash. One thing most people in my business know for sure is that the best way to find out that a product is not living up to expectations is to advertise the

product. People draw conclusions based on their experience with the brands or products.

It appears there is a gap in relevance for our economic product, our policy, as it relates to other cultures. In his recent book, "Globalization and Its Discontents", Joseph Stiglitz, former Chairman of the Council of Economic Advisors, also former chief economist of the World Bank, discussed the gap in economies between cultures, particularly the developed and the developing markets. He refers to the "gap in relevance" being generated by the three main institutions that govern globalization; the International Monetary Fund (IMF), the World Trade Organization (WTO) and the World Bank. These world financial institutions operate from the perspective of Western economic theory, particularly America's. Yet, market forces and the economies in most developing markets do not react in the same way as the economies of the developed markets.

We now know developing markets, especially Muslim-dominated markets, perceive international economic policies as being predominantly American policies. Stiglitz, who was involved in setting these policies, believes there is a gap in understanding their effect. He says: "The decisions of any institution naturally reflect the perspectives and interests of those who make the decisions. Not surprisingly, the policies of the international economic institutions are all too often aligned with the commercial and financial interests of those in the advanced industrial countries." Stiglitz acknowledges that the economic policies of the IMF, WTO and World Bank are driven by the US and that they are out of touch with many of the market economies they are intended to help. He refers to the situation in a very introspective way (when you think of our own history) as—"taxation without representation".

Globalization, as conveyed via the media and experienced via the economy in most Muslim-dominated populations, has not been positively perceived. The perception, confirmed in the Gallup findings, continues to be negative. Stiglitz' says this of the worsening perception of our policies; "It has not brought benefits to all; the net effect of the policies set by the Washington Consensus has all too often been to benefit the few at the expense of the many, the well-off at the expense of the poor". He concludes: "In many cases commercial interests and values have superseded concern for the environment, democracy, human rights and social justice".

A commonly used expression in my industry is 'perception is reality'. Imagine what impressions are generated about America's economic policy and our culture among the poorer populations of the world, who now have all the communications technologies we have? We must ask ourselves, do the perceptions reflect our own portrayal of ourselves in the media? Are we perceived as rich, fat (with fully one-third of our population now officially obese) and oblivious to the rest of the world? This is the perception that seems to come through in the Pew and Gallup research. Looking at ourselves, perhaps one can conclude that perception is, in fact, the reality. There is a dangerous cultural and economic gap in understanding between the average citizen in the US and those in other countries.

Another factor that is contributing to the negative perception of America is the gap in fossil fuel consumption between the West and developing markets. America's heavy use of fuel and the method of energy used have had a significant impact on relationships between nations. The dynamics of a depletion in fossil fuels and the ramifications this will have on socio-economic structure is discussed, in depth, in Jeremy Rifkin's recent book, "*The Hydrogen Economy: The Creation of the World-Wide Energy Web and the Redistribution of Power on Earth*". Rifkin predicts a vastly different world of less centralized energy sourcing in the future.

The need for self-examination and repurposing America, is a key conclusion drawn by Kevin Phillips in the book "*Wealth and Democracy*": He says: "Either democracy must be renewed, with policies brought back to life, or wealth is likely to cement a new less democratic regime—plutocracy by some other name." (I wonder, might that other name be terrorism?)

Martin Luther King had an interesting perspective related to the changing business and social landscape, created behind a similar explosion of the primary communication technology in the 1960's, e.g. the television.

(Slide: MLK Quote)

He said: "There is nothing more dangerous than to build a society with a large segment of people in that society who feel that they have no stake in it, who feel that they have nothing to lose. People who have a stake in their society protect that society, but when they don't have it, they unconsciously want to destroy it."

It is a more transparent global environment that we live in, one where the subject of compatibility of systems integration will increasingly be encountered in a broader context.

(Slide: Developing markets are predominantly)

Another aspect of context is, the developing markets are predominantly a youth culture, where word-of-mouth, the most persuasive media ever, is being fueled by new technologies.

(Slide: Population Gap)

This chart shows the gap between the "developed" and the "developing" world. It is a side-by-side comparison of population distribution by age. The developed worlds are the usual markets like the US, Japan, Germany, France, Scanda, UK, Spain, Italy, Australia/ New Zealand and Canada where there are approximately 1 billion people. The "developing" world is where the bulk of the planet's population exists (5.5 billion people). They are forming brand perceptions and they are acquiring more leverage economically, and with their opinions.

(Slide: Total world Population)

Projected population increases will have an effect on the context for ideas. At current rates, we will hit upwards of 9-billion people by Y2K84. Look at the trends and projection between the developed and developing world.

These changes in context, presents enormous economic and social opportunity. This has been well articulated by CK Prahalad, of the University of Michigan. He focused on the differences that exist between the top and bottom tiers of the world's economic pyramid. **(Slide: Economic Pyramid)**

He refers to the bottom tier, where 4 billion people exist as "The Fortune at the Bottom of the Pyramid". In 1960 the top tier had approximately 70% of the world's total wealth. By 2002, the gap had widened, as this small tier of people had approximately 80% of the world's wealth. This skew of wealth distribution reinforces the view that the poor struggle to participate in the global economy. They are being invited to participate by the information proliferation, but they do not have the economic means to access.

Osama bin Laden understood this when he said in a recent airing played by al-Jazeera and over the internet: "The youth of God are preparing things that would fill your hearts with terror and target your economic lifeline."

The combination of this more youthful audience composition and the media proliferation has resulted in an "external" audience with far more access to diverse information, and the ability to alter and control dialog themselves. We have first-hand experience with this in our learning about Al-Qaeda and how it was able to develop, communicate and influence perceptions using the new technologies

Bin Laden and his followers developed communications to influence their more youthful, impressionable audience. They well understand the power of the new media to influence perception and behavior. Even our Department of Defense has caught onto this in its new pamphlet "*The National Security Strategy of the United States of America*." It suggests "America is now threatened less by conquering states than we are by failing ones. We are menaced less by fleets and armies than by catastrophic technologies in the hands of the embittered few".

We have seen the almost overnight "turning back of the clock" by a relatively progressive developing market like Iran. This chain-reaction to western freedoms and culture was thrust on the world with pronouncements from bin Laden's forerunner, Ayatollah Ruhollah Khomeini. He protested against Western influence: "You, who want freedom, freedom for everything, the freedom of parties, you who want all the freedoms, you intellectuals: freedom that will corrupt our youth, freedom that will pave the way for the oppressor, freedom that will drag our nation to the bottom." Can this perspective be more diametrically opposite from ours?

It is an important responsibility of those who advertise to engage this market opportunity. Micro-financing is one proven answer. An answer is to create ideas that meet the needs of people more relevantly and broadly.

Stepping back, out of our fishbowl, what does the global village really look like? If the global village were a community of 100 people, this is how it looks.

(Slide: 100 People in the World)

The composition is about 60% Asians, 12% Europeans and only 5% Americans. In the village, Mandarin is the predominant language, over English.

Of real concern is the poor rate of literacy development especially among women. 14% of the village cannot read and of all the worlds illiterate adults 15 years or older, 2/3's are women. This global village is much different than what it looks like walking into this auditorium tonight.

It makes sense that literacy would be positively impacted by the information access that is occurring in communications. This chart from UNESCO shows the projected world decrease in illiteracy from 1970 to 2015.

(Slide: World Illiteracy Rates by 2015)

Yet, there is a significant gap between male illiteracy on the blue line and female illiteracy on the red line.

(Slide: Illiteracy Rates Region/Gender)

Illiteracy by region clearly reflects the disparity between the developed markets and the developing world. Gender inequality is dramatically exposed. This gap in literacy is a millstone around the world's neck, economically and socially.

(Slide: Consequences of Illiteracy)

The consequences of illiteracy are profound. It has been said, "educate a boy and you educate a man, educate a girl and you educate a generation." Literate women average 2 children, while illiterate women have 6-8 children.

A UN study in 46 countries shows that a 1 percent rise in women's literacy is 3 times more likely to reduce deaths in children than a 1% rise in the number of doctors. This same study showed, among women who have had 4-6 years of education, there is a 20% drop in infant mortality. So, the net of this is, where women are educated and participate in an economy, the economy is stronger, more secure and children grow up healthier.

I can find no more compelling and attractive opportunity from my observations of global CONTEXT, than the benefits of gender equality.

More than ever before, an idea is more transmittable, more broadly perceivable, and more able to be compared with other opinion/word-of-mouth, or imitated. The Mobile phone is a word-of-mouth-medium. Internet is a word-of-mouth catalyst for all media. The first media today is people.

This is creating a blogosphere that is streaming, full of information and misinformation. Finding the truth requires greater dependence on word-of-mouth and perspective. Here's an example, created by one of our agencies in Argentina.

(Video: "Truth")

Context influences our perceptions, beliefs and our behaviors. Now let's look at how dynamics of culture can effect perception.

The private sector is actually well ahead of governments in getting cross cultural learning. Our government servants, policy makers and commercial enterprise leaders could benefit from some of the learning that has been obtained from companies who have experience in developing successful communications programs globally. Many companies have direct experience in the Muslim communities. Companies like Procter & Gamble, Unilever, Johnson & Johnson, and others, have enormous experience in developing programs designed to appeal to these markets. While all the experience has not been successful; there is much that can be gleaned from their success models, as well as their mistakes. Multinational corporations are further along the learning curve.

There is a need for a new, more useful frame-of-reference for brand-building, and international communications. It will need to be one that reflects on the changing perceptual landscape for American corporations, one that links up with what Howard Gossage termed an "extra-environmental" point of view.

Gossage spoke to our need to look beyond the horizon of what we can literally see and perceive: "Awareness is becoming conscious that there is something bigger controlling us than what we thought. Two things make us aware of an environment; either it changes or we change."

To illustrate, Gossage used the story of an ant who lived all his life inside an anthill. The ant was not aware that the anthill was his world, because he could not see it. "So, one day they send him off on an important assignment to drag back a dead beetle, say. He goes outside the anthill. Two things happen: 1) He sees the anthill for the first time; 2) he becomes aware that the world is a very big place. Does this mean that he is aware of his environment? No, because what he doesn't know is that his anthill is inside a greenhouse. The only way he'll become aware of the greenhouse is if he goes outside of it. And even then it won't do him much good, because, you see, the greenhouse is inside the Houston Stadium, and so on."

Most countries have a nation-centric perception of their environment. Like the ant in the anthill, I believe America, despite our worldliness and our global commerce, is generally suffering from the need to have a more extra-environmental view.

A non-profit organization called Business For Diplomatic Action (BDA) started after 9/11. (After the white paper was published as an excerpt in Advertising Age magazine I, I was invited to be a founding member of BDA.) BDA acknowledges the gap in understanding between the US and international cultures and believes the key outage is

the poor understanding inside the US. The BDA is collaborating the Business Council for International Understanding (BCIU) to help address this poor understanding that American citizens have of people outside the US. They are having a joint Summit meeting in Washington DC in November 2010 to invited ideas and solutions for this problem. They believe "an informed and mobilized American citizenry, seeking to build bridges of understanding and respect to other cultures, is a crucial foundation for progress in the world economy."

I am delighted with this initiative, because it attempts to address the key issue, the understanding gap in the US, without attacking the Smith-Mundt Act. This was the 1948 Act to restrict public diplomacy and public affairs activity to external audiences. It was designed to prevent government from using propaganda internally and I believe it has proven to be a good safeguard. It isn't the problem. What is the problem is our citizen's lack of experience and understanding with other cultures. I don't think the government should be tasked with solving this issue, internally, because it could easily lead to that 1984 scenario we saw earlier. I do think it is something my industry can be of more help with, however.

Advertising is no longer a manufacturing plant for producing press ads or TV commercials. Our industry is more about seeking insight and understanding, connecting/engaging, the cultural compatibility between ideas and people.

(Slide: Race For Ideas)

It is a Race For Ideas. The rapidly increasing connections of the global economy depend on one's personal means of information processing-- language. It is estimated that there are approximately, 2,700 languages with upwards of 6,700 dialects in the world today. The vice-president of the Chinese Academy of Social Sciences (Li Shenming) predicts this will be cut in half by 2050 with another 2,000 dialects potentially endangered by Y2K84.

The rise of China, since it opened its doors to foreign trade thirty years ago, and India since it began allowing foreign investment in 1991, are creating an undeniable shift in world culture. An examination of the top eleven languages in terms of their web usage is worth looking at for the cultural impact.

The point of it is that the Web is a cultural collision of language and ideas. The Web has already enabled half of the world's population to use search. And, we know that more than half of web access today is made by mobile devices versus PC. I don't see this slowing.

There is a connection between what Nelson Mandela said about education and the field of advertising. He said: "Education is the most powerful weapon you can use to change the world." Advertising is a form of education. Its essence is the process of learning.

Advertisers are rapidly learning that greater sensitivity to culture is critically important in communicating and educating. The arrogant, singular point-of-view of a centrally-driven communications plan can have huge negative business consequences.

Advertising has an intensely interdependent relationship with culture.

America's brand equities are strongly embraced by most citizens of the world, including most Muslim populations.

Most Muslims, support the principles and values outlined in America's founding vision, the Declaration of Independence and the Constitution. However, there is little awareness today that these are the fundamental principles behind our culture. This is due to lack of education and low awareness. It is also due to a growing discontinuity between what our founding principles say, in actual words, and what is observed by the broader world outside the US in the media they consume. More than ever, they see our actions and experience our policies.

First, let's look at what America, the brand, says to the rest of the world, in our words, from the **Declaration of Independence** and consider if we are walking the talk:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the Governed,— That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to affect their Safety and Happiness."

Our intentions are relevant, regardless of race, religion or culture, but are we walking the talk?

Consider what **The Constitution** says to an audience broader than just ourselves:

"We the People....in order to form a more perfect Union, establish Justice, insure... tranquility, provide for the common defense, promote the general Welfare, and Secure the Blessings of Liberty to ourselves and our Posterity..."

Finally, another equity to be looked at closely, in which America is a principal owner, is the **Charter of the United Nations**:

"We the peoples of the United Nations... reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in equal rights of men and women and of nations large and small, and to establish conditions under

which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and to promote social progress and better standards of life in larger freedom, to practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and to ensure by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and to employ international government, laying its foundation on such pr machinery for the promotion of the economic and social advancement of all peoples."

Has America been walking the talk? Is it now walking this talk?

An ideology, as defined by Webster's Dictionary, is "a body of doctrine or thought forming a political or social program. For example, Democracy is an ideology. The Muslim religion and Christianity are ideologies. America is an ideology. Our brand, is an ideology. And, the point is, that it is now "owned" by a broader audience who perceive it and are affected by it. It is a brand of ideology that is in need of repurposing for its broader audience. More than ever, we are being asked to walk the talk. The whole world is watching.

(Slide: Network Effects)

NETWORK EFFECTS

A second influencing concept on perception is network effects of connected people.

Network Effects refer to how ideas evolve and propagate.

The bio-science of ideas is called "memetics." Memes are tunes, catch phrases, smells, fashions or the ideas that represent cultural information. The foundation of memetics originates in the publication of two books "*Virus of the Mind*" by a former Microsoft executive Richard Brodie and "*Thought Contagion: How Belief Spreads Through Society*" by Aaron Lynch, who worked for many years as an engineer.

(Slide: R. Dawkins quote)

In the book "*The Selfish Gene*" (1976), ethologist Richard Dawkins argues that, like genes, replication also happens in culture, by imitation.

(Slide: Chupa Chups)

I just love using this advertising for Chupa Chups created by our DDB agency in Spain to help illustrate a gene and how it relates to the subject of ideas.

(Slide: Meme Pool)

A meme pool is a collection of cultural ideas. Memes reproduce by being transmitted verbally or by repeated action from one mind to another.

They propagate from brain-to-brain. *(Slide: Memes building blocks)*

(Slide: Chupa Chups)

Again, I prefer the Chupa Chups illustration better for the idea of propagating from brain-to-brain. The point is, a diversity of connecting cultural ideas, reproduces from brain-to-brain, and this is what is happening with the increased access of new communications technologies.

Quantum Theory has an application for helping us look at network effects?

(Slide: Quantum Theory)

Quantum Theory was created to explain the radiation of energy and is now used to account for a wide range of phenomena. Consider how this might help us describe properties of a physical system like communities of people that are increasingly connected.

Quantum Theory involves the study of relationships between energy and matter. It assumes that everything is made of atoms, even ideas, as they travel from brain-to-brain.

(Slide: Electron/Proton/Neutron)

Like the atom, ideas or bits of perception have a nucleus, surrounded by a cloud, comprised of electrons which have a negative electrical charge. As ideas connect and reproduce, there is a kinetic energy effect that can be experienced which, appears to be perceptible, even measurable.

One feels like this is the case when we let our minds enter into the chasm of "Googling" things. We dive in deeper and deeper, and come back to the surface, hours later, having experienced the expenditure of mental exercise, or energy.

This is currently being confirmed by neuroscientific research. This includes some early work at Brown University with brain implants that demonstrate how thoughts, or brain waves, can be turned into action, in real time.

There has been considerable attention put on the value of communities that are connected by information technology. The premise is that a network of people has increasing value as the connections increase. This illustrates what has become known as Metcalf's Law.

(Slide: Network Effects Metcalf's Law –build-)

This is a network of one. It has a network effect value of one.

This is a network of two. As they are connected, it actually has a network effect of 3, the connection adds value.

This is a network of three. It has a network effect of 6.

This is a network of four. It has a network effect of 10.

This is a network of five people. According to Metcalf's Law, it will have a value of 15.

Metcalf's Law assumes that each potential connection is worth as much as any other.

This scaling law, and Moore's Law about information chip capacity, are often credited with driving the growth of the internet.

There are other dimensions network effects may have on ideas and culture. There are the emotions that exist, in the inherent psychological relationship between humans.

It is appropriate to include the emotional/intuitive information that are conveyed and interpreted in ideas. Emotions are like the electrons that have a relationship with the nucleus of information, ideas and culture.

(Slide: Network Effects – build-)

Incorporating emotional factors into an effects model allows us to see the potential, greater value of the information connection and its consequences. Emotional factors can be measured by both perceptual and behavioral analytics and, as discussed earlier, our neuroscientist friends are exploring ways to measure thought into action.

So, where Metcalf Law assumes a linear increase in value, this suggests there is an even greater potential consequence of value for each connection, for each relationship.

Social Exchange Theory focuses on relationships. It suggests that in any relationship, he or she, who has more choices, has more power.

The following graphically illustrates the impact of choice can have between the primary emotions of fear or love.

Incorporating the emotional spectrum of love or fear is a choice. This choice is no more important than in consideration of self. If either of these emotions are more or less present in a network of one, the cumulative value in the network effect on a community is affected as well.

Certainly there are many theories of Network Effects being entertained. This simply acknowledges as humans connect more readily than at any time in history, it seems to me the emotions of fear or love are amplified. Fear or Love is more readily apparent, and, potentially, more likely to propagate.

The needs and desires of the world are well known and offer a platform for improving America's perception, especially through cause-related corporate responsibility. I believe our corporations are in the best position to communicate what Americanism really is. Our multinational companies are in communities of vast cultural difference across the planet. They offer these communities employment and educational opportunities, no government can keep up with.

A research firm, Roper-Starch, conducted a worldwide study to learn about cause branding and whether doing social good can translate to market share improvement for

companies or brands. Overall, 38% of the world's consumers say "it is very important in their decision-making that brands and companies make efforts to address social issues or causes." The top issues consumers across the world want to see companies take on are: The Environment (22%), Education (20%) and Hunger/Poverty (16%). Emerging markets, in particular, have strong expectations for companies to help address these key social issues.

The Roper study speaks about the importance of corporate involvement in social causes. It also reflects the most relevant issues for people in developing markets. It is against this backdrop of needs, wants and desires, that the perception of America is gauged. It is against these needs and desires that America's culture, via its media, commercial messages, policies and entertainment, can be perceived to be in such disharmony. While this does not suggest that America should step back from its principle of freedom of speech, it does suggest that we need to be a lot more sensitive to all our audiences. So, if you are a multinational corporation who is concerned with anti-Americanism, I ask what is your company doing to address these most relevant social needs? What are you doing to match your corporate behavior to the needs of the communities in which your company lives and operates, inside and outside the US? How are you walking the talk?

INDICATED ACTIONS

America and its corporations must repurpose themselves behind their core equities. We need to "walk the talk" and have a more globally relevant frame of reference in our dealings and communications with the rest of the planet. To this end, it would be helpful for our institutions and corporations:

1. To understand and acknowledge the issue, that some aspects of America's culture and external economic development policy and practices, are inconsistent with our founding equities and historic appeal. Take note of the second-hand effects of our Culture.
2. Like many leadership brands who sometimes lose their way, we simply may need to get closer to the consumer, our global neighbors, and find ways to get back on track with our core principles that continue to be admired by most people in the world. Instead of thinking of the challenge as globalization, which is largely about geographic coverage, perhaps it is time for us to see the challenge as one of better appreciating multiculturalism. Our products, programs and the communications of our corporations need to better reflect our global audience.
3. To find ways for your company and your brands to listen and more responsibly address the needs of the communities in which you operate. Better social responsibility and relevance will greatly help your company and our country.

Renewal is equity of the American ideology. We are one of the only brands that regularly reinvents itself via our election system of governance.

But, what do you do when our public servants are taking their lead from an out of touch citizenry? An enlightened American public, refocused on our core principles, embraced multilaterally, can help serve all mankind better and provide a means to help improve America's perception as being more cooperative. Importantly, no matter what, America must be perceived as having been created by the people, for the people, where "the people" are more attuned to fellow citizens of the world.

WHAT YOU CAN DO?

First, adopt a frame of reference broader than your own. Put yourself in your neighbors' shoes. Think Like The Sun. It is a perceptive framework that allows you to take notice of the possibility of "second-hand culture." It reminds us of our internal filter. It is difficult to learn new things through this filter. It's hard to see someone else's point-of-view when you are only seeing your own.

(Slide: Symbols, Sounds & Visuals)

The second recommendation is, consider how ...the advanced communications technologies make symbols, sounds and visual ideas more valuable, than ever before. That means our communications are more consequential, too.

(Slide: Collaboration)

And the third recommendation -- adopt a strategy of collaboration. Winning the race for ideas will increasingly depend on collaboration. It means harnessing the power of multinational capabilities locally with global best practices to generate wealth at each tier of the economic pyramid. Collaboration, among marketing disciplines, talents and locations to bring objectivity, diversity of understanding and insight about consumers. Consumers are people who are more and more connected, and who have more choices.

CONCLUSION

For sure, the advertising industry is at the forefront of seeking a deeper understanding of humanity. The citizens of the world expect this from institutions that effect development of their freedoms. Anticipating and understanding the dynamics of information processing context and networks, will release ideas that will promote freedoms of other kinds. Advertising plays an essential role in this process.

Advertising exists as an influence on the world's economy. It is about having choices. We are increasingly free to make choices, but the thought of how much depends on our decisions, can make our freedom of choice difficult. And, we can see from history, there is a fine line between freedom of choice and not having any choice at all.

So, how should we think? ***(Slide: How Might We Think?)***

Think different. Think Like The Sun.

Freedom of speech and freedom of choice are fundamental to the idea and allure of America. Nothing is perfect. There will always be some trade-offs to maintain these freedoms. There are, perhaps, some penalties that come with this.

The penalty of freedom is the accountability we have for our promises to each other. America is not a location. It is a promise made. This promise is the most appealing collection of words and commitments the world has ever seen. They are not entirely original. They evolve from the history of mankind in their summation. From the Bible, the Torah, the Quran, the Magna Carta, Sun Tsu, Confucius, Buddha and the Mahabharata...America's three strategic pillars; the Declaration of Independence, The Constitution and the UN Charter; summarize well the promise behind the idea of America.

In a more transparent world, behavior is the most reliable measure of performance. The gap between one's word and one's behavior is more visible. Thus, the penalty that comes with increased freedom of speech and choice is the concurrent obligation to be accountable for what we say. As my 95 year old Mother recently told me, when asked for a point of view on ethics, said: "You gotta meet yourself around the corner, someplace."

(Video: "Think Different")

In the steam of communications technology which is ever flowing, all information flows into and out from individuals. A current of misunderstanding cuts through it, with an undertow of misinformation that has never been stronger. Only dead fish float with the stream.

The Penalty of Freedom is the accountability we have to ourselves, our fellow citizens and the planet in which we all live.

(Slide: Globe in Hand)

THANK YOU.