

THE PULSE

TECH & TRENDS EDITION 2024

social samosa

If you haven't
built a brand,
all you have
built is CTA
and CTR:

**MAYUR
HOLA**

AI

OWNERSHIP:
A WEB OF
COMPLEXITIES

Sam Balsara

A portrait of Sam Balsara, an older man with grey hair and glasses, wearing a blue suit jacket, a white shirt, and a red patterned tie. He is standing outdoors with green foliage in the background. His hands are clasped in front of him.

Sam Balsara

ON THE IMMUTABLE LAWS OF ADVERTISING & LIFE

In a candid interview, Madison World's Chairman, Sam Balsara reflects on his journey of overcoming setbacks, building success, shaping strategies for iconic brands, many soap wars he has witnessed, and other lessons he has picked.



It is not every day that you get to meet people who light up a room with their passion for work. After spending more than 50 years in the advertising, marketing, and media industry, Sam Balsara is one such advertising giant who epitomizes this rarity. His enthusiasm is evident in the sparkle of his eyes as he speaks about advertising.



In a conversation with Hitesh Rajwani and Karuna Sharma, the seasoned advertising veteran reflects on his childhood roots in Bulsar to schooling in Bangalore, further tracing the trajectory that led him to the helm of Madison World. With candor, he speaks about the challenges and triumphs encountered, from mergers with DMB&B to partnerships with global giants like WPP.



When we asked him if he could title his autobiography, while we caught him off guard, he graciously offered a succinct, powerful title: 'It is possible.' After all, it is this belief that has pushed him to chase bigger dreams after every milestone and offered comfort during setbacks.

As the conversation turns to the future, Balsara offers astute observations on the evolving dynamics of advertising and marketing in the digital age. From the transformative potential of AI to the enduring significance of branding, his perspectives illuminate the path forward.





Sam, I would want to start with your journey; not just about your journey into the world of advertising and marketing but what was childhood like for you?

You're taking me back a long time in history. Although I was born in Bombay, since my mother's family is from Bombay, my father's family lived in a place called Bulsar (now Valsad), a small town in Gujarat from where I get my surname. Both my father and grandfather worked as forest contractors, and managed operations in the forests of Gujarat. Their livelihood revolved around bidding for sections of the forest, harvesting the timber, and subsequently selling it into the timber market.

One fine day, that business was nationalized. My Dad, who had lost his livelihood at a rather late age, moved to Bangalore, which was quite a bold move. Bangalore was a more westernized, big city which was good for my foundation as I went to a much better school in Bangalore, Bishop Cottons.

In Bangalore my father took over Maish's Hotel, which exposed me to the niceties and social graces of life. After school, I faced my first major failure. In what was called PUC, I failed in Hindi, which was a rude shock because I had to lose a year. I then went on to do my B.Com and I was all set to become a Chartered Accountant.

And then something clicked in my mind, and I thought, "Why don't I give this new-fangled MBA a shot? IIM Ahmedabad rejected me, but luck was on my side as I was accepted at Jamnalal Bajaj Institute in Bombay. So, I made the move from Bangalore to Bombay to pursue this management course. I resided in our family house in distant Jogeshwari, a place that holds 97 years of memories and history, and it remains my home to this day.

Switching sides from CA, how did advertising happen to you?

The person who taught me marketing in year one was Pran Choudhury, whose claim to fame was Horlicks. He had left that multinational job to join Sarabhai, which was a conventional manufacturing setup, making Swastik hair oil and detergents. They started a separate marketing company where they hired a lot of MBAs. Pran Choudhury offered me a job as a management trainee there, I just went with the flow and took it up.

What was your parent's reaction when told them you wanted to get into marketing?

My parents were fine with it. Back then, getting into a management school was a big deal - a real tough barrier to break into. In my Bajaj Institute, the class had just 30 students, selected from among lakhs of applicants. Having been selected, there was no question of my not taking it up.. My parents were also reasonably happy.

What made you move to Advertising from Marketing? How did that shift happen?

After four years in Sarabhai and four in Cadbury, I felt that to become a holistic marketing person. I needed to have experience in both sales and advertising because I thought these were the two important legs for a marketing person. An opportunity came up in advertising with HTA (now JWT), who was starting its second agency called Contract. They had already done a good job in entic-

ing Mohammad Khan to come in to lead Creative. They convinced me to hop over and take the job of Head of Client Service. Our first and only client was Vazir Sultan Tobacco and our claim to fame soon thereafter was the success of Charms cigarettes.

What was that transition like from being a client yourself?

I wouldn't describe it as traumatic, but yes it was a rather dramatic shift. The key to my success in navigating and surviving this change, if I may say so, was my lack of ego. When transitioning from marketing to advertising, it's essential to leave your ego behind, as anyone on the client side can make your life difficult. This characteristic enabled me to make the switch smoothly. I must say that for many marketing professionals, advertising may not be able to offer the right segway.

Who were some of your role models in advertising, marketing, or business management that you looked up to?

The individuals who taught me marketing, primarily Pran Choudhury and then Tarun Gupta, who was with Glaxo at the time, were seasoned marketing professionals. Their lectures, laced with personal experiences and anecdotes, captivated me. Theodore Levitt, Philip Kotler, Jack Trout and Al Ries were among some of my earliest favorite authors. I vividly recall reading the book on the "22 Immutable Laws of Marketing." Interestingly, when my daughter Lara after a few years in Madison was asked to give a talk on what makes Madison tick, titled her presentation 'The 10 Immutable Laws of Madison.'



Coming back to your career in advertising, Contract was your first job in advertising and then you joined Mudra. Can you reflect on this and tell us a bit more about your experience?

I've held four jobs, each lasting four years surprisingly: two in marketing and two in advertising. Each of the 4 jobs tremendously contributed to my learning and gave me a solid foundation for my entrepreneurial journey. Then, I made the decision to launch Madison. The decision wasn't driven by a massive entrepreneurial urge or a burning passion to strike out on my own. While at Mudra, after achieving reasonable success, the Agency aspired to become India's largest. They argued, why should India's largest agency be a foreign Agency? While their reasoning was valid, I felt I was not the right candidate to lead Mudra to that position, nor did I desire it. I felt as head of a large Agency you are managing men and capital and get far removed from advertising per se.

Perhaps naively, I believed in those days that an ideal Agency was a small one with a few large clients. So, I founded Madison with that belief and stayed true to my belief for nearly two decades. Initially, we worked exclusively with Godrej and Nelco, not pursuing additional clients even when opportunities arose. I was cautious not to overextend ourselves and betray the trust of our 2 founding clients. It wasn't until five years later that we cautiously began expanding our client roster.

When you met the founders of Godrej at the Juhu Beach House, your first client, what transpired in that meeting?

At Mudra, I worked closely with Mr. Adi Godrej, Parameshwar Godrej, Tanya Godrej and Pratap Roy (Marketing Manager) of Godrej Soaps. When the idea of starting a small agency with one or two major clients struck me, it was but obvious that I would approach them.

Do you still believe that in today's landscape, it's preferable for agencies to adhere to the principle of being a small agency with a few significant clients rather than aiming to become a larger agency with numerous clients?

There are multiple approaches to building an Agency, contingent upon individual beliefs, passions, strengths and available resources. Someone from a wealthy family with ample resources might pursue a different path. If their goal is to establish an advertising business primarily as a commercial venture rather than out of passion for advertising, they might opt to immediately hire a large team of professionals and establish good infrastructure from day one. There's no one-size-fits-all approach; it varies depending on the context.

Who was your first hire at Madison?

Luckily, Madison was an existing agency owned by a Parsi gentleman, Firoze Elavia who I was introduced to by a friend Sunil Kapur who wasn't doing well at the time. Despite its challenges, the agency held accreditation with INS, which was quite important in those days because you needed it to release ads

in Newspapers and Magazines on 60 days credit. Situated in a heritage building at the majestic Horniman Circle, it had a team of 10-12 junior employees. I took over the agency by becoming a partner. Over the next 2-3 years, the existing partner retired, and I gained full ownership. I liked the name Madison and its location, so I continued with both and all the junior employees. The pace soon became frenetic, so many left choosing a more relaxed work-life balance, which was not my style.

My first recruit was Prabha Prabhu from Mudra, who I had confided in as my thoughts crystalized and she enthusiastically accepted the opportunity to join Madison's exciting and entrepreneurial journey. Mudra, in an attempt to retain her, told her, "What will you do, if Sam comes under a bus". Since then, I have always avoided buses!

Speaking of the people you worked with and hired, who are some of the Madison alumni you're very proud of, who are out there in the industry?

Over Madison's 36-year journey we have a very large contingent of Madisonites dotted all over Industry. Recently I was pleased to see that as many as 75 ex- Madisonites have joined us back. Today many senior professionals are ex-Madisonites, including WPP's CVL Srinivas, Disney's Ajit Varghese, and Karthik Sharma of Omnicom.



In your initial days at Madison, you had your fair shares or mergers or acquisitions. In 1993, you signed a JV with DMB&B. What was that like?

In Madison's early days, a pivotal moment came when Godrej, one of our major clients, entered a partnership with Procter & Gamble. Procter & Gamble would handle the marketing of Godrej brands while Godrej Soaps managed manufacturing. Initially, we feared losing the Godrej account to Procter & Gamble's Agencies. However, Procter & Gamble was impressed with our work and wanted us to handle their brands as well. This led to a tie-up with DMB&B one of their global roster Agencies because of which we began managing iconic brands like Whisper and Vicks.

Parting ways with DMB&B had unforeseen consequences. We not only lost the creative business of Whisper and Vicks but also Cinthol followed by many others, triggering a significant revenue loss of 70% in the following year. Despite these setbacks, we managed to adapt and build our business successfully, particularly in the media sector. Fortunately, Procter & Gamble continued to work with us for media services even after the breakup with DMB&B.

You mentioned that the philosophy of being a small agency with a few large clients was integral to Madison's identity for nearly 20 years. When did you realize that it was time to move beyond this philosophy and pursue growth on a larger scale?

In the early '90s, with India's shift towards liberalization announced by Manmohan Singh, we sensed a transition from the "small is beautiful" mindset to the belief that "large is good." Also, I realised the need to de-risk the business. Managing just a few large clients posed stability concerns as anything could happen specially with more and more global clients being mandated to deal with only their global Agencies and reducing decision making powers of local managements. Initially, I must admit, my vanity led me to focus solely on top-tier clients. Additionally, I thought our structure seemed unsuitable for offering media services to smaller clients. So, it was a combination of factors.

In 2008, you entered into another pact with Mediacom, obtaining 51% ownership, along with WPP's GroupM. As networks were establishing themselves in India, and you had been thriving for nearly 20 years, how did you navigate the complexities of this arrangement?

Foreign Agency networks have always found us quite desirable. Martin Sorrell, in particular, took a keen interest in Madison and was a regular visitor to India. When Procter & Gamble's account in India was coming up for a pitch, and they seemed inclined towards retaining Madison, many foreign networks were eager to partner us. I was not quite prepared to give up equity in Madison, which was everyone's plan. But then WPP made an attractive proposal offer-

ing to give up a majority stake in the media Agency, Mediacom to us in return for placing the P&G business in Mediacom if we won it in the pitch. We jointly pitched and no surprise we won it. Despite some theories in the press that we had sold Madison to WPP or agreed to sell Madison at some future date, the transaction was straightforward: we were 51% owners of Mediacom in India. As planned after 7-8 years, we were to cede majority to WPP, which we did. Recently, when Mediacom planned to merge with Essence, we saw it as beneficial for their clients, especially P&G, and decided to sell our remaining 26% to them.

Coming to your thoughts on the industry at large, what do you think about the current state of advertising and marketing in 2024? Where do you see the industry going?

The media agency has experienced significant growth and has provided outstanding service to advertisers over the last 25 years. I would even say there's no third-party service provider today that offers to an advertiser so much for so little. However, my regret lies in the industry's struggle to attract top-tier young talent, because Advertisers don't want to remunerate Media Agencies adequately. While management students can add significant value to media agencies, the reality is that, for all these years, media agencies could not afford them because Advertisers want to pay less and less. This year, we've taken a bold step by hiring two management trainees from IIMs, prioritizing the infusion of high-quality talent into our agency, regardless of cost.



How do you think AI is disrupting the agency business as a whole? Have you seen any big effects?

Many of the tools we use are already AI-powered. AI serves as a highly effective tool for enhancing the performance of our tools, making them work better, smarter, and faster.

Do you think AI is affecting job opportunities? Do you think people should consider AI as a threat?

I don't think so. Especially in a high-growth potential country like India, which has tons of opportunities. AI hopefully will make our tasks easier and faster. We'll be able to do more thinking work, and AI will take away a lot of the simple tasks so that the real power of the human brain can be utilized to do what no machine can - and for which it was created.

Are there any disturbing trends that you see today in the world of Advertising and Marketing?

I think the role of branding, the most powerful weapon in a marketer's arsenal, isn't fully appreciated, today by many marketers and even younger Agency people. And that is a huge negative development. Classical marketing approaches may be sidelined in favor of some gizmos and short-term results, which isn't in the industry's long-term interest. Relying more on bottom-of-the-funnel tactics will increase the cost of sale. Building a brand through top-of-the-funnel advertising, where the Brand resides in the consumer's heart and consumers ask for your brand by name, maybe a more challenging journey, but cheaper in the long run and can deliver sustainable profits like nothing else can.

RAPID FIRE

What was your first salary?

Rs 800 at Sarabhai's.

If you had to explain your job or business to a five-year-old, how would you do that?

I would broadly say, we help our clients sell their products and services.

One thing you absolutely love about advertising?

What I like about advertising and my job is that I'm constantly doing different things. An outsider may think that I've been doing the same thing for the last 50 years. But in reality, I'm doing different things every day.

And if it was not advertising, what career would you be in?

I suppose I would have continued in Marketing. Or if I had done CA would be running my CA firm.

One thing you hate about advertising or you have a disappointment with advertising.

The challenges of cutting the coat according to the cloth that the advertiser gives you. Today, more and more advertisers are making unreasonable demands on us, but I feel they are not wanting to resource us enough.

One lesson you've learned the hard way.

I think it will have to be not to overreact, but to be calm, cool and find a practical solution or make the best out of a given situation.

One thing that you're really proud of in the process of building Madison.

I think the very fact that we have survived is a matter of some satisfaction to us. But I do believe that I have miles to go before I sleep. We have a reasonably strong well structured organisation, split into Units with as many as 25 CXOs who are both empowered and accountable.

If you had to title your autobiography, what would that be?

'It is possible'

And lastly, your mantra for life.

Do your best and leave the rest to God.

