

# FedEx at 40

'ABSOLUTELY, POSITIVELY' BUILT ON ADVERTISING

**On its first day in business** in April 1973, Federal Express delivered 186 packages. With a launch ad budget of \$150,000, the company started advertising itself as “A whole new airline for packages only.”

Over the 40 years since then, the company has built a brand that is much more than just an airline. Says Frederick W. Smith, chairman, president and CEO of FedEx Corp., “For 40 years, the men and women of FedEx have dedicated themselves to helping our customers connect to the world.”

FedEx’s relentless commitment to innovation—from drop boxes (1975) to the overnight letter (1981) to international service (1984) and digital tools such as fedex.com, the first transportation website to offer tracking (1994)—has helped connect businesses around the world. At the same time, it’s been the job of FedEx advertising to connect customers to the brand.

Whether through more than a dozen unforgettable Super Bowl commercials, appearances by Steve Carell as an ordinary businessman (before his turn in “The Office”) or dozens of vignettes depicting the humorous moments of office life, the advertising has built the FedEx brand by connecting with the everyday challenges and concerns of running a business.

John Osborn, president-CEO of BBDO, New York, who has worked with FedEx for a dozen years, says, “Over all the years, the types of innovation and solutions depicted in our stories have evolved. However, the one thing that hasn’t changed is how FedEx truly understands its customers, their needs and what it takes to help them succeed. Sometimes that message has been delivered with a wink and a smile, sometimes with heartfelt reassurance, but always in the context of demonstrating how FedEx uniquely understands how business happens so it can best meet customers’ needs.”

Almost 25 years ago, the company consolidated its overseas and U.S. advertising at BBDO. What keeps the FedEx-BBDO relationship going, Mr. Osborn says, is a mutual commitment to “never settle. We share a degree of healthy paranoia that there’s always more we can do to make the ideas the best they can be.”

**Heading the FedEx team** is Steve Pacheco, who has been in charge of FedEx advertising since he joined the company in 1997. Now FedEx’s managing director of advertising, Mr. Pacheco spoke recently with writer Julie Liesse about the brand’s marketing milestones over the past 40 years, its long relationship with BBDO—and how FedEx continues to evolve for new consumers and new challenges.

**Advertising Age:** From your vantage point, what role has advertising played in building the FedEx brand?

**Mr. Pacheco:** We did \$1 million in national network television advertising the first full year of operations back in ’73. That was a lot of money for national network advertising for a little company that nobody ever heard of, and for a service no one knew they needed. But I think that’s part of the visionary leadership of this company. They knew they had to get the word out and to build a brand from the ground up. I mean, it wasn’t even b-to-b back then; it was just sort of a service industry—letting people know that there was now an airline for packages, if you go back to the original “America, you’ve got a new airline” commercial that Ally & Gargano did. To this day, we still reap the rewards and benefits of those early investments in advertising.

**Ad Age:** FedEx has always had a very distinctive brand personality. For you, what are the words that describe that brand personality? Has that evolved over the years?

**Mr. Pacheco:** The word I would use is *confidence*, which can manifest itself in a lot of different ways. At the end of the day, if you’re selling a service, you’ve got to have confidence in your own employees, in your own brand, in your own company, to take care of what you’re promising people you’re going to do. It takes a confident company to poke fun at themselves for the work that they’re involved in. We say to our consumers: Look, we know that office life is hard sometimes, but we’re here to make it somewhat easier and better. At the end of the day, that’s one absolutely, positively certain thing that you can count on.

**Ad Age:** You set those expectations high. Saying, “absolutely, positively” creates a really high bar. At the same time, your advertising has always been able to be funny, kind of tongue-in-cheek, but also with a warm quality. It’s difficult to straddle that line and make it work.

**Mr. Pacheco:** It is. This is a tribute to John Osborn and the good folks at BBDO. That agency is known for adding humanity to advertising at all touch points. No one does a better job of taking big brands and making them more human than BBDO.

**Ad Age:** As you look back, how has the advertising changed over the years?

**Mr. Pacheco:** We’ve always had a high-touch brand, but now we have high touch and high tech, is what I call it. We’ve got to be able to talk about how much technology has evolved in moving your package. It used to be about just a box. Now it’s about the bits and bytes helping to move the box.

There’s also been a decided strategic shift to offering a business solution for whatever people need. You don’t have to have everything there overnight, so we can do two- and three-day delivery. If you have a large, LTL [less-than-truckload] shipment, we can do FedEx Freight. If you need someone to pack your shipment or if you need access to printing services, there are 1,800 FedEx Office locations around the U.S. It’s all still grounded in FedEx reliability, but letting people know that we’re much more than just a transportation company.

Ultimately the environment drives the receptivity of the message. We’re very, very good at identifying the platform and the environment around the advertising, and then wrapping that up with great creative.

**Ad Age:** Talk about your relationship with BBDO. It’s not every day that you run into an ad agency and a client that have been together for nearly 25 years. How do you keep that relationship fresh and productive over that amount of time?

**Mr. Pacheco:** It’s one of the longest tenured advertising agency-client relationships that I can think of. These days, two-and-a-half, three years is the average tenure, and even less in some rapid industries like retail. But we think we’ve hit on something. It’s a true give and take.

There’s always the lure of seeing what else is out there, but day in and day out they prove themselves to us each season, coming back with new wrinkles and new ideas, and new challenges and new opportunities. I think that’s the success of any great relationship: never being satisfied, never settling.

**Ad Age:** When you’re looking forward, where do you see FedEx advertising heading, in terms of changing media mixes and in the way you talk to your customers?

**Mr. Pacheco:** We’ve spent a lot of time thinking about that and we do countless studies on how a new generation of customers is going to interact with our brand. We spend a lot of time devouring how they consume media, how they take in news and information about a brand. How they like or share the brands they love. How they take brands they love and go viral. So we want to put the right platforms in their hands to be able to do things like that. FedEx’s role in pop culture is not to be underplayed, and we’ve got to be able to know where things are heading before consumers get there.



1978

The first spot from FedEx: "World, you've got a brand new airline."



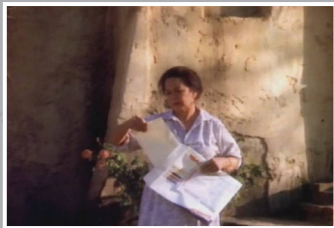
1981

FedEx can keep up with the speed of business today with "Fast Talking Man."



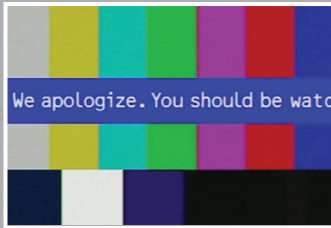
1989

In BBDO's first spot, "Anthem," the international capabilities of FedEx are beautifully showcased.



1991

One of the most emotional FedEx ads ever, "Adoption" highlights the human side of reliable delivery.



1998

In FedEx's first Super Bowl ad, this funny "oops" exemplified the need to always ship with FedEx.



2003

FedEx had a little fun with a rescued marooned man in this famous Super Bowl spot.



2004

To announce the acquisition of Kinko's, FedEx used a future "Office" star in its "Legends" campaign.



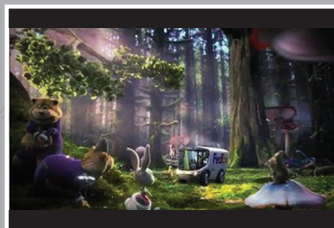
2006

This spot, considered a Top 10 Super Bowl commercial of all time, reminds viewers they should always use FedEx.



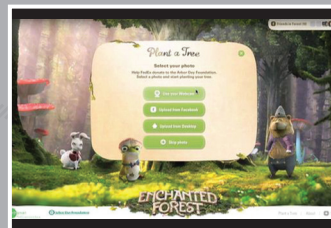
2009

FedEx proves it fully understands office humor in this spot, "Presentation Guy."



2011

FedEx's first animated spot highlights smart growth and sustainability in the Enchanted Forest.



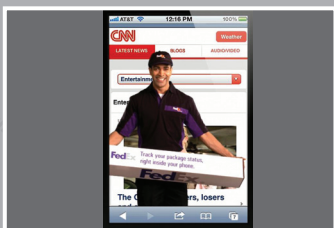
2011

Adopting digital and full 360° integration, the Enchanted Facebook app allows deeper engagement.



2012

FedEx leverages innovative guerrilla advertising at South by Southwest, pushing downloads of the FedEx app.



2012

This mobile ad from FedEx was the BtoB magazine Mobile Campaign of the Year.



2012

Even metal bands play golf. Next time they should ship their clubs with FedEx.



2012

No need to get nasty in this campaign season-themed ad for FedEx Office printing.

Here's to the next 40 years **BBDO**