

Amway reworks image

Company took thrashing during campaign

By Rick Haglund
Journal Detroit Bureau

Republican gubernatorial candidate Dick DeVos wasn't the only one thrashed in the November election by Gov. Jennifer Granholm's campaign.

The image of his long-controversial family business, Ada-based Amway Corp., took a beating, as well.

So while DeVos has returned to private life — he heads the Windquest Group, a management and investment company — Amway is continuing to run a series of slick television ads that emphasize the company's Michigan roots and its massive operations here.

"The election campaign was sort of the trigger for it," company spokesman Rob Zeiger said Wednesday. "By the middle of the summer, we were getting knocked around pretty good."

The ads are scheduled to run in Flint, Detroit, Grand Rapids and Lansing markets at least through the end of the year. Zeiger wouldn't say how much the ad campaign, which started in late summer, is costing the company.

Granholm and the state Democratic Party ran campaign ads that claimed DeVos eliminated more than 1,000 jobs in Michigan while building a manufacturing plant in

About Amway Corp.

- **WHERE:** Ada, east of Grand Rapids
- **EMPLOYEES:** 4,000 in Michigan, 13,000 worldwide
- **PARENT COMPANY:** Altacor Inc.
- **ON THE NET:** www.amway.com

China and adding thousands of jobs there when he ran Amway. The multilevel-marketing, direct-sales company was founded by DeVos' father, Rich, and partner Jay Van Andel in 1959.

DeVos said a restructuring of the company that eliminated about 1,300 jobs was unrelated to its China expansion.

But election analysts said the criticism of Amway's China growth connected with voters worried about losing their own jobs to foreign competitors.

In an interview with the Grand Rapids Press last week, DeVos said Amway suffered "unfair collateral damage" in the election campaign.

"We felt that (Granholm and the Democrats' campaign) did put us at risk because you had senior state officials saying bad things about our business practices," Zeiger said.

And Amway feared the negative publicity would hurt the company in recruiting college graduates, Zeiger said.

Amway's ads feature Mich-

igan Amway workers talking about how much they like their jobs and end with the tag line, "I am Amway."

There are some 4,000 Amway employees in Michigan. The company employs 13,000 workers worldwide. Its parent company, Altacor Inc., posted sales last year of \$6.4 billion.

Michael Bernacchi, a marketing professor at the University of Detroit-Mercy, said the ads are well done and effective, as far as they go.

"The ads say, 'We're Americans. Look at the jobs we bring here to Michigan, regardless of what anybody says,'" Bernacchi said.

But the image-boosting ad campaign must run over a longer period of time for it to be effective, according to Bernacchi.

"Amway has almost as many image problems as Wal-Mart," he said.

The ads come at a time when the Federal Trade Commission is considering new rules that would tighten regulations and create more reporting requirements for multilevel-marketing companies. Some experts say the rules could create a nightmare of paperwork and cripple the direct-selling industry.

Zeiger said the proposed rules had no impact on the decision to start its image campaign.