

News

Coles sacks agency, opts for in-house ads

By JULIAN LEE

COLES has sacked its advertising agency as it brings the bulk of its \$90 million ad account in-house, appointing veteran adman Ted Horton as its "creative director" to oversee operations.

In a move that will send a chill through adland, the supermarket chain has confirmed DDB will finish up on the business in March because it "no longer requires" a full-service advertising agency.

"Instead, we simply need a smaller, more boutique-style agency to look after our advert-

ising," said Coles spokesman Jim Cooper, who added that the chain had built up its "in-house" expertise.

"Ted has been contracted — through DDB — since April this year and he has been effectively the creative director on our business since then," Mr Cooper said. "We are very happy with Ted's creative work and want to continue to work with him."

The news will be a blow to DDB, one of Australia's largest ad agencies, which would have received fees of up to \$4 million a year, according to industry sources.

DDB was appointed by Coles in late 2008 but, after failing to crack a brief, was forced to bring in Mr Horton. He came up with the idea of using chef Curtis Stone to appear in ads pushing home the message that Coles is the place for affordable but creative meal ideas.

The decision is a coup for Mr Horton, who has long been associated with the Liberal Party as its adman and handles another high-volume, retail-driven account in Jetstar from his small Melbourne-based agency, Big Red.

Mr Horton will be responsible for coming up with ideas for Coles

ads before handing over the production to someone else. Coles already contracts PMP to print and distribute its catalogues.

Retailers like Harvey Norman have been creating their own ads for years, and others are following suit.

Pitch consultant Darren Woolley of TrinityP3 said that, given retailers are high-volume, low-margin businesses, the move to save on production fees made sense.

"This is another nail in the coffin for ad agencies," he said. "Any large retailer will quickly realise that you don't need a full-service agency to produce a catalogue."