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J. Walter Thompson, The Ad Commander Pioneer: He made marketing mainstream

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James Walter Thompson was the original Mad Man.

Way back in 1878 he founded the J. Walter Thompson Co. advertising firm — referred to in the industry as JWT — **and** began pioneering techniques such as national branding campaigns **and** using scientific information to back product claims.

"He was a tall, handsome man, whose blue eyes, trim brown beard **and** naval exploits in the Civil War earned him the nickname the Commodore," Mark Tungate, author of "[Adland: A Global History of Advertising.](#)" told IBD. "He understood the value of charming, serving **and** keeping clients, creating the role of the account executive."

Thus was born the first full-service ad agency **and** Madison Avenue — hence the future "Mad Men" TV show — as shorthand for the marketing industry that is clustered on that New York boulevard.

Today, [JWT Worldwide](#) is one of the largest brand communications firms in the world, with 10,000 employees in 200 offices, **and** is part of WPP (WPPGY), whose stock has sprinted 400% since 2008.

Young At War

Thompson (1847-1928) was born in Pittsfield, Mass., **and** grew up in Ohio. At 16, he signed up for the Navy toward the end of the Civil War **and** served on the sloop-of-war Saratoga, which protected Union ships off Delaware **and** blockaded the Carolinas.

After the war, Thompson headed for New York, where his passion for sailing would lead him to be elected president of the city's Yacht Club. By 1868 he was the bookkeeper for Smith & Carlton, which specialized in placing newspaper ads.

Thompson soon found that he had a talent for selling ads **and** could make a lot more money that way. But he noticed that few magazines ran them because many people saw advertising as a disreputable business for hucksters promoting patent medicine.

"These were medicines that were essentially trademarks for specific products that local merchants would advertise," wrote Charles Goodrum **and** Helen Dalrymple in "[Advertising in America.](#)" "Other than these **and** sugar, coffee **and** liquor, very little was made at a distance **and** shipped to the market because moving **and** storage was extraordinarily difficult. Patent medicine advertising provided one-third of all profits made by the American press by the end of the 1800s."

So Thompson was ahead of the game. "He was among the first to recognize the potential of a new medium, the glossy magazine," said Tungate. "I was struck by how modern his approach was."

Thompson argued that an agency that understood a magazine's readers would match them with the right ads. He plugged away **and** obtained exclusive rights to place ads in 30 major publications (eventually 100), launching the

first national magazine campaigns, according to **George Haley**, director of the Center for International Industry Competitiveness at the University of **New Haven**, in Connecticut.

Thompson's lesson is that tough goals combined with perseverance can lead to great achievements.

In 1878, Thompson bought the agency for \$500 **and** the furniture for \$800 — a total equivalent to \$31,000 today — **and** changed the name. Among his innovations over the next few decades:

- Rather than simply place ads, he offered artistically **and** psychologically sophisticated designs **and** themes for entire campaigns.
- He hired artists **and** writers to bring a fresh look to ads **and** product packaging. Among those who worked at JWT: singer David Bowie **and** novelists Stephen King **and** James Patterson.
- He put ads on magazines' back covers, which had been blank.
- He promoted the idea of dividing one ad page into quarters to lower costs for small companies.
- He saw that women were the primary spenders of household income **and** targeted them.
- He produced a directory of newspapers **and** magazines with information on circulation **and** ad rates.

Early on he knew that many business leaders didn't get the value of advertising. So he took out ads in trade magazines to point out the value of ad copy based on understanding consumers, says Haley.

By now Thompson was letting the industry in on the importance of branding **and** trademarks for selling to consumers.

A reflection of that was his creation of the Rock of Gibraltar symbol for Prudential Insurance (PRU), accompanied by the slogan "The Strength of Gibraltar."

In 1902, Thompson began working with Unilever (UL) — still a JWT client today, making it the longest client-agency relationship in marketing history. Other food firms that leapt on board were Cream of Wheat, Libby's **and** Swift & Co.

Thompson was adept at drawing top copywriters, including Stanley Resor **and** Helen Lansdowne.

Way With Words

Resor's ads emphasized "the reason why" consumers should buy something. Lansdowne pioneered the use of medical information in ads to convince readers that a soap or cosmetic would help them.

"She was responsible for a famous Woodbury's Soap ad in 1911, which was among the first to use sex appeal with the phrase 'the skin that you love to touch' **and** a picture of a romantic couple," wrote Edd Applegate in "[The Rise of Advertising in the United States](#)." "It increased sales by 1,000% in eight years, **and** Thompson made her the first female creative director in an industry dominated by men."

In 1912, Thompson **and** Resor set up a department to research marketing issues, such as a report on retailing statistics in America.

They also developed the Thompson T-Squared formula for designing campaigns, which asked: What is the product **and** to whom, where, when **and** how are we selling it?

By 1916, Thompson had built the world's largest ad agency, with 300 clients **and** 177 employees in five offices, including London. That move to England in 1899 made his the first U.S. agency to expand internationally, wrote Applegate.

Annual billings were \$3 million — worth \$65 million now — **and** Thompson saw more growth as unmanageable. So at 69 he retired.

Rich Deal

He sold the agency to Resor **and** two partners for \$500,000, worth \$10.8 million now. Resor married Lansdowne the next year **and** served as president until 1955.

The power couple would have a huge impact on modern advertising, with Lansdowne becoming a role model for Peggy in "Mad Men," according to Tungate.

"Perhaps Thompson's greatest legacy was recognizing the talents of Resor **and** Lansdowne," said Karen Mishra, professor of marketing at Meredith College in Raleigh, N.C. "The culture Thompson created encouraged innovation by his employees for decades, including testing different copy for its efficacy before rolling out a campaign **and** the use of celebrity testimonials."

Thompson, who died at 80, had a final lesson: Cultivate top subordinates who can build on your legacy.

JWT would become legendary for its iconic campaigns, such as:

- 7Up's "Uncola."
- De Beers' "A Diamond Is Forever."
- "The Few. The Proud. The Marines."

"J. Walter Thompson was singularly instrumental in the development of the advertising trade **and** the professionalism of the field," said Joshua Rowley, reference archivist at the Hartman Center for Sales, Advertising & Marketing History at Duke University, which has the JWT archives. "His work took the industry from the fringes of the market economy to a respectable profession, persuading businesses to see advertising as a core **and** crucial business expense."

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