Advertising Amsterdam: the rise and growth of an international advertising industry
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Citation for published version (APA):
Röling, R. (2011). Advertising Amsterdam: the rise and growth of an international advertising industry
Amsterdam: Universiteit van Amsterdam

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Download date: 30 Jan 2019
Chapter 3: Four waves of international advertising in 20th century Western capitalism

Four waves of international advertising in 20th century Western capitalism
3.1 Introduction

The composition of today’s international advertising industry is the result of several phases of developments, since the start of modern advertising in the early 20th century. These phases are usually called ‘waves’ in the academic literature and by professionals in the advertising industry. Economic geographers Deborah Leslie (1997) and Gernot Grabher (2001) both mentioned two waves of advertising in their studies on the advertising industry (conducted respectively in New York and London). They were preceded by Scott Lash and John Urry (1994), who were probably among the first to distinguish between the first and second wave of international advertising, and very briefly highlight the start of a third.

During the first wave, ‘advertising firms shifted in the early years of the twentieth century to working in contiguity with their clients in the manufacturing system, and began to Fordize in the USA at about the same time as Henry Ford’ (Lash and Urry, 1994, p.139). Firms functionally departmentalised and integrated horizontally, through acquisitions and by the opening of branch offices. This horizontal integration became global when advertising firms expanded internationally. Lash and Urry’s second wave started in the late 1970s, when the importance of the British advertising industry increased and it became simultaneously Fordist and neo-Fordist. ‘This shift was neo-Fordist in the sense that several advertising agencies through acquisition were put under the roof of the same disaggregated firm. It was also neo-Fordist in the terms of intersectoral diversification: the development of the full range of marketing services, including design consultancy, public relations, market research, direct marketing, and outside of marketing into general business consultancy firms’ (Lash and Urry, 1994, p.140). They also briefly mentioned the start of the third wave in British advertising in the late 1980s, distinguished by the proliferation of smaller advertising agencies. The ethos of creativity in this wave is in contradiction to the standardisation of creative philosophy that distinguished in the second wave.

Advertising professionals also have highlighted different international advertising waves. Scott Goodson, the founder of Amsterdam-based international advertising agency StrawberryFrog, described four waves of international advertising (Goodson, 2002). The first wave partly coincides with the ones mentioned by the scholars; however, Goodson additionally splits them in two separate waves. In the period where according to the scholars the second wave started, around 1980, Goodson’s third wave begins. Goodson argues that currently the fourth wave of advertising, which started midway in the 1990s, is active.
Grabher (2001, p.351) argued that the United States’ advertising hegemony was challenged from London-based advertising agencies from the 1980s onwards. However, its foundations were already laid by the end of the 1960s and the start of the 1970s from agencies in London (e.g. Saatchi & Saatchi, BMP) and Paris (e.g. TBWA, EuroRSCG). These advertising agencies would later develop into global network advertising agencies, just like their American predecessors. The third wave is indeed a wave characterised by the growing importance of smaller and flexible advertising agencies, while the fourth wave is a continuation of this process although closely connected and influenced by the widespread introduction of information and communication technology. The four wave typology gives a more complete framework of the geographical and organisational developments in the international advertising industry in the twentieth century. Above all, it can also explain how Amsterdam’s advertising industry became an important international advertising hub.

This chapter will present a chronological historical analysis of the four waves of international advertising in the 20th century. Figure 3.1 shows a framework of the four waves. The transition from one wave to the other is the result of a combination of (interrelated) changes and innovations in the production system, consumer behaviour, social organisation of the industry, and the media landscape. These variables are shown on the horizontal lines in Figure 3.1, together with information on the major international advertising centres, the most influential advertising agencies, and some of the most memorable advertising campaigns during each wave. In this chapter, I will present the individual waves in a chronological way, devoting more in-depth attention to the variables presented in Figure 3.1.
Figure 3.1: Four waves of international advertising in the 20th century

Source: Author’s illustration
3.2 The first wave of advertising

Globalisation of American mass production and mass marketing

Modern American advertising methods started their march on the world’s consumer markets from the 1920s onwards (Lash & Urry, 1994; Mayer, 1958; de Grazia, 2005; Goodson, 2002). The rise of modern mass advertising strongly correlates with the emergence of a system of mass production. This system evolved after the Industrial Revolution, in thanks to technologic innovation. Henry Ford’s car manufacturing plants set new standards and economies of scale, through designing interchangeable parts and the simplicity of attaching parts to each other on the moving assembly line. The mass production in factories, in combination with the ideas of ‘scientific management’ by Frederick Taylor, continued to dominate work structures until the 1970s. Scientific management of mass production, also known as ‘Taylorism’, can be seen as a sharp demarcation of the job tasks of production workers. The repetitive tasks are kept simple on purpose in order to actualise productivity gains, with clear demarcation between the work floor and the management level (Taylor, 1967; Hayter, 1997). This major revolution in production, in combination with the ideas of ‘laissez-faire’ economic policies by Adam Smith and modern mass marketing practices, set the stage for overseas production by transnational corporations at the end of the nineteenth and the start of twentieth century. Already in the late 19th century, there was a substantial growth in transnational activity and manufacturing, especially in the United Kingdom and the United States. The United States was an emerging industrial nation in these days, although the United Kingdom was still the largest foreign investor in the early 20th century before World War One (Dicken, 1998).

World War One completely destroyed European economic structures: its monetary foundations, its continental trading network, and its creditor powers (Mazower, 1998). In contrast, the economy of the United States was quickly developing into a prosperous liberal economy. The American home market was not large enough to increase profits, which required the expansion of the market area, in order to satisfy its growing manufacturing industries. Considering the United States’ position during World War One, President Woodrow Wilson was faced with two options: The first option was to get involved in the war by sending American troops to Europe and to lead the negotiations at the peace table. The second option was a more expedient way to conquer the world, by letting the ‘democracy of business’ take the lead in a peaceful way, setting new standards for consumer-friendly trade. The American interpretation was ‘to study the tastes and needs of the countries where the markets were being sought and suit the goods to those needs’
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(De Grazia, 2005, p.1). Wilson’s idea emphasised the mutual connection between salesmanship and statesmanship, and that the great barrier in this world was not the barrier of principles, but the barrier of taste. He believed that no other nation showed such immense capacity to produce and sell standardised goods, and that the Americans were the strongest believers in liberty and joi de vivre, which goes hand in hand with wealth and material possessions (De Grazia, 2005, p.2). De Grazia (2005, p.4) also argued that American hegemony was not forged on American soil but rather on European territory. It was in the Old World where the United States turned its power as the premier consumer society into dominance that resulted from the international recognition of the country as the fountainhead of modern consumer practices. The fragmentation of Europe into strong nationalist states after World War One was one of the reasons why Europe could not produce a popular alternative to the rise of American consumer culture. The export of American products and culture after World War One was very successful. American films, American music, American comic books, American films and a generally American style of popular culture were bought by Europeans, and widely imitated and adapted (Sassoon, 2006).

In the same period, the American advertising industry developed from undifferentiated into more professional and institutionalised. Efforts towards achieving professionalisation and institutionalisation included the formation of local clubs and national associations, the emergence of trade journals, academic programmes in universities, and attempts to establish ethical control over the field (Kreshel, 1990, p.80). The institutionalisation of the advertising industry signified that new actors should have a minimum level of knowledge and skills to enter and survive in this profession. Modern advertising replaced the traditional personal salesman selling products and services from door to door. New style advertising agencies started to offer a wider range of services, in contrast to their previous focus of simply brokering advertising space. This wide range of services included the creation of advertising campaigns, from first draft to printing and also distribution. Advertising agencies designed and printed posters, cards, catalogues, folders, created brands, and managed the campaigns in newspapers and magazines (Pouillard, 2005). Modern advertising also introduced branding, the labelling of products with an easily recognisable name and image. Consumers became the objects of advertisements, which sought to attract their attention and inform them on the specific qualities or benefits of a particular product. Attracting attention and creating brand awareness became the main goal of advertising. Technologic innovation in visual presentation in photography, film and printing made the visual impact of advertisements more effective. Brands became recognisable through repetitive presentation in the media. Before the branding era, coffee was just coffee and soap just soap. For example, the inventory of a 1900s’ grocery shop was not differentiated into different brands and blends of coffee.
The Fordist production system demanded a different approach to creating consumer awareness of the growing range of products available on the growing middle-class consumer market. The middle-class started to have the same expectations of comfort as the rich bourgeois elite used to have. Goods that were previously labelled as luxury goods, along with a growing range of new electronic goods and services (such as refrigerators, washing machines, telephones, and holidays), became affordable to an increasingly larger share of the population (Hobsbawm, 1994). This shift went hand in hand with a change of society in general. Around the turn of the century, a fundamental cultural transformation occurred within the educated strata of Western capitalist nations. ‘The bourgeois ethos of the previous century had enjoyed perpetual work, compulsive saving, civic responsibility, and a rigid morality of self-denial. By the early 20th century that outlook had begun to give way to a new set of values sanctioning periodic leisure, compulsive spending, apolitical passivity, and an apparently permissive (but subtly coercive) morality of individual fulfilment. The older culture was suited to a production-oriented society of small entrepreneurs; the newer culture epitomized a consumption-oriented society dominated by bureaucratic corporations’ (Wightman Fox & Jackson Lears, 1983, p.3).

World War Two was again a devastating period for the world economy. This time the United States led the allied forces and their industrial production during this period was geared towards armament production. However, except for the Pearl Harbour attack, their homeland did not suffer war damages of its physical infrastructure. The economic dominance of the United States versus the rest of the world after World War Two was even more advantageous than before 1940. They ended the war with almost two thirds of the world’s industrial production (Hobsbawm, 1994, p.258). In the years of rebuilding after World War Two, the capitalist Western countries quickly recovered from the economic damages. Europe significantly benefited from the United States’ Marshall Plan, even though it has been often criticised as a form of American economic imperialism. American policymakers regarded the United States as a good model for the resolution of social and economic conflicts, which should be faithfully applied to Western Europe (Mazower, 1998). The process of internationalisation of American corporations between the Wars significantly intensified in the decades after World War Two. The economies of capitalist Western countries experienced strong economic growth after World War Two. The 1950s and 1960s are often referred to as the Golden Years or the Golden Age (Hobsbawm, 1994).
3.2.2 The rise of global advertising from Madison Avenue in New York City: the example of J. Walter Thompson

From the early start of modern advertising in the United States, the city of New York was the centre of international advertising. The preference of the advertising industry for this city correlates with the position of New York as the national and later also the international centre business, finance and media. Within the city itself, the advertising agencies started to concentrate on Manhattan's Madison Avenue. The name of this avenue became synonymous with advertising. The stretch that has made the street famous takes up one-fifth of its length, beginning at about 200 Madison Avenue and ending at 650 Madison Avenue, slightly more than a mile of office buildings set side by side in parallel lines, forming what 'the vulgar call ad alley or ulcer gulch, and what the more enlightened describe as the communications belt' (Mayer, 1958, p.6).

Already in the 1920s, Madison Avenue was home to the most important media corporations, housing within a few blocks most of the major radio and editorial offices of numerous magazines. Later, after the introduction of television, the media cluster further strengthened, as the major television networks located their headquarters within this cluster of several square miles. This area was also flooded with so-called ‘reps offices’, companies selling advertising space on radio and television and in newspapers and magazines, several of which later developed into advertising agencies. Martin Mayer estimated that there were more than a hundred reps offices within the Madison Avenue cluster in the 1950s. At that time, half of America’s advertising budget was spent by the agencies of Madison Avenue, and nearly half of the remainder by branch offices controlled from New York (Mayer, 1958). Nevertheless, there are also a few examples of advertising agencies from other cities in the United States that opened offices abroad, for example Erwin Wasey & Company from Philadelphia and Lord & Thomas and Leo Burnett from Chicago. However, these are rare exceptions of the dominant position of New York as the first global advertising centre of the world.

The key example and most successful and influential American advertising agency from this period is J. Walter Thompson (JWT). The precursor of this agency was already set up in New York in 1864 as Carlton and Smith, an advertising broker who sold white space to advertisers in several religious journals. James Walter Thompson took over this company in 1878 (Duke University, 2009a). At first he continued to sell advertising space, but he envisioned that the women’s purchasing power and control on the housekeeping allowance would increase; therefore, he also started to sell advertising space in women magazines. This was one of his major innovations that spurred the strong growth of the company.
From the 1890s, the agency started to make advertisements and package designs for their clients. The agency already had several branch offices in the United States when they founded their first foreign office in London in 1899. In the first decade of the 20th century, the agency introduced several innovations, such as using testimonials in advertising, hiring celebrities to endorse products, and also using the new technique of photography.

Stanley B. Resor, along with some other advertising partners, purchased JWT in 1916. He would become the key figure responsible for the growth and expansion of the J. Walter Thompson network in the following four decades. Stanley B. Resor was a highly educated man, with a degree from Yale University, and he introduced quasi-scientific research techniques in the advertising profession. It was Resor’s vision (his belief in the potential of market research, a desire to make advertising more scientific and more efficient, and to elevate advertising from a trade to a respectable profession) that made the development of the advertising agency possible. His scientific philosophy had two basic components: a belief in the existence of laws of human behaviour, which could be discovered through scientific investigation, and a redefinition of advertising as a marketing tool (Kreshel, 1990, p.81–82).

In order to foster the scientific approach, he founded a research department, which conducted market research by testing consumer behaviour (consumer panels), in order to create effective advertising campaigns, and measured the effectiveness of advertising campaigns. Very respectable scholars were hired to develop research methods, among others John B. Watson, the founder of behavioural psychology, who later became vice-president of the J. Walter Thompson agency. Lash and Urry (1994, p139) argued that ‘firms such as Ogilvy and J. Walter Thompson developed “philosophies” which regularized and “Taylorized” so to speak the labour process of advertising services’.

After the opening of the London office in 1899, it took quite a long period before the J. Walter Thomas agency expanded into other countries. The London office was even closed in 1916 because of World War One but reopened again in 1919. Through this office, the company introduced market research techniques to the United Kingdom (and the rest of Europe). In its first years the London office only serviced American clients and managed to push entirely unknown American products onto the British market, amidst economically difficult circumstances in the early 1920s (Schwarzkopf, 2006). In 1927, they opened their second European office in Antwerp, in response to their new network client General Motors Corporations establishing a factory in this town (Pouillard, 2005). J. Walter Thompson continued to expand its worldwide office network parallel to the global expansion of this major client. The agency signed an agreement with General Motors obliging them to open an office in each country where General Motors started an assembly plant operation or a distribution centre. In return, General Motors would give all domestic and international
advertising work to J. Walter Thompson (West, 1987). In 1927, an office was opened in Madrid; the next year offices in Paris, Berlin and The Hague followed (Schreurs, 2002). In 1929, new offices in Montreal, Bombay, Sao Paolo, Buenos Aires, Stockholm and Copenhagen were added to the network. Already by 1930, J. Walter Thompson was present on five continents, with new offices in Sydney, Melbourne and Capetown (Pouillard, 2005). In total, twenty-one J. Walter Thompson offices would be opened worldwide as a direct consequence of their contract with General Motors (West, 1987). Next to General Motors, the agency acquired several other large international client accounts, such as Unilever, Pond’s, Kodak, Coca-Cola and Gillette (Pouillard, 2005).

Figure 3.2 Advertisement of the J. Walter Thompson Company in Printers’ Ink magazine in 1923

The Great Depression of the 1930s and the subsequent World War Two were tough times for business and also for advertising agencies; several offices were closed. However, after Word War Two, J. Walter Thompson was able to continue their pre-war success. They again started opening offices, sometimes from scratch, sometimes by taking over local advertising agencies. In 1957 the agency had total billings of nearly $300 million dollar,
of which roughly three-quarters were in North America and the rest came from offices on four other continents. In that same year, the agency already had in operation thirty-four offices in nineteen different countries (*Mayer, 1958*).

Next to the J. Walter Thompson there are several other examples of advertising agencies that were established during the first wave and are still currently present and among the most well known advertising agencies worldwide. Some of these were founded, together with J. Walter Thompson, already in advance of the start of the first wave of advertising, while others started during the first wave, some even as late as after World War Two. Lord & Thomas (from 1942 and onwards Foote, Cone & Belding) and Batten, Barton, Durstine & Osborn (BBDO) have their origins back in 1873 and 1891 respectively. McCann-Erickson (1902) and Grey (1917) were both founded before 1920. Furthermore, there are Young & Rubicam (1923); Leo Burnett (1935); Ted Bates & Company (1940); Ogilvy, Benson & Mather (1948); and Doyle, Dane, Bernbach (DDB) (1949).

**Figure 3.3** Founding years of influential American first wave advertising agencies

<table>
<thead>
<tr>
<th>Year</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1873</td>
<td>Lord &amp; Thomas (FCB)</td>
</tr>
<tr>
<td>1878</td>
<td>J. Walter Thompson (JWT)</td>
</tr>
<tr>
<td>1891</td>
<td>Batten, Barton, Durstine &amp; Osborn (BBDO)</td>
</tr>
<tr>
<td>1902</td>
<td>McCann-Erickson</td>
</tr>
<tr>
<td>1917</td>
<td>Grey</td>
</tr>
<tr>
<td>1923</td>
<td>Young &amp; Rubicam</td>
</tr>
<tr>
<td>1935</td>
<td>Leo Burnett</td>
</tr>
<tr>
<td>1940</td>
<td>Ted Bates (Red Cell)</td>
</tr>
<tr>
<td>1948</td>
<td>Ogilvy, Benson &amp; Mather</td>
</tr>
<tr>
<td>1949</td>
<td>Doyle, Dane, Bernbach (DDB)</td>
</tr>
</tbody>
</table>

Source: Author’s illustration

Several of the above-mentioned agencies invented their own approach or philosophy of advertising. As described earlier, J. Walter Thompson became known for its scientific approach to advertising. Ted Bates & Company, or rather its chairman Rosser Reeves, became known for the USP, or the ‘Unique Selling Proposition’ (*Mayer, 1958, p.49*). The introduction already mentioned that this agency served as an example for the advertising agency Sterling & Cooper in the television series of Mad Men. This approach placed a strong focus on something unique in a particular product. Ted Bates established a network of nearly two hundred external independent specialists who discussed the qualities of products; this was the origin of the USP approach. Ted Bates was often criticised for his tactics: for example he did not eschew to use doctors in white coats to recommend cigarettes.
David Ogilvy of Ogilvy, Benson & Mather (famous quote: ‘The consumer is not a moron, she is your wife’ [Fletcher, 2008]) became known as the apostle of the ‘brand image’ (Mayer, 1958, p.54). His purpose was to give brands prestige value: ‘it pays to give your brand a first-class ticket through life. People don’t like to be seen consuming products which their friends regard as third class’ (Mayer, 1958, p.57). Doyle, Dane and Bernbach (DDB) are remembered (in particular because of Bill Bernbach) as the agency that saw the criteria of ‘memorability and originality’ as more important than simple sales arguments (Mayer, 1958, p.64). DDB became one of the major initiators of a creative revolution in advertising. The VW Beetle print campaign ‘Think Small’, mentioned in the introduction, is considered by many as the most influential campaign in advertising history (AdAge, 2009). Their approach in ‘advertising replaced its beat-you-over-the-head, hard-sell approach with a new, more sophisticated syntax and vernacular’ (Hanft, 2007).

Figure 3.4 Volkswagen Beetle ‘Think Small’
created by Bill Bernbach in 1959

Source: AdAge (2009a)
3.3 The second wave of advertising

3.3.1 The European answer to the American domination

Advertising in Europe was highly dominated by the American approach of advertising in the first decades after World War Two. This ‘hard-sell’ approach was seen as overly serious and dreary, because of its repetitive and research driven character. In Europe some advertising entrepreneurs were determined to challenge this hard-sell approach with a more creative élan in the production of advertisements. After some decades of rebuilding and fast economic growth, Western European countries and its citizens had again increased their confidence in the future. Especially young people, the after-war generation, were more self-assured as they had only experienced economic prosperity. In particular, the city of London in the 1960s was a centre bustling with young, creative people. This period of British history is sometimes referred to as ‘swinging Britain’ or in particular ‘swinging London’ (Gilbert, 2006). On British television a new style of British satiric humour emerged, among others the revue Beyond the Fringe or That Was the Week That Was, but probably the best known example is Monty Python’s Flying Circus. Also the British music scene teemed with innovation, with band such as the Rolling Stones, The Who, The Beatles, and David Bowie. Even in fashion (e.g. Vivienne Westwood) London became an increasingly important city, partly at the expense of Paris (Fallon, 1989). This creative revolution and creative atmosphere in London was a source of inspiration for people in the advertising industry. Especially the British humour would provide a key ingredient of the new approach of soft sell tactics in advertising. British advertisements of the time are also described as less direct, less competitive, more subtle and amusing (Ogilvy, 1984). Some of these frequently used techniques were rarely employed in the United States, such as ‘talking heads’ or ‘real-life scenes’.

The foundations for the creative revolution and the upcoming leading role of British advertising were laid in the 1960s. That same year, advertising agency Collett Dickenson and Pearce (CDP) was founded (Fletcher, 2008). The founders were partly inspired by the American advertising agency DDB as they also introduced the concept of the ‘creative team’ in their agency, where the copywriter and art director had equal status. They recognised the increasing importance of the artwork next to copy. Winston Fletcher (2008, p.73) argued that ‘CDP’s creative work sparkled from the start. Pearce liked to claim his agency specialized in booze, fags and fashion’. Within a few years time they had clients such as Benson & Hedges, Aer Lingus, Vogue, Selfridges and Ford. However, the wild reputation did not make the agency a success story, although their style of advertising had a big influence on other agencies. The most successful and most influential advertising agency of the second
wave of advertising is Saatchi & Saatchi, founded in London in 1970. Another influential example from London is the in 1968 established Boase, Massimi, Pollitt (BMP). BMP introduced a new system of campaign development in the advertising industry that would be called ‘account planning’. The account planner would start working next to the creative team studying consumer behaviour and insights, which served as the basis for developing brand strategies (Pratt, 2004). It is not clear whether they were the first, as J. Walter Thompson almost simultaneously introduced this new system as well (Fletcher, 2008). Account planners were assigned to specific clients and defined all the objectives of a new campaign; consequently, the creative team would start work on the campaign.

However, the new major future players of the international advertising industry were not only established in London. There are also important examples within the Parisian advertising industry, established in the 1970s, that evolved into large GNAAs in the course of the 20th century. TBWA is currently one of the most successful GNAAs and was founded in Paris in 1970 as a merger between several different firms: Tragos American Management, Bonnange French Marketing, Wiesendanger Swiss Creation, and Ajroldi Italian Client Services (Funding Universe, 2009). In 1970 also another new agency was founded in Paris, Roux Séguéla, which through mergers would form the agency RSCG (Roux Séguéla Cayzac Goudard) in 1976 (Paturel, 1987). This advertising agency developed into the global network advertising agency that is currently known as EuroRSCG. In this same era, several large Japanese advertising agencies formed international partnerships or opened offices in other countries, for example Hakuhodu and Asatsu DK.

The economic structures of mass production brought great prosperity and social stability to the developed countries until the 1970s. However, this long period of economic growth ended abruptly. Crisis followed after crisis, caused by rapid inflation, raw-material shortages, rising unemployment, and finally economic stagnation. These crises raised questions about the economic and social institutions in these developed countries (Piore & Sabel, 1984); in other words, they questioned the system of mass production and the welfare state programmes. The United States’ hegemony within Fordism was challenged by competition from Western Europe, Japan and also by some newly industrialising countries. According to David Harvey (1990, p.142), the problems in the period between 1965 and 1973 could be best captured in one word: rigidity. The rigidity of long-term and large-scale fixed capital investments in mass production systems and the rigidity of labour market caused major problems. Both capital and labour could not be allocated in a more flexible way to answer to the growing demand for flexibility of product design placed by an increasing variable consumer market. The 1970s and 1980s were periods of economic restructuring and social and political readjustments, which resulted in a new industrial organisation generally
labelled as ‘flexible accumulation’ or ‘flexible specialization’ (*Piore & Sabel, 1984*). I will discuss this new industrial organisation in the following paragraph on the third wave of international advertising. The 1980s is the decade when this new form of industrial organisation became the standard in the developed countries. The transition phase between the Fordist and the flexible accumulation regimes of industrial organisation is also called ‘neo-Fordism’. Neo-Fordism is a combination of the old (Fordism) and the new (flexible accumulation). The Fordist principles of mass production serve as the basis, which is supplemented with the new ingredients of flexibility in order to address the problems of the organisational model.

### 3.3.2 London and Paris: The examples of Saatchi & Saatchi and TBWA

The most talked-about and most successful advertising agency in the British advertising history is probably Saatchi & Saatchi. This agency was founded by the brothers Charles and Maurice Saatchi in London in 1970. Charles had already built a reputation for three years prior with an advertising consultancy firm called Saatchi-Cramer, where together with his partner Ross Cramer they worked as creative consultants for other advertising agencies. Charles Saatchi turned out to be very skilful in generating free personal publicity. The chairman of the Designers & Art Directors Association (D&AD), established in 1962 in order to encourage high standards in visual communication, stated that this was the breakthrough period of creative work in Great-Britain: ‘Up to that time we were copying American slang, and now for the first time, we started use our own language in advertising. And these people, particularly Alan Parker ¹ and Charles Saatchi, started using colloquial English that gave a special identity to their work’ (*Fallon, 1989, p. 32*). Charles Saatchi was very active in submitting his work to the D&AD. Each year this association publishes an annual book presenting some of the best work, which is also widely read by advertisers. Cramer-Saatchi became widely known for their advertisement for the Health Education Council in the United Kingdom. The campaign to prevent unwanted pregnancy by the use of anti-conception is often considered to be the best ever produced by Charles Saatchi, although the idea came from another art director in the company.

¹ Alan Parker used to work as a copywriter for the advertising agency Collet Dickinson Pearce (CDP), but became famous as a film director, most notably for *Midnight Express* (1978), *Pink Floyd’s The Wall* (1982), and *Evita* (1996).
Saatchi & Saatchi opened their first office at Golden Square in London’s Soho, and soon acquired new client accounts (e.g., Jaffa [citrus fruit] and Granada TV). London’s Soho would develop into London’s equivalent of Madison Avenue in New York (Grabher, 2001). The Saatchi brothers had a keen eye for gathering the right people, working with John Hegarty from the very beginning and later also contracting Martin Sorrell. All would go on to become key players in the international advertising industry. John Hegarty would become one of the founders of one of the largest and most creative independent agencies in the world today: Bartle Bogle Hegarty (BBH). Sir Martin Sorrell would become the founder and chairman of the advertising holding WPP. Saatchi & Saatchi quickly demonstrated that they possessed innovative capacity. First, they decided to stop using account executives, which they considered as a useless layer preferring instead to have direct contact between the creative teams and their clients. Second, Charles Saatchi made a proposal to the advertising industry to use a commission system in which recognised agencies were allowed a fifteen percent discount on the price of advertising space. In turn, they charged the client the full price, thus in effect making their profit from their discount on buying bulk media space (Fallon, 1989, p.49).
The 1970s heralded a new era in consumerism, partly influenced by the introduction of commercial colour television. Those agencies that were best able to adapt to the production of TV commercials would become the dominant agencies. Compared to newcomers such as Saatchi & Saatchi, the advertising entrepreneurs who grew up in the era of print advertisements were generally less able to adapt to changes in the media landscape. Fletcher (2008, p.129) argued that ‘fifteen years after the launch of commercial television, British advertising had both the skills and the confidence to push new ideas and techniques to the limit, and to build on the British taste of humorous, laid-back advertising. Television influenced the authority and influence of art directors, no longer mere visualisers, which changed the style and tone of advertisements’.

The Saatchi & Saatchi agency performed very well from the start. Even during the worst recession year 1974, the agency managed to increase their profits. Already from 1973 they started to takeover other agencies; the recession even offered them more opportunities to buy agencies for a low price. The first signs of an international strategy of Saatchi & Saatchi were visible in an article in advertising magazine Campaign in which Charles suggested the intention to purchase agencies both in New York and Paris. Even though this never actually materialised, the international advertising industry received the message of their international ambitions (Fallon, 1989). In 1975, they bought the eleventh largest British agency of that time, Garland-Compton, which made Saatchi & Saatchi into one of the largest British agencies. With this takeover they also acquired important international clients such as Proctor & Gamble. Above all, with Garland-Compton they suddenly had an office in New York. The size of the agency now provided them access to the stock exchange, which would enable them to make additional acquisitions. At the end of the 1970s and start of the 1980s, there was hardly any bigger agency in New York that had not been approached for a takeover by Saatchi & Saatchi (Fallon, 1989).

Globalisation became the guiding philosophy of Saatchi & Saatchi as they realised that many multinational advertisers were demanding international office networks. They were initially charmed by DDB with its highly creative reputation, but eventually took over a whole range of other major American advertising agencies, such as Garland-Compton, Dancer-Fitzgerald-Sample, Backer Spielvogel, Ted Bates, Campbell-Mithun, William Etsy, and McCaffrey & McCall (Mayer, 1991, p.189). With the takeover of the international office network of Ted Bates in 1986, Saatchi & Saatchi became the world’s largest advertising agency in billings’ volume. This world number one status only lasted for a few years, as the Saatchi brothers seemed to have been overambitious. Some clients left because of conflicts of interest, also several executives left the organisation out of frustration. One of the biggest mistakes was their attempt to enter financial services by taking over a bank.
This attempt failed and Saatchi & Saatchi was ridiculed in the press as an advertising agency that had run out of ideas (Fallon, 1989). Nevertheless, the story of Saatchi & Saatchi is very illustrative of the increasing prominence of the international advertising industry from the 1970s onwards.

The best example from Paris is TBWA. Similar to Saatchi & Saatchi it started in 1970, not as an entrepreneurial enterprise but rather as a merger between several agencies: Tragos American Management, Bonnange French Marketing, Wiesendanger Swiss Creation, and Ajroldi Italian Client Services. The background of the four founders is very international, one is an American of Greek origin, one is French, one is Swiss, and the last one is Italian. Already from the start the founders showed their international ambitions, as they hoped to tap ‘the richness of different cultures, the healthy frictions and the thrust that comes from diversity’. Their motivation to start their own advertising agency was ‘because we were from different nationalities, and because we had all worked internationally, that we would develop the first advertising agency born international. The idea was that this was not going to be an American advertising agency, but an agency made up of three Europeans and an American that would expand internationally’ (Funding Universe, 2009).

The account that put TBWA in the spotlight in 1980 was from an, at that time, small and unknown Swedish vodka brand: Absolut. An art director from TBWA doodled a halo over the bottle of Absolut and a copywriter added the words ‘Absolut Perfection’ (Twitchell, 2000). This image turned out to be very suitable in many different variations and is still in use today and recognised by most people. The brand became interrelated with Pop Art, when Andy Warhol proposed to paint his own interpretation of the bottle. The Swedish vodka brand has become one of the most well-known vodka brands. The impact of a good
advertising campaign is best measured by its effects on the sale figures of the product. Since the introduction of the advertising campaigns, the sales of Absolut vodka increased in a period of fifteen years with an astonishing 14,000 percent (Twitchell, 2000).

Figure 3.7 TBWA advertisement for Absolut Vodka in 1980

Source: Ads of the World (2009)

In contrast to Saatchi & Saatchi, the international expansion of TBWA started soon after the agency was founded. Within one year, the second office was opened in Milan, followed by Frankfurt (1972), London (1973), Madrid (1974), Zurich (1975), and Brussels (1976). In 1977 TBWA made the jump over the Atlantic and bought their first office in New York, where they started working for relatively small and European accounts, such as Evian water, and Laughing Cow cheese (La Vache qui Rit). In 1981, they opened their first office in the Netherlands in Amsterdam. In the following decades, through various takeovers and mergers, TBWA expanded into one of the largest global network advertising agencies. Together with DDB, this agency has the most creative reputation among the GNAAs.
today, based on the number of advertising awards won. The creative reputation of advertising agencies will be more thoroughly examined in chapter 7.

3.4 The third wave of advertising

3.4.1 Advertising in a more reflexive consumer society

The previous chapter already emphasised that the 1970s and 1980s should be considered as a transition period in which the industrial organisation based on the principles of mass production gradually changed into a new organisational model based on flexibility in production. Michael Piore and Charles Sabel claimed in 1984 that the deterioration in economic performance of the 1970s and 1980s was the result of the limits of the mass production model, such as the use of special-purpose (product-specific) machines and semi-skilled workers to produce standardised goods (Piore & Sabel, 1984, p.4). Piore and Sabel named this transitional phase ‘the second industrial divide’, distinguishing it from the Industrial Revolution and its mass production factory system. One of the major transformative processes in this era was individualisation, which brought a key consequence: the divergence of lifestyles with a growing variety of consumer tastes. The production of standardised mass-produced goods did not coincide with the quickly changing consumption patterns in an individualising society. In order to serve the growing variety in demand, the production system changed into what Piore and Sabel called ‘flexible specialization’. In contrast to mass production, this system implied a strategy geared towards permanent innovation, i.e. accommodation to ceaseless change (Piore & Sable, 1984, p.17). The principles of mass production would still be prevalent for the production of several product types, but it was deemed necessary to shift to more specialised small-batch production, in order to adapt to the demands created by the need for distinction of consumers. Sociologists Ulrich Beck and Anthony Giddens have called this new era ‘reflexive modernization’. They argued that a disembedding of the first modernisation, which is based on industrial mass production principles, is taking place. This produces a new modernity, i.e. a re-embedding of industrial social forms adapted to an individualising society in which consumers have become more reflexive (Beck et al., 1994, p.15).

This transition also had major consequences on the advertising industry. Individualisation, together with the interrelated transition towards an economic production system based on the principles of flexible specialisation, produced a growing number of products that needed to be advertised. Next to the increase and widening range of different products, the number
of brands of single products increased significantly. The role of advertising agencies became more important; advertisements that clearly distinguish all these different brands from each other had to be created. Marketing and advertising increasingly determine whether a brand will succeed or not. According to Deborah Leslie (1997, p.1019) ‘visual identity, in the form of advertising, logo design, and packaging, has become an increasingly competitive tool in world markets’. Leslie who, in contrast to me, has called this the second wave of advertising, argued that on a fundamental level the ability of the industry to regulate the formation of markets and identities is significantly weakened. Advertising agencies in the era of mass production had stable and fixed client lists and a narrower use of media, with an emphasis on print, radio, and at a later stage also television. Leslie also argued that the advertising industry is becoming increasingly polarised between large global network advertising agencies versus small and flexible agencies. The typical exponents of the first two waves of advertising are the large global network advertising agencies, while the independents advertising agencies signify the third and fourth wave. The third wave of advertising is marked by the rise of a new breed of smaller and flexibly organised advertising agencies; a few even evolved into international agencies.

3.4.2 The rise of independent international advertising agencies: the examples of BBH and Wieden + Kennedy

During the third wave of advertising, London increased its prominence in the international advertising industry. The best third wave London example is the in 1982 founded Bartle Bogle Hegarty (BBH). However, there several examples of influential advertising agencies that emerged outside of the traditional advertising centres. For example, in the United States some prominent advertising agencies were founded in the 1980s in Portland (Wieden + Kennedy, 1982), Miami (Crispin, Porter & Bogusky, 1988), or Minneapolis (Fallon Worldwide, 1981). In Germany, Hamburg emerged as the creative advertising centre of the country with agencies such as Springer & Jacoby, Scholz & Friends, or Jung von Matt (Thiel, 2005). Of course smaller advertising agencies have always existed, but what distinguishes this new generation of agencies is that they have become more prominent; they work for large multinational client accounts that frequently demand from them to produce international advertising campaigns. Some of these agencies have grown into so-called ‘micro-networks’ or ‘multi-hub creative networks’. For example BBH and Wieden + Kennedy have six and seven offices worldwide respectively. In 2009, BBH was present in London, New York, Singapore, Sao Paulo, Shanghai, and Mumbai (BBH, 2009). Wieden + Kennedy has offices in Portland, New York, London, Amsterdam, Shanghai, Tokyo, and Delhi (Wieden & Kennedy, 2009). The individual offices quite often function as continental hubs for their clients.
Advertising agencies such as BBH and Wieden + Kennedy are considered among the best in the world, as confirmed by their numerous advertising awards. BBH was founded by John Bartle, Nigel Bogle & John Hegarty in 1982 in London’s Soho. One of their first client accounts that made them instantly famous was Levi’s Jeans. It is said that ‘the Levi’s account is so intimately involved in the development of the BBH brand since the founding of the agency in 1982 that to most of us who have observed its rise to prominence as a global agency, the Levi’s ads provide a creative reference point. It is impossible not to think about BBH without also thinking about the ads they have done for Levi’s’ (Turnbull, 2004).

In an interview, John Bogle stated that in the past advertising was created on the principles of the unique selling proposition, but today these unique selling propositions hardly exist. Today BBH searches for emotional selling points for brands. For the brands in their portfolio they generally search for universal legitimate values, which are also their point of departure for the organisation of the advertising agency (de Swarte, 2006). The large global network advertising agencies are present in almost all countries because of the cultural differences among people around the world: ‘Be global, think local’. The philosophy of BBH is based around the universal legitimate values of brands, which unite people and cultures: ‘Be global, think global’. For this reason they will never extend their office network to more than 10 offices worldwide. However, in order to grow they sold a minority stake to global network advertising agency Leo Burnett in 1997, which is now included into the Publicis network. They consciously sold a minority stake in order to maintain their independency, and the capital injection enabled them to grow into their desired micro-network. BBH is one of the most acclaimed advertising agencies worldwide. In 2006, Advertising Age presented them with the Global Agency of the Year award, and they have won several international advertising awards for major clients such as Levi’s (Flat Eric, the yellow puppet), Audi (Vorsprung durch Technik), Axe (the Axe-effect), and Johnnie Walker (Keep on walking).
Another third wave advertising agency is Wieden + Kennedy, which in contrast to BBH has an Amsterdam office. This advertising agency was founded in 1982 in Portland Oregon, not by chance, as they became the house advertising agency of Portland based sport products giant Nike. Similar to the symbiotic relationship between BBH and Levi’s, Wieden + Kennedy’s rise was again strongly related to their client relationship with Nike. The advertising slogan ‘just do it’ in combination with sport stars, particularly NBA star Michael Jordan, was probably one of the most memorable advertising campaigns of the 1980s. Today, Wieden + Kennedy is one of the largest independent advertising agencies in the world with seven offices. Their international expansion started in 1992 by establishing an office in Amsterdam, in response to Nike establishing its European headquarters in the nearby town of Hilversum. The establishment of Wieden + Kennedy in Amsterdam should be considered as a critical juncture for the development of an international advertising industry in Amsterdam, both in terms of international clients and in terms of an increasing the presence of international labour in the city. From 1995 until present, an increasing number of international, mainly independent, advertising agencies opened an office in Amsterdam. One of the most successful agencies, 180 Communications, is a Wieden + Kennedy spin-off. Just like BBH, Wieden + Kennedy has received multiple awards as an agency, and their work for individual clients has also won various important advertising awards.

3.5 The fourth wave of advertising

3.5.1 The rise of small independent international advertising agencies in the new ICT paradigm

The fourth wave of advertising is a continuation of what already started in the 1980s during the third wave; however it is clearly distinguished by the broad introduction of information and communication technologies (ICT) in society, in particular the Internet. The foundations for the new techno-economic paradigm already came into being during the 1970s. The invention of the microprocessor enabled the development of the microcomputer, combining it with telecommunications enabled microcomputers to function in networks, and the design of new software was stimulated by a fast growing microcomputer market (Castells, 2000; Du Gay, 1998). In the 1990s, the computer and telecommunication industry experienced very fast development, which brought a diminishing production costs per unit and the introduction of new technological applications. The Internet has altered the way people work, how they communicate with each other, and perhaps most importantly, it has become
the main source of gathering and exchanging information. The Internet is in effect a tremendous social earthquake and is transforming the relationship between business and consumers (Pitt et al., 2002). Nowadays, the Internet has extensive everyday use: e-mailing, media streaming, voice telephony, blogging, and file sharing, just to name a few. The impact of ICT is also changing traditional media, for example cable television is slowly being replaced by digital and more interactive television.

From the very beginning of the Internet, a decisive shift from supplier power to consumer power was predicted. In the ‘old’ mass production era the position of the consumer was still very weak, although with processes of individualisation of the 1970s and 1980s this was already gradually changing; consumers became more reflexive, which forced producers to respond to this new situation. Rezabakhsh et al. (2006) identified three different types of consumer power: expert power, sanction power, and legitimate power. Expert power refers to the possession of information on quality and prices in markets. Sanction power is regarded as a means of disciplining the firms’ behaviour; a positive sanction is product or brand loyalty, and a negative sanction implies changing brand preference. Finally, legitimate power is the consumers’ ability to influence the marketing strategies of firms, especially regarding product and price policy. These three forms of power dramatically shifted in favour of consumers since the introduction of the Internet. “The Internet allows information ubiquity… the traditional trade-off between the richness and the reach of information no longer exists, which helps to reduce information asymmetries. Any Internet user may become a communication partner” (Rezabakhsh et al., 2006, p.12). Consumers nowadays have access to more information due to the global reach of the Internet. They have the ability to exchange information and opinions about products and services with peers from all over the world, which enables them to define brands on their own terms (Pires et al., 2006).

The dividing line between producers and consumers is blurry and today there is a new type of consumer: ‘the prosumer’ (Toffler, 1980). Gernot Grabher (2008, p.255–256) also emphasised the proactive role of consumers. The internet also provided more opportunity to reflect on their consumption and evaluate products (through reviews, rankings, FAQs), as well as to customise products. He also argued that consumers increasingly engage as ‘co-developer’s’ in user-producer relationships. The best example of co-development is ‘open-source’ software, such as Linux, or websites, such as Wikipedia. The Internet has enabled producer companies to integrate consumers into the value chain. For several products the traditional value chain from producers, to wholesalers, to retailers, and finally the consumers, has reversed. Today, consumers exercise more influence on production. For several products the production process is even initiated by the consumers themselves, through customised demand. Nowadays someone who wants to buy a car has access to a wide range of information
on the Internet. It is possible to make price comparisons, to choose from a wide range of accessories, and assemble one’s own personal customised vehicle online. Consumers even participate as active developers of advertisements; an estimated ten percent of all commercials on YouTube are actually produced by non-professionals. These so-called ‘consumer-generated ads’ create a lot of free publicity for brands (Pruppers, 2008). One of the best examples is the ‘Mentos Geyser Video Contest’, in which people have filmed their experiments with the combination of Diet Coke and Mentos (when one puts a Mentos candy into a bottle of Coke a geyser of bubbles erupts).

Also the role of marketing changed. Marian Salzman argued that the days of the passive consumer are behind us forever. She described the traditional approach as follows: ‘Heroin, hypodermic needles, and the traditional marketing approach: What do they have in common? Marketers used to think that serving up content (mostly commercials, print advertising, and billboards) was just like handing over drugs to a junkie. Fill the syringe with appealing messages, inject it into the passive receptacle called the “consumer” and watch the product fly off the shelves as people get high on “Plop, plop, fizz, fizz” or “A Coke and a smile” virtually could not control their craving for the product’ (Salzman, 2000, p.141). She argued that the key to selling today is not presentation but motivation. She further argued, ‘empowered by virtually unlimited access to information on the Internet, people now approach each retailer, each service provider, with the implicit question, “What is in it for me?” And while we are at it, “What is your company doing to help the planet?” (Salzman, 2000, p.141). The Internet will initiate a Darwinian selection process compelling firms to give up the traditional paradigm of push-marketing in favour of the new paradigm of trust-based marketing (Rezabakhsh et al., 2006). As was already emphasised in the introduction chapter in the ‘dramatic shift of marketing reality’, advertising agencies need to create more entertaining advertisements in order to create empathy for brands. The Internet is a good means to create ‘brand communities’, for example NikeID, where customers can design their own shoes (Fay et al., 2009), and Nike+, a sensor in Nike shoes that in combination with an I-pod from Apple can function as a personal coach and store running statistics, which one can upload and analyse on the website.

3.5.2 The entry of international independents advertising agencies in Amsterdam

The founders of the typical fourth-wave agencies sometimes consider themselves as rebellious or anti-establishment (i.e. anti-GNAAs). Although they do not ignore the traditional media channels, they have a more open vision, geared towards integrated, viral, and guerrilla marketing techniques (Goodson, 2002). However, there also several examples
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of fourth-wave agencies that have specialised in interactive or online marketing; some use the term ‘digital agency’ while others use ‘interactive agency’. Although these agencies are small, they have managed to attract several prestigious international client accounts. In an interactive booklet on the website of StrawberryFrog, they compare the GNAAs with slow and inflexible dinosaurs, by giving them names as ‘bureaucratosaurus’, ‘egosaurus’, or the ‘networkosaurus’. In contrast, the small and independent agency is quick, energetic and versatile, just like a (strawberry) frog. They do not need to grow as big as the GNAAs, because ICT enables them to contact their worldwide freelancers, clients, and external specialists (StrawberryFrog, 2009).

The year of 1992 is a critical juncture for Amsterdam’s advertising industry. In that year, the American third-wave agency Wieden + Kennedy started a new office in Amsterdam, their second next to their home basis in Portland (Oregon). The reason for starting a new office in Amsterdam was because their major client Nike opened their European headquarters in the nearby town of Hilversum. At first, Wieden + Kennedy Amsterdam started working on (mainly) pan-European advertising campaigns for Nike, but soon they would acquire additional international client accounts from other prestigious brands. Their first work for Nike enjoyed wide acclaim; they immediately won a few Lions at the Cannes advertising festival. From the start, the workforce of this agency was already a true melting pot of different nationalities, a novel development in Amsterdam’s advertising industry. The offices of Wieden + Kennedy became a sort of exotic international island within an advertising city that was previously dominated by a national scope in terms of clients and labour. All in all, “this agency showed the capacity and the possibility of operating successfully as an international award-winning agency from Amsterdam. As a consequence, more international agencies were set up and entrepreneurs were attracted to the city (partly by reproduction in the form of spin-off), talented creative labour from around the world followed, and they started to work on a variety of prestigious international client accounts” (Röling, 2010).

Figure 3.9 Founding years of important fourth wave independent advertising agencies in Amsterdam

Source: Author’s illustration
In 1995 and 1996, two advertising agencies were founded by Dutch entrepreneurs, BSUR and KesselsKramer. Both had international ambitions from the start. The founders of KesselsKramer, Erik Kessels and Johan Kramer, had first worked together as a creative team for Chiat/Day in London, but they decided to return to Amsterdam and open their own advertising agency. Their remarkable work for a local budget hotel (see Figure 3.10) immediately brought attention to their agency (KesselsKramer, 2009). One of their first large clients was the new Dutch telecom company BEN. With their campaigns for BEN (using ordinary people with the name Ben) they managed to create positive brand awareness among Dutch consumers. The work of KesselsKramer was also praised in the international advertising community. After the successful campaigns for a few Dutch clients, they also acquired several international client accounts, such as Diesel Jeans, Absolut Vodka and MTV Japan.

Nowadays, the name of KesselsKramer is synonymous for advertising that interacts strongly with art forms such as photography, filmmaking and fashion. They do not focus just on advertising; for example they have also directed a video clip for Dutch hip-hop band Opgezwolle and produced a documentary of a soccer match between the two lowest ranked countries on the FIFA world ranking, Bhutan and Montserrat, which they organised at the same moment when the World Cup final between France and Brazil took place in 2002. The exhibition of the agency’s work in art museum De Kunsthal in Rotterdam, which commemorated their 10-year anniversary, was a significant event; it illustrated the respect paid (also by the art scene) to the ‘artistic’ label attached to the work of this advertising agency. Even though, the reputation of BSUR is not as well known as KesselsKramer, they have worked for several international clients as well. Their most notable achievement is the global lead position they acquired in 2009 for the Mini (BMW) client account, with an estimated budget of 70 million British pounds per year (Adformatie, 2009b).

Figure 3.10  KesselsKramer ‘guerrilla marketing’ for Hans Brinker budget hotel

Source: Adfoblog (2009)
In 1998 and 1999, two important advertising agencies were established in Amsterdam, by non-Dutch entrepreneurs. 180 Communications was established in 1998 by former employees of Wieden + Kennedy Amsterdam. The role of Wieden + Kennedy as a ‘learning school’ could be compared with the example of advertising agency Springer & Jacoby in Germany, as illustrated by Joachim Thiel (2005) in his study on the emergence of Hamburg as the new creative advertising centre in Germany. The founders of 180 Communications used their reputation and experience from the Nike account to bid for the international Adidas account (which they won). The newly-founded agency was growing quickly and next to Adidas they also attracted several other international client accounts, such as Motorola, Omega, Sony, Amstel, and BMW Motorrad. In 2007, they founded a second office in Los Angeles. In 1999 StrawberryFrog was founded, also successfully attracting several international client accounts (Asics, Heineken, Mitsubishi, IKEA, Credit Suisse). StrawberryFrog also has offices in New York and Sao Paolo. One of its founders, Brian Elliot, left StrawberryFrog and continued under the name of Amsterdam Worldwide in 2008 (Adformatie, 2008a).

After 2000, there are several additional examples of start-ups with international ambitions, or new branch offices of foreign international advertising agencies. The already mentioned Springer & Jacoby opened a new office in Amsterdam in 2004. In 2006, one of Belgium’s most awarded agencies, LG&F from Brussels, opened their second office in Amsterdam. The Belgian founder, Alexis Verschueren, thinks that Amsterdam is second only to London as the city where the best advertising is produced in Europe (Couzy, 2006). In the same year, one of the larger independent advertising agencies from the United States, Modernista! from Boston also opened their second office in Amsterdam. Interactive advertising agency AKQA, which also embraces the micro-network model, opened their sixth office in Amsterdam in 2007, in addition to their already existing offices in San Francisco, New York, Washington D.C., London, and Shanghai. Clearly, that this continued establishment of new offices of foreign advertising agencies, or new start-ups, strengthens the position of Amsterdam as a key centre for international advertising.

### 3.6 Conclusions

In summary, the composition of today’s international advertising industry in Amsterdam is a mix of the exponents of the four waves of international advertising. This mix of advertising organisations could be named ‘the multiple faces of the advertising industry’. First, as a product of the first two waves of international advertising, there are the global network
advertising agencies (GNAAs). These advertising agencies were assimilated into large holding companies. The holding companies Omnicom, WPP, Interpublic, Publicis, and Havas dominate the international advertising industry of today. Each of these holding companies consists of a few different GNAAs. For example, Omnicom consists of three different global network advertising agencies: BBDO, DDB, and TBWA. With only a few exceptions, most of the GNAAs are represented in the Netherlands and they are nearly all located in Amsterdam and Amstelveen. Second, the exponents of the third and fourth wave are the independent international advertising agencies. The founders are usually the owners of the agency, rather than anonymous shareholders, as is the case with the GNAAs. In comparison to the GNAAs, third and fourth wave agencies are small and have only a few offices.