



INTRODUCTION

Dentsu might surprise you.

Picture yourself traveling to Tokyo, Japan. You get off the plane. You clear passport control. You pick up your luggage. You pass through baggage inspection. You declare that you're in the country on business. The agent asks, "Where do you plan to do business in Tokyo?" You reply, "Dentsu." He looks up deferentially and says with relief, "Ahhh, Dentsu." You can see how Dentsu is trusted in this country.

You might be surprised to learn that, by total annual billings, Dentsu Inc. is the world's largest single-agency brand in the advertising and communications business and the fifth-largest agency company. Not just in Japan, but in the world.

You might be surprised about several other Dentsu facts.

The employees who enter Dentsu must join an expedition to the top of Japan's 12,388-foot Mount Fuji as a demonstration of determination and teamwork. Such expeditions have been a hallmark of "The Dentsu Way" since 1925.

Dentsu has been actively participating in the financing and distribution of filmed entertainment, including *Departures* (Academy Award winner for best foreign language film) and *Spirited Away* (Academy Award winner for best animated feature film).

Dentsu owns the award-winning office building located in Shiodome (pronounced “she-oh-doe-may”), adjacent to the world-famous Ginza shopping district and within walking distance of Tokyo Bay. Designed by the French architect Jean Nouvel and completed in 2002, at 48 floors and 700 feet, it is a “green” building, featuring roof rainwater collectors and special computer-controlled ceramic dots on the windows to control the climate, among other features.

Dentsu’s Shiodome office building houses over 6,000 employees (as of March 31, 2010), all working together to serve the needs of their thousands of clients. No converted warehouse loft offices and networks of freelancers—Dentsu is a true corporate enterprise.

Dentsu’s employees get a lot of freedom. To meet their clients’ needs, and to express themselves, even on their business cards, each employee gets to choose his or her own business card color out of a palette of one hundred colors, and that’s just a start.

Dentsu’s employees have this kind of freedom. But does it start and end with creativity? Hardly. As you would expect in Japan, Dentsu people are single-mindedly and irrevocably focused on their clients. Dentsu’s employees work hard to apply the precision, discipline, rigor, and holistic thinking of a Japanese organization to something as nuanced, behavioral, and intangible as advertising and communications.

It is a best-of-both-worlds combination, and the results are stunning. It is the foundation of “The Dentsu Way.”

What Is “The Dentsu Way”?

What is “The Dentsu Way,” and what do we mean by a company “Way,” anyway? And why do we bother?

Like many of its brethren—“The Toyota Way” and “The Disney Way” for example—“The Dentsu Way” is a pervasive combination of culture and philosophy, consumer experience, and specific tenets that influence individuals in the organization as well as the organization as a whole. With “The Dentsu Way,” as with others, we believe there is value in defining a

way of doing business, in our case the agency marketing business. There is value in letting our clients, industry professionals, and even our competitors know more about it. In short, defining and explaining “The Dentsu Way” is our way of making a contribution to our field.

Before examining *The Dentsu Way* and getting into the more specific messages of the book, however, an introduction is in order.

About the Authors

I am Kotaro Sugiyama, Senior Vice President and Chief Creative Officer of Dentsu. I have been with the company for 36 years in many roles, primarily in the direction of creative, interactive, and digital media solutions. I come to you along with Tim Andree, Executive Officer and President and CEO of Dentsu Network West.

Together we assembled *The Dentsu Way* with the indispensable help of a special team known as the “Dentsu Cross Switch Team” to share our view of “The Dentsu Way”—the philosophy and the many strategies, tactics, and tools that support it. The names and roles of these individual professionals are highlighted in the Acknowledgments section.

Different Approaches to the Same Idea

Here’s an interesting exercise. Get some Dentsu employees together in a room, or even in an elevator or a hallway. Ask them the question: “What is ‘The Dentsu Way’?” Will you get the same answer? Another Dentsu surprise, and probably contrary to your notions of Japanese business culture—you’ll probably get a lot of different answers. For that matter, you’ll get different answers from clients and outside observers, too.

Here are some of the answers you might hear (and were recently heard during a Dentsu meeting to develop this book):

- It is a blend of ideas, technology, and entrepreneurship applied to marketing.
- It is a full range of marketing communications services for clients.
- It is a varied expertise leading to creative marketing solutions.
- It is a meeting of traditional and new digital media.

- It is a mix of precision technique and creativity.
- It is “Plan-Do-Check-Act,” or PDCA, applied to marketing.
- It is “east-meets-west” in marketing and communications.
- It is right-brain-meets-left-brain applied to communications.
- It is complete and holistic; a “tea ceremony.”
- It is about “Good Innovation.”
- It is “Cross Switch.”

While these answers are presented in random order, it’s probably clear that some of these answers come from management, some come from employees, and some come from clients and outsiders. We’ll leave it to your imagination to decide which ones are which!

We do realize that some of these answers beg for further explanation. By the time you finish reading *The Dentsu Way*, all of the answers you just looked at will make sense. We’ll explain the “Good Innovation.” philosophy a little bit later.

“Cross Switch,” as we’ll learn later, is our strategy and toolbox for Cross Communication. Cross Switch is a core strategy and a good example of the application of The Dentsu Way. It is important enough to merit coverage by three-quarters of this book.

It might sound like a bad thing in the corporate world that no two employees can articulate a company’s vision or foundation consistently. But we actually think it’s a good thing. As we’ll describe shortly, Dentsu—again somewhat in denial of its traditional Japanese business roots—promotes freedom and creativity. Two different views of the same thing are actually helpful in understanding and defining it—and working toward a solution if that’s the job at hand. Remember, if two employees think the same thing, you don’t need one of them!

We sometimes think of “The Dentsu Way” as a meeting of right-brained, or creative, and left-brained, or analytical, thinking in a way that draws the most positives from both. It will be surprising for many to see such a thorough left-brained approach to something as typically right-brained as marketing communications. Dentsu doesn’t produce tangible products like cars, televisions, or digital cameras. Our product is more abstract than that. But you will get the same rigor and thoroughness in process design, quality, and quality measurement as you would if the

A MESSAGE FROM OUR PRESIDENT

The Dentsu Group established a new corporate philosophy articulated as a “Message from the Management” in January 2009 to the media and shareholders of Dentsu. Here it is, as articulated by **Tatsuyoshi Takashima**, President and CEO of Dentsu Inc., on the corporate Web site (<http://www.dentsu.com/vision/message.html>).

The slogan that best embodies our new philosophy is “Good Innovation.”

By “innovation” we are not talking about just technological innovation. We mean reforming our organization and business model to create new, socially significant value, and drawing on new ideas that give form to our vision of being a business group that can help create a brighter, happier future for society.

We believe our new slogan will guide our business in the communications domain and beyond, such as helping our clients with corporate management issues or challenges in their business operations. We will always look at the situation our clients are facing, define each core issue, and deliver solutions for them.

To achieve this kind of innovation we must gather the three sources of our strength which are defined in our new corporate philosophy: ideas that reach beyond the imaginable, technology that crosses the bounds of possibilities, and entrepreneurship that surpasses the expected. The Dentsu Group’s mission is to bring positive change to society, which in turn will lead to increased value for all stakeholders of the Dentsu Group.

Under our new slogan of “Good Innovation.” we will look ahead to the future as a partner to our clients, media companies, and contents holders by offering “Integrated Communication Design.”

Up until now, we have defined our business domain as “Total Communications Services.” However, we must now have keener insight into the essence of changes in consumer behavior and branding challenges so that we can offer high-quality services which are integrated and concrete. We believe that the phrase “Integrated Communication Design” best expresses the current business domain and the strength of the Dentsu Group. We aim to evolve into a group that as a whole is capable of designing, proposing, and implementing communications that provide true solutions in an integrated way.

Guided by the Dentsu Group’s new corporate philosophy, we will bring about innovation through various activities beginning in the fields of Digitization, Globalization, and Solutions.

—Tatsuyoshi Takashima, January 2009

The Intersection of Ideas, Technology, and Entrepreneurship

There are two Core Ideas contained within the “Good Innovation.” philosophy that merit further explanation. The first is that “Good Innovation.” lies at the intersection of Ideas, Technology, and Entrepreneurship. The second is what we call “Integrated Communication Design.”

When one hears a phrase like “Good Innovation.” it’s natural to think that it applies to technology alone. But in The Dentsu Way, “Good Innovation.” is not just about technology. As Tatsuyoshi Takashima states in his “Good Innovation.” message, our corporate philosophy is based on three “pillars” of strength: Ideas, Technology, and Entrepreneurship. We go a step further to share a slogan combining the three elements:

- “Ideas that reach beyond the imaginable”
- “Technology that crosses the bounds of possibilities”
- “Entrepreneurship that surpasses the expected”

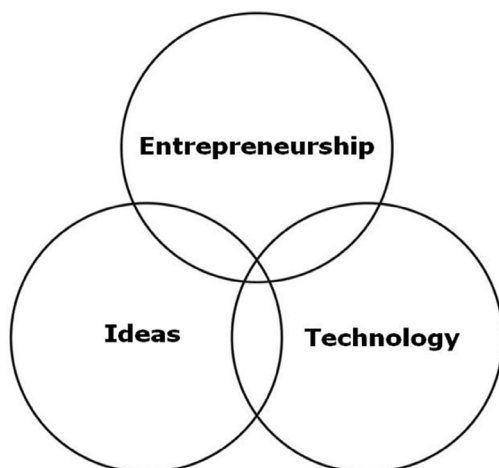


Figure I.2 The three elements of “Good Innovation.”

The new “Good Innovation.” philosophy stresses a new, fresh look at every possibility in every campaign, unconstrained by the standards of the past. Figure I.2 illustrates the triad.

Such an open, spirited way of doing business is very empowering and brings the kind of energy required to deliver a Dentsu solution. We know that Japanese companies are viewed as very structured and hierarchical, and not very accommodating to individual freedoms to create new ideas or new ways of doing things. With that in mind, it might surprise you that Dentsu is very entrepreneurial. Our employees are free. They’re independent, free to think, free to act, and free to create. We may have 6,000 employees, but the way we look at it, we’re really like 6,000 little boutiques. We have good ideas, and we have good technology. But it’s the entrepreneurial spirit, and particularly the engagement among the entrepreneurial spirit, ideas, and technology, that make The Dentsu Way work so well.

Integrated Communication Design

In his statement on “Good Innovation.” President Takashima noted that under our new slogan of “Good Innovation.” we will look ahead to the future as a partner to our clients, media companies, and contents holders by offering “Integrated Communication Design.”

What does that really mean? For years, since the mid-1980s, we have recognized ourselves as a supplier of “Total Communications Services”—that is, a holistic blend of strategic planning, branding, marketing research, traditional media advertising, media buying and planning, creative design, sales promotion, public relations, and other marketing services. That vision was accurate then, and it still is now.

But today’s marketing challenges have simultaneously become more global, more technology based, and spread across many more contact points with consumers. We now have technologies like point-of-purchase (POP) marketing and social networking services (SNS) that allow continuous real-time contact with consumers far beyond the traditional media advertising campaign. Those same technologies allow consumers to interact with us; these communications are no longer one way. The potential “breadth” and “depth” of consumer involvement with a brand or a company is far greater than it once was, and the need to understand consumer behavior in this new environment and to adapt campaigns to it properly is obvious.

As a result, we at Dentsu believe that the phrase “Integrated Communication Design” better describes where we are today. To navigate this more complex maze of consumer interactions, we must now have keener insight into the essence of changes in consumer behavior and branding challenges so that we can offer high-quality services, which are integrated and concrete. We aim to evolve into a group that as a whole is capable of designing, proposing, and implementing communications that provide true solutions in an integrated way.

With our resources and experience all under one corporate roof, Integrated Communication Design isn’t just a buzzword. We at Dentsu feel that we offer the sort of integrated solutions consumers really need today. These solutions blend consumer insight and research with a full set of creative and technology tools to pull them off in real time across all forms of media and consumer contact, including new ones as they evolve. We’ve done this for years, as you’ll read in Chapter 1 with our involvement with the early days of television.

The Cross Communication solutions, which constitute most of the rest of this book, are an excellent example of how we bring ideas, technology, and entrepreneurship together to achieve Integrated Communication Design.

Cross Communication and Cross Switch

Throughout history, wars were said to be fought and won or lost depending on which side had the tactics that best kept pace with the technology—that is, the weapons—of the times. Marketing works in much the same way; it's imperative to keep up with and use new technologies to connect with consumers, or else the competition will get ahead and you'll have to invest heavily in playing catch up while also throwing money into gradually less effective campaigns and placements.

Technology gave us the Internet 15 years ago, and those who chose to embrace the Internet stayed ahead. The use of the Internet as a marketing tool is now almost universal.

Today, the Internet has matured, and we find ourselves in a new world where elevators, vending machines, and gas pumps are starting to talk to us. The mobile phone is becoming a “smart” rich media tool also capable of searching and making purchase transactions. Even more importantly, social networking services like Facebook and Twitter are adding a whole new dimension to the dissemination, and especially the sharing, of information about products and brand experiences. The possibilities are almost endless, and they're coming at us faster than the marketing profession can learn how to use them, particularly in an efficient, effective, and coordinated way.

It was around the year 2004 when the term “Cross Communication” began to gain popularity in the fields of communications and media. In this rapidly changing space many clichés and buzzwords came and went, but the term “Cross Communication” remains alive and well today, and Dentsu considers it to be an important and lasting concept in communication planning. That said, the term “Cross Communication” has been subject to a wide range of interpretations, likely because it is still in its early phases and really is still being defined.

Dentsu's “Cross Communication Development Project”

To address the possibilities of Cross Communication, Dentsu initiated a companywide “Cross Communication Development Project” in 2006 and has invested in a wide range of development activities. The formation of the cross-functional team to investigate and invest in the development of a complete set of Cross Communication strategies and tools

is reminiscent of a similar commitment, made by Dentsu in the 1950s, undertaken to explore and capitalize on the possibilities of television. By now Dentsu has accumulated considerable know-how in this field, and has put this know-how into practice in order to resolve the issues faced by its clients.

The “Dentsu Cross Switch Team” is a cross-functional team composed of Dentsu employees with diverse specialties and experience in fields ranging from marketing and creative advertising to media, promotions, interactive advertising, and research and development (R&D).

New elements of Cross Communication, including approaches, know-how, success stories, and analysis methods, are being created every day through discussions among team members and extensive planning activities on the front lines of the advertising world. Parts 2, 3, and 4 of this book are devoted to the specific premises and techniques of what we call Cross Switch, our Cross Communication solution and the brainchild of the Cross Communication Development Project. These sections will explain why Cross Communication is important, offer examples of why it works, and show you how to put it into play for your organization.

Dentsu’s Cross Communication campaigns have won awards at a number of prestigious overseas advertising festivals such as the Asia Pacific Advertising Festival, or ADFEST, and the Cannes Lions International Advertising Festival. This book will share these success stories and introduce nine of Dentsu’s latest methods and tools that will be useful in the creation of new advertising campaigns and ideas, and in the evaluation of results.

Flipping the Switch

By now you are probably wondering what Cross Switch is and where the term came from. In the early stages of the Cross Communication project, the team settled on a core strategy for Cross Communication: to “use Cross Communication to ‘flip a switch’ in the consumer’s mind.” See Figure I.3. The point is that it is no longer enough to simply use multiple forms of media to deliver the same message or campaign over and over. It’s easy for consumers to filter that out, and likewise it fails to take advantage of the power of some forms of media, especially digital media.

“Cross Switch” is an approach—including strategies, tactics, and tools—to get through barriers put up by the consumer and maximize the

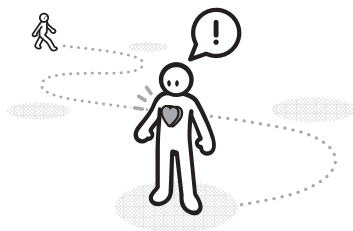


Figure 1.3 Use Cross Communication to flip a switch in the consumer's mind.

results of a marketing campaign, especially the search, the action, and the sharing that consumers will do if they really respond to the campaign—that is, if their switch is flipped. Once that switch is flipped, consumer engagement and purchase action increases dramatically.

Dentsu recrafted the conventional “AIDMA” model for consumer response into a more twenty-first century approach called “AISAS” (which we’ll cover in Chapter 3), which plays a very important role in Cross Switch. From there, Dentsu redesigned the campaign-planning process and created a set of new tools to accomplish the Cross Communication design. Cross Switch strategies, concepts, and case studies are covered in Part 2, while specific Cross Switch processes and tools are examined in Part 3. At this point, it’s just important to know what Cross Switch is and where it came from.

SEEKING THE FIRST EDITION?

If you want a true first edition of *The Dentsu Way*, you’ll have to find it in a Japanese bookstore. The book, titled *Cross Switch: How to Create Cross Communication by The Dentsu Way*, was published for the Japanese market in August 2008. It became a bestseller in the advertisement marketing category. The book has also been published in Korea and is also to be published in China.

Why Did We Write *The Dentsu Way*?

So why did we take the time and trouble to write *The Dentsu Way*? It was not to become a superstar in the publishing business, or to create an international bestseller (although if these things happened, we'd certainly be pleased.)

Simply, we at Dentsu felt we have a story to tell as we emerge onto the global stage. We have led the way in integrated marketing and communications design in Japan since the beginning of marketing as an “agency” profession. We have continued to develop this expertise to achieve excellence in today’s complex branding and media environments. We now have the skills, the know-how, the technologies, and the insight to apply them to very complex marketing challenges. So far we have applied them mainly in Japan, but we feel our story is a compelling one, and we wish to share it with the worldwide marketing community, as well as others interested in Japan and Japanese business practices. We also consider *The Dentsu Way* as a medium to communicate our change in global strategy, from a company that affiliates with worldwide marketing companies to serve global needs to a fully integrated global enterprise ready to do business, with anyone and anywhere, applying Dentsu’s methods.

We hope you gain and enjoy the insights from *The Dentsu Way* and that you can incorporate them into your own “Way” where it makes sense.

Mapping the Dentsu Way

To summarize what we’ve introduced so far: “Good Innovation.” is the core philosophy of *The Dentsu Way*, while Integrated Communication Design is the principal service we provide. Within Integrated Communication Design, Cross Communication is a strategy for integrating communication, while the Dentsu application called Cross Switch is Dentsu’s original approach to designing and providing Cross Communication. This will all become clearer in the chapters that follow.

The Dentsu Way is presented in three parts.

Part 1: Dentsu Comes of Age sets the stage by describing Dentsu’s ascendance from its beginnings in 1901 to the “breadth and depth” of today’s Dentsu.

INTRODUCTION

- Chapter 1: The Origins of the Dentsu Way
- Chapter 2: Breadth and Depth: An Overview of Dentsu's Scope and Services

Part 2: The Cross Communication Imperative describes the emerging importance of Cross Communication as part of Integrated Communication Design. This section lays out our new "AISAS" consumer response model and the key elements of Cross Communication marketing campaigns.

- Chapter 3: From AIDMA to AISAS: The Growing Importance of Cross Communication
- Chapter 4: Cross Communication: A Look at What Makes It Work
- Chapter 5: Creating Scenarios for Cross Communication

Part 3: Putting Cross Switch into Play describes in more detail the strategic and tactical design of Cross Communication, including numerous examples and tools used to design, deliver, and measure the effectiveness of our Cross Switch campaigns.

- Chapter 6: Case Studies of the Cross Switch Way
- Chapter 7: The Cross Switch Design Process
- Chapter 8: From Insight to Scenario Creation
- Chapter 9: Structure Design and Measurement for Cross Switch

Cross Switch Online

For those who want to follow or expand their knowledge of the Cross Switch story, please refer to the Dentsu Cross Switch Web site at www.dentsu.com/crossswitch.