

A 101 Dumbest Moments in Business Retrospective.

By Business 2.0 Staff, February 21, 2004



Every year throws up its share of silly ideas, dopey products, inane strategies and clueless managers. And every year we're there to make fun of them. As you prepare for our fourth annual survey of the 101 Dumbest Moments in Business—coming your way next week—whet your appetite with this sample from our archive.

1 A gentleman named Mitch Maddox legally changes his name to DotComGuy and spends a year living in a house filled with webcams, using only the Internet to interact with the outside world, an effort that conclusively proves ... um, nothing.

2 In August 2000, a company called Digital:Convergence introduces the :CueCat, a feline-shaped device that scans bar codes on products and in advertisements and then directs users to websites. Why this is quicker or easier than simply typing in URLs has yet to be satisfactorily explained.

3 BBQ.com, born of nearly \$2 million in venture-capital funding, launches in April 2000. In a press release, 26-year-old CEO Anthony Johndrow explains the rationale behind his business: "More than three-quarters of all American households own a grill, and more than \$18 billion is spent annually on grills, accessories, food and sauces.... We created BBQ.com to bring together all of the many industries associated with this popular outdoor lifestyle." BBQ goes up in smoke two months later.

4 Scout Electromedia, the makers of Modo, a device that beams entertainment listings to its users, goes out of business just 50 days after launching. Nonetheless, it forges ahead with its previously scheduled launch party at Los Angeles's Les Deux Cafes, where celebrities including Drew Barrymore eat up the last of the company's \$27 million in venture funding.

b A dozen Burger King marketing execs suffer first- and second-degree burns while walking over hot coals as part of a team-building retreat in October 2001. One of the injured, a VP for product marketing aptly named Dana Frydman, tries to put a positive spin on having her feet flame-broiled like so much ground chuck. "It made you feel a sense of empowerment and that you can accomplish anything," she tells the Miami Herald.

6 With the slogan "Sometimes wetter is better," Kimberly-Clark introduces Cottonelle Fresh Rollwipes premoistened toilet paper -- or, to put it another way, baby wipes for adults.



7 NBC and the World Wrestling Federation plow \$100 million into creating the XFL. The March 17, 2001, game between the Birmingham Thunderbolts and the Las Vegas Outlaws scores a 1.6 Nielsen rating, believed to be the lowest ever for any prime-time network program. The league folds after one season.

8 Unilever subsidiary Lipton approves an ad in which a man standing in line for communion holds a bowl of onion dip, presumably to improve the taste of the body of Christ. Under protest, Lipton withdraws the ad.

9 Having lured Mariah Carey with a \$21 million signing bonus and an \$80 million, five-album recording contract, EMI decides, after only one album, to pay her \$28 million to go away. The net result: EMI pays \$49 million for the soundtrack to Glitter.

10 Six months after Midas (MDS) hires marketing firm Cliff Freeman & Partners, lauding its "strategic insight into our business," that insight shows itself in the form of a TV ad featuring an elderly woman in a Midas shop. Told of the company's lifetime guarantee, the woman rips open her blouse and asks, "So what can you do with these?" Strategically and insightfully, the ad is quickly pulled.

(continued)





A 101 Dumbest Moments in Business Retrospective. (continued)

11 In April, 2002, Abercrombie & Fitch (ANF) starts selling a line of Asian-themed T-shirts with slogans like "Wong Brothers Laundry Service: Two Wongs Can Make It White." After a firestorm of outraged complaints, A&F pulls the line. "We thought everyone would love this T-shirt," A&F spokesman Hampton Carney says. "We are truly and deeply sorry."

12 In 2001, Wilco -- a rock band known for its critically acclaimed but mediocre-selling records -- submits its Yankee Hotel Foxtrot album to its label, AOL Time Warner subsidiary Reprise Records. Believing that the record will be a poor seller, Reprise passes on the album and drops the band. After nearly a year in industry limbo, Wilco finds a new label: AOL Time Warner subsidiary Nonesuch Records. After shrewdly making the same corporation pay for the same record twice, Wilco releases Yankee Hotel Foxtrot to critical acclaim and mediocre sales.

13 In August, 2002, Jim Koch, chairman of the company that makes Samuel Adams beer, appears on a New York City radio program to promote its "Sex for Sam" competition, which encourages couples to have intercourse in public places throughout the city. After one couple is arrested for, shall we say, a less-than-immaculate conception in Manhattan's hallowed St. Patrick's Cathedral, Koch issues an apology and the promotion is canceled.

14 Thousands of callers to a Gateway (GTW) customer-service line instead find themselves speaking to Mo' Money, a small Florida company that puts promotional logos on caps, T-shirts, and assorted gewgaws. It seems Gateway had mistakenly used the 800 prefix instead of 888 on its direct-mail correspondence. "We had as many as 8,000 extra calls a month," says Mo' Money president Cliff Mowe, "and these were all angry people." Gateway settles with Mo' Money for \$3.6 million in July.

15 E-ECAD, a provider of electronic design automation software, takes out an ad on a Silicon Valley billboard that uses pictures of female archetypes to explain its three payment options: hourly (a prostitute), term (a girlfriend), and perpetual (a bride). After it comes under fire, the company puts out a press release explaining that the hourly woman -- wearing thigh-high red boots and a miniskirt -- wasn't a prostitute but rather a "date."

16 In September, shortly after divorce papers reveal the details of former GE (GE) CEO Jack Welch's lavish retirement package, Welch pens an op-ed piece for the Wall Street Journal. Falling on his sword, Welch announces he'll give up most of the perks, including a \$15 million Manhattan penthouse. Welch defends the original package, however, saying simple cash compensation "would have been much more expensive for the company."

17 In a bankruptcy filing, Kmart reveals a startling discovery: It seems that the 790 self-service checkout machines it has installed in stores throughout the country -- to the tune of \$2.2 million a month -- have led to an increase in "shrink." (In other words, allowing customers to ring up their own purchases has made it easier for them to steal.) Kmart asks the court to let it wriggle out of its lease with GE Capital.



SODA
"Looking To The Future"
Sportsplex Operators & Developers Association