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Advertising | Stuart Elliot

## Thinking Outside the Marketing Box

**Peter Arnell's Arnell Group, a part of Omnicom, has landed an important project from a company that regularly works with an Omnicom competitor. The assignment from Electrolux is the latest success for Mr. Arnell, who has a reputation for pushing the boundaries of conventional marketing.**

**The Omnicom Group's secret weapon may not be infallible, but he just scored again.**

**T**HE "secret weapon" of the Omnicom Group, Peter Arnell, has done it again. His Arnell Group has landed an important project from a company that regularly works with an Omnicom competitor.

The Arnell Group, based in New York, planned to announce today that it is being awarded a global assignment from Electrolux, the world's biggest maker of home and outdoor appliances, which uses as its global agency of record Lowe & Partners Worldwide, part of the Interpublic Group of Companies.

Mr. Arnell, the chairman and chief executive of the Arnell Group, is to oversee a broad effort — everything from product design to in-store marketing to traditional advertising — to help Electrolux introduce a line of small domestic appliances, tentatively scheduled for the fourth quarter of 2005.

Mr. Arnell, who sold the Arnell Group to Omnicom in June 2001, is known for wooing chief executives and other senior managers of large advertisers, who assign his agency projects and consulting chores; current clients include Daimler-Chrysler, Diageo, Mars, Reebok International and Unilever. Often his strategic advice leads the advertisers to hire the Arnell Group or other Omnicom agencies. Hence, the recent description of Mr. Arnell by the trade publication Advertising Age as the secret weapon of John D. Wren, the Omnicom president and chief executive.

Needless to say, Mr. Arnell is not infallible. His most-publicized flop involved an extensive, and expensive, campaign for Chrysler that was centered on the singer

Celine Dion. The campaign, originally scheduled to run three years, lasted not much more than one, and its failure contributed to the resignation last year of its most ardent fan, James C. Schroer, executive vice president for global sales, marketing and service at the Chrysler Group division of DaimlerChrysler.

But it is a different matter when Mr. Arnell can do the voodoo that he does so well. For instance, last month Unilever shifted the account of its Lipton tea products in the United States to an Omnicom agency, DDB Worldwide in New York, from an agency owned by the WPP Group, J. Walter Thompson in New York. Mr. Arnell has been providing Unilever with ideas on reintroducing the Lipton brand to American consumers in 2005, Advertising Age reported.

Lars Goran Johansson, senior vice president for corporate communications at Electrolux in Stockholm, said Electrolux was attracted to Mr. Arnell by his reputation for thinking beyond the boundaries of conventional advertising and venturing into realms like graphic design, retail marketing and branded entertainment.

For example, for a previous client, Samsung, Mr. Arnell recognized the appeal to young adult consumers of photographs of a shirtless man holding a Samsung microwave oven, which were originally shot for print ads. The images were subsequently used on oversized outdoor signs in big cities and the cardboard boxes in which the ovens were packaged. Some buyers even displayed the empty boxes on their kitchen shelves, above the ovens.

"This is a different kind of business, an interesting mixture of design, creativity and technology," Mr. Johansson said.

The experience consumers have with brands, in stores and at home, is becoming just as important in shaping their perceptions of those



**Peter Arnell is chief of the Arnell Group, which not only creates advertising and marketing but also designs products and stores for its clients.**

brands as traditional ads, if not more so, Mr. Johansson said. So Mr. Arnell's reputation for "doing something different, something cool," he added, played a large part in awarding the Arnell Group the assignment, for which spending has not been determined.

Mr. Arnell said he welcomed the assignment because "the brand positioning and strategy will be embedded in the product development and design."

"In this iPod economy, clearly design has become one of the most important differentiating tools for brands," Mr. Arnell said. "It's a powerful place to be these days."

Mr. Arnell said he was also designing a store being opened in Midtown Manhattan by Jacob the Jeweler, the purveyor to the stars of diamond-encrusted watches and other jewelry, so that it evokes the interior of a gem mine, as well as a store in Philadelphia that will serve as a showcase for the Rbk line of clothing and footwear sold by Reebok.

Also on the Arnell Group's list of tasks, Mr. Arnell said, is the introduction of a line of fire extinguishers and other home-safety

products for a company called Home Hero, owned by Thomas Von Essen, the former New York City fire commissioner.

The typical fire extinguisher could stand to be redesigned because "it's so ugly, nobody wants to leave it on a counter," Mr. Arnell said. "We need a product like what Braun did with coffee makers."

Mr. Arnell described the products he will help design and develop for Electrolux as "small-task domestic appliances," like coffee makers, toasters and blenders. Mr. Johansson described them as "an entry point for consumers to our bigger products," like ovens, refrigerators, dishwashers and vacuums.

The new Electrolux line, still unnamed, will be branded differently from Electrolux floor-care products and other brands the company sells under names like Eureka and Frigidaire.

This week Electrolux is introducing a campaign by Lowe in the United States to promote a new, higher-priced line of major appliances, called Electrolux Icon, which were first sold in Europe. The campaign, with a budget estimated at \$70 million over the next three years, is separate from ads for the regularly priced line of Electrolux appliances.

Electrolux hired the London, New York and Stockholm offices of Lowe in January 2003 to develop brand campaigns. Asked what effect the hiring of the Arnell Group and Mr. Arnell would have on Lowe, Mr. Johansson replied, "I don't see this as competition," adding that Lowe remained the company's global agency of record.

The new line is "a way to show Electrolux is interesting," Mr. Johansson said, by having the products be "different in function and design" from what is now sold in the small-appliance market.

"We want consumers to say, 'Wow, I didn't know I needed that,'" he added.