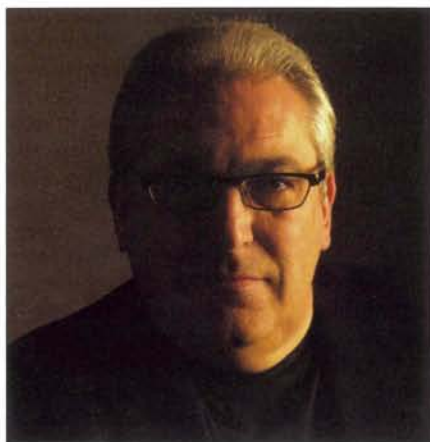




interview

Putting Midsize Companies on the Map

An Interview with Allen Kay, Chief Executive Officer and Director of Strategic Planning, Korey Kay & Partners Advertising, New York



Allen Kay

EDITORS' NOTE After graduating with honors from Art Center College in Los Angeles, Allen Kay joined the advertising agency McCann Erickson in New York as an art director, writer, and producer. He subsequently spent 11 years at Needham Worldwide – where he served as senior vice president and creative director – then founded Korey Kay & Partners Advertising. The recipient of 18 Clios, 14 Andys, and 5 gold, 4 silver, and 2 Lions d'Or at the Cannes Film Festival, Kay sits on the board of directors of the American Association of Advertising Agencies and is past chairman of its creative committee.

COMPANY BRIEF Founded in 1982, New York-based Korey Kay & Partners Advertising is a midsize firm specializing in developing marketing strategies and advertising campaigns for nascent brands and entrepreneurial start-ups. Clients past and present include Virgin Atlantic Airways, Comedy Central, NYCE Cash Machine Network, Celebrity Cruises, Wilmington Trust, and the Metropolitan Transportation Authority.

Who is your target market?

Our claim to fame is our ability to put companies on the map – and then spread them all over it. We began working with Comedy Central when it had just come on the airwaves and had done no branding or

advertising. When we started with the NYCE network, it had only a logo and a lot of holes in walls that were filled with cash machines. So our clients are typically those that are aware of our ability to build brands.

In an economic downturn, businesses often cut their advertising budgets before anything else. Do you think that's a good idea?

I'm happy to say that not all of our clients have cut their budgets, but some have. People should know that a downturn is the best time to pick up market share, because while everybody else is retrenching, companies that move forward and invest in advertising increase their businesses. A recent study revealed that the benefits of staying strong during a downturn last at least six years into the recovery.

The key to surviving a downturn isn't so much what you do during the downturn, but rather what you do during the upswings to prepare for a downturn. The smart upturn strategy is to be very conservative – let other people go crazy in an upturn and then retrench in the downturn. If you stockpile your resources during an upswing, you can take full advantage of a downturn and you'll be more value-oriented overall for your client.

For example, working with the 55 dealerships in the Honda Dealer Association for the Northeast, we developed a campaign themed "The Car That Sells Itself." At the time, the economy was good, but we talked to the dealers about positioning themselves for a downturn. In a recession, people tend to keep their cars longer. Naturally, the older a car gets, the more it needs repairs. After a while, it goes from being a car to a costly pain in the butt. Anticipating the customer mindset, we wanted to establish Honda as a car that won't become a pain in the butt. So we developed a campaign that was based on durability. We filmed a commercial that showed people in humorous situations with their cars broken down. The voiceover said, "We would like to thank all the carmakers of the world for demonstrating why everyone should own a Honda." That's one example of how we planned during a peak period to take advantage of the low period.

Are your client relationships usually long-term?

Compared to other midsize agencies, our client tenure is very long. The MTA, for example, has been with us for 11 years, and Stuart Weitzman, a shoe designer, is in his sixth year with us, as is Wilmington Trust. On average, a client will stay with Korey Kay for between 8 and 11 years, because, as I said, our claim to fame is putting companies on the map. Quite often, once that's done, the mega agencies take over. I can't feel too bad about that, because we've enabled that move by planting and growing those brands successfully. And if we weren't known for that, we wouldn't get a stream of new clients in the first place.

In your business, how important is a large staff?

In advertising and in biochemistry, size really isn't important, because it's the concept that counts. One person with an illuminating idea can change the world. A large staff is important if you're moving furniture, but a smart and prolific staff is what does it. So it's more important to have smart people who understand our company and clients than to have the largest creative department in New York. In my view, size says nothing about the quality of a creative department.

Looking back over your past 21 years in business, could you have predicted your current success?

We started Korey Kay without a single client at the height of a recession. Everybody said we were crazy. We saw it differently. We felt that the gutsy style of our work would be in greater demand during a recession, because it gets more attention and more talk. In retrospect, there couldn't have been a better time to go into business. Positioning ourselves as the first agency for entrepreneurs, we took a deep breath and a full-page ad in the New York Times. It said, "Do entrepreneurs advertise differently than normal people? You bet your assets they do." As it turned out, the National Republican Party saw the ad. They met us on a Tuesday, we presented on Thursday, and on Friday, we were in Washington meeting President Reagan. So I believe in advertising. ●