

MEMO TO: Bill Moyers
Dick Maguire
Jack Valenti
Wilson McCarthy

DATE: 3/11/64

FROM: Lloyd Wright

SUBJECT: Advertising Agency

My recommendation is that we contract with Doyle, Dane and Bernbach to handle our advertising program.

I have counseled with the most respected men in the industry about this matter and without exception, they say DDB is by far the best. And they are likewise unanimous in their rejection of Grant. My judgement is that even if we negotiate a fee basis at an apparent economy with Grant, it would be a false economy.

Here are the factors upon which this recommendation is based:

1. Cost

In a hard negotiation session with Grant in New York last week, it developed that the earlier idea that they would absorb production costs as part of the commission was not what they had in mind at all. They were merely talking about not adding the normal 17.65% commission to the production costs.

Grant will handle the campaign on a fee basis. DDB will not.

Grant's fee schedule is:

<u>BILLINGS</u>	<u>FEE</u>
\$2½-3,000,000	\$325,000
\$3-3,500,000	\$385,000
\$3½-4,000,000	\$445,000
\$4-5,000,000	\$500,000

This represents a "savings" of \$50,000 on the low end of the scale, \$250,000 at the high end.

On top of the fee or commission, both agencies would handle production charges on a cost-only basis. And both agencies will handle the design of the Convention Book on a gratis basis.

