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INSIGHT AND AMUSEMENT FOR FINANCIAL SERVICES SALES AND MARKETING PROFESSIONALS

Sentiment can change quickly. Scary headlines drive it down. So-called “green shoots” give it a boost. What seems certain is that the mood of the nation will continue to be volatile in the months ahead.

In times like this, it's all the more important to be proactive, confident, and clear in your communications. We think the future looks bright, but sentiment is always fragile—so make sure you're working hard to protect it. I hope this issue of *Wickware Quarterly* provides some helpful inspiration.

Here's what you'll find inside:

- > **Trends:** The return of state capitalism
- > **Creative:** Tweet, tweet
- > **Perspective:** Why paper is eternal
- > **Digest:** Quick hits on money and marketing
- > **Update:** Industry and agency news

Happy reading, and please drop me a line if you have any questions or comments.

Yours truly,



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TRENDS /

The return of state capitalism

Many taxpayers and investors are unsettled by the idea that government now has significant ownership stakes in capitalist icons like Citigroup and General Motors. Is this just an anomaly of the financial crisis, or part of a greater trend towards state capitalism?

Writing in the February 2009 issue of *Harvard Business Review*, political scientist Ian Bremmer and Global Leader of Advisory Services for PricewaterhouseCoopers Juan Pujadas argue that we are in the midst of a significant reversal—from a period of market liberalization around the world, to the re-emergence of state-controlled enterprises.

Most of us took the failure of the Soviet Union's Marxist bureaucracies as proof that governments are no good at creating economic growth. But today, Bremmer and Pujadas worry that state-controlled enterprises are ascending, and that the (often authoritarian) governments at the helm will be tempted to take dangerous foreign policy gambles, confident that their clout in the market will limit the response of concerned countries.

Here are some of the critical sectors where state capitalism is on the rise:

Asset management

Ask the average financial professional to name the top asset managers, and you're likely to hear names like The Blackstone Group, The Carlyle Group, Bain Capital, and Kohlberg Kravis Roberts. But the truth is, sovereign wealth funds and pension funds are the biggest players on the planet. The Abu Dhabi Investment Authority alone manages more wealth than all the aforementioned private firms combined. Investment funds managed by Norway, Saudi Arabia, Singapore, Kuwait, China, Hong Kong, Russia, and Australia are also massive by comparison.

Energy

Here again, the names we're all familiar with—Exxon Mobil, BP, ConocoPhillips, and Royal Dutch Shell—are small-time compared

to their wholly or partially state-owned counterparts, such as Saudi Aramco (Saudi Arabia), NIOC (Iran), PDV (Venezuela), CNPC (China), Pemex (Mexico), and Russia's fast-growing Gazprom. The energy sector is where it is feared commercial interests may clash with issues of national security and foreign policy, introducing risks to the supply chain that could send ripples across the global economy.

Shipping

Shipping remains largely a private-sector industry, with European names such as A.P. Moller-Maersk (Denmark), Mediterranean Shipping (Switzerland), and CMA CGM Group (France) accounting for the bulk of the world's shipping capacity. However, it should come as no surprise that, given the explosion in Chinese exports over the past decade, two state-owned Chinese shipping companies now rank among the largest worldwide.

Telecommunications

China is also making its mark on the telecommunications industry. As of March 2008, China Mobile, which is partly owned by the Chinese government, had a market value that represented close to 40% of the total value of the top 10 firms in the global mobile telecom sector.

Our view

Shifting public sentiment coupled with massive stimulus programs will see the trend towards state capitalism persist—at least for now. However, we believe that free markets will continue to drive growth, innovation, and improvements in the global standard of living over the long term. //



CREATIVE /

Tweet, tweet

Three-quarters of marketing professionals say social media sites like Twitter.com will take on a greater focus in their overall interactive strategy.¹ Here are some ideas to help make it work for you.

- > **Tune in.** You may associate Twitter with the net-savvy kids of Generation Y, but 58% of Twitter's seven million users are 35 years of age or older, and nearly one-in-five are 55 or older.² Far from a teenagers' fad, Twitter has ushered "micro blogging" into the mainstream.
- > **Be found.** Google is widely expected to launch a real-time search engine that will allow Internet searchers to scour the content within Twitter. Once that happens, you'll be able to "tweet" all day about your product or service, and greatly increase the odds of being found by interested Web surfers.
- > **Create buzz.** Twitter is a cult of personality. Followers want to be allowed inside the mind of someone they wouldn't normally have access to. The most buzz-worthy candidate in your company is likely to be someone along the lines of an outspoken analyst, renowned portfolio manager, or candid executive.
- > **Deliver value.** Bank of America is using Twitter to deliver practical value. Clients can visit twitter.com/BofA_help and do things like update their address or ask why a fee was posted to their account. Full-time Twitter agents are poised and ready to provide a real-time response.

Our view

Compliance is a big concern when it comes to social media. Part of the solution is to have a social media policy to regulate the type of content that can be posted. Another part might be to structure your Twitter campaign around a specific event—such as a product launch or road show—and have Compliance pre-approve the content. //

PERSPECTIVE /

Why paper is eternal

These days, the Internet is the first place we look for news and information. Newspaper circulation is dropping. E-book reading devices are getting better and cheaper every year. It all begs the question: is paper dying?

Not by a long shot, says William Powers. As a fellow of the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University, Powers authored a discussion paper entitled "Hamlet's Blackberry: Why paper is eternal,"[†] in which he acknowledges the shortcomings of paper, but makes an insightful argument for its continued relevance. Says Powers:

There are cognitive, cultural and social dimensions to the human-paper dynamic that come into play every time any kind of paper, from a tiny Post-it note to a groaning Sunday newspaper, is used to convey, retrieve or store information. Paper does these jobs in a way that pleases us, which is why, for centuries, we have liked having it around. It's also why we will never give it up as a medium, not completely. For some of the roles paper currently fulfills in our media lives, there is no better alternative currently available. And the most promising candidates are technologies that are striving to be more, not less, like paper. Indeed, the pertinent question may be not whether the old medium will survive, but whether the new ones will ever escape paper's enormous shadow.

Powers relates the findings of Abigail J. Sellen and Richard H. R. Harper, who in the mid-1990s conducted a study of how employees of the International Monetary Fund in Washington, D.C., managed the flow of information in their daily work. The IMF was chosen because it is a "knowledge-centered" organization that uses a lot of documents, and because it had invested heavily in technology.

For many of their most crucial daily tasks, such as reading documents, collaborating with others, and work that involves thinking and planning, IMF staff preferred paper, even when there were digital versions of the same documents available.

Workers liked the way paper documents could be conveniently passed around and discussed. They even appreciated the fact that paper takes up space, explaining that the clutter of paper in their offices actually helped them think, plan, and keep track of inputs and ideas.

One employee, whose job it was to review other people's written reports, explained his preference for paper by saying, "You've got to print it out to do it properly. You have to settle down behind your desk and get into it," Powers says. Phrases such as "settle down" and "get into it" suggest a state of mind associated with a particular kind of reading—the full-immersion, deep-dive kind that occurs when a reader is able to shut out the world and truly focus. He wonders if paper somehow contributes to achieving this deeper state.

In a different study that looked at how people in various professions read, Sellen and Harper found that paper has four traits that specifically assist reading: >>

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¹ Sapient.com, June 22, 2009

² Nielsen NetView, February 2009, U.S. Home and Work

[†] William Powers, "Hamlet's Blackberry: Why paper is eternal" Joan Shorenstein Center on the Press, Politics and Public Policy Discussion Paper Series 2007



...continued
Why paper is eternal

1. Tangibility. This refers to the way that we navigate a paper document or book using our eyes and hands together. “When a document is on paper, we can see how long it is, we can flick through the pages... we can bend over a corner while searching for a section elsewhere. In other words, paper helps us work our way through documents.”

2. Spatial Flexibility. When working with multiple paper texts, they can be spread out around a large area or reduced to fit a smaller space, depending on our needs.

3. Tailorability. With paper, it’s easy to underline, scribble in the margins, and otherwise annotate a text we are reading.

4. Manipulability. Because paper can be moved around, one can shuffle effectively among different paper sources, for example putting one page aside in order to concentrate on another.

Powers also tells the story of American advertising agency Chiat/Day, which boldly implemented a paperless office in 1993. The company went as far as replacing desks with sofas and removing all filing cabinets and other potential hiding places for paper.

The upshot? Chiat/Day’s employees almost immediately rebuilt their papered world. One woman bought a child’s red wagon, put her paper files in it, and trailed it around the corridors after her. Most people re-created their desks in the trunks of their cars, where they stored their files and notebooks, dashing in and out of the building to the parking lot during meetings. The company was eventually bought by a traditionalist rival and normal life resumed.

Our view

In the financial services industry, paper-based marketing and sales collateral adds a tangible element to products and services that are mainly intangible. While paper isn’t the best choice for every application, it’s certainly here to stay. //

For a copy of William Powers’ full 75-page paper, send us an e-mail at asif@wickware.ca.

DIGEST /

Quick hits on money and marketing

25 years to bounce back? Try 4½

It took the Dow Jones index more than 25 years to recover from the bottom of the Great Depression. But Mark Hulbert, editor of *The Hulbert Financial Digest*, says it took stocks as a whole much less time to bounce back. How? One, the Depression was a deflationary period, and the Dow fails to account for “real” returns, net of deflation. Two, dividends played a big role in total returns, but are not included in the Dow. And three, many of the companies that were excluded from the Depression-era Dow—including IBM—significantly outperformed the index. So when did the overall stock market really make it back to its pre-crash peak? From its mid-1932 low, Hulbert says it took only four years and five months.

Straight to the hoosegow

Bernie Madoff’s 150-year prison sentence is just as outsized as his \$65 billion fraud. It dwarfs the sentences handed down to some of his most notorious peers.



Original sentence (in years)

Ivan F. Boesky Stock-market arbitrageur	3.5	Samuel Israel III Bayou Group	20
Charles Ponzi “The original”	5	Jeffrey K. Skilling Enron	24
Samuel D. Waksal ImClone Systems	7	Bernard J. Ebbers WorldCom	25
Michael Milken Drexel Burnham Lambert	10	L. Dennis Kozlowski Tyco International	8 1/3–25
John J. Rigas Adelphia Communications	12	Bernard L. Madoff Bernard L. Madoff Investments	150

Source: National Post

Canadians love online video

A recent study found that 21 million Canadians viewed more than 3.1 billion videos online in February. Google sites (mainly YouTube.com) attracted the most viewers, with 18.2 million watching an average of 89 videos per viewer during the month. Microsoft sites drew 7.1 million viewers, while Facebook ranked third with 5.8 million viewers. The average Canadian viewer watched 605 minutes of video in the month. That’s up 53% from last year, and significantly more than the other countries studied (UK 540 minutes, Germany 466 minutes, France 390 minutes, US 312 minutes).

Source: comScore



UPDATE /

Industry and agency news

Lifestyles of the rich and (occasionally) famous

What does it take to capture the interest, earn the trust, and manage the assets of high net worth investors? Find out at **12 pm EST on July 28, 2009** as Keith Sjogren of Investor Economics shares valuable research insights during an exclusive Professional Association for Investment Communication Resources (PAICR) conference call.

You must be a PAICR member to attend this call. A first-year membership is US\$300, and it will pay you back with great opportunities to learn, connect, and succeed throughout the year. You can join PAICR and register for the call at www.paicr.com.

Meet Andrew Lionis, Digital Director

Andrew Lionis is an Internet expert who's passionate about great design, emerging trends, new technologies, and translating marketing goals into specific and measurable digital strategies. As Digital Director at Wickware Communications, he's hard at work showing our clients new and better ways to use e-mail and the Web to attract and retain business.

With more than a decade of agency experience, Andrew brings insights and best practices from a wide range of industries to the realm of financial services. He has executed successful campaigns for such brands as Calvin Klein, CIBC, Compaq, Ford, General Motors, HP, Purina, Research In Motion, and Yahoo!.

When he's not online, Andrew loves music, fashion, and food. He's also passionate about fitness and sports, with tickets in hand for the 2010 winter Olympics in Vancouver. //

WISE WORDS

“All I ask is the chance to prove that money can't make me happy.”

Spike Milligan

Wickware Communications draws on decades of financial industry experience to help our clients build stronger brands.

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Comments? Questions? Refer a subscriber?

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