Advertising Amsterdam: the rise and growth of an international advertising industry

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6.1 Introduction

This chapter will outline the organisational structures and geographical dispersion patterns of the GNAAs and the independent international advertising agencies in Amsterdam. There is immense contrast between the multi-layered, extensive and far-flung office networks of the GNAAs and the international independents, which operate only from one or a few different offices. The underlying spatial logic of the presence of both types of advertising agencies in the city of Amsterdam is partly different as well. The GNAAs have offices in most of the (developed) countries in the world, and their presence in the Netherlands is not particularly unusual. In contrast, the international independent agencies have a different underlying spatial logic; they strategically choose one or a few specific cities as location(s) for their international operations. The location choice is based on the city’s competitive assets. This chapter will discuss some of the competitive assets of Amsterdam.

6.2 The organisational structure of the GNAAs

The internationalisation of GNAAs is a process that already started early in the 20th century, as was already emphasised in Chapter 3 on the four waves of international advertising. Already in 1889, the first American advertising agency (J. Walter Thompson) opened a foreign branch office in London. After World War One, additional American advertising agencies started to internationalise their operations and opened overseas branch offices. J. Walter Thompson was also the first American agency to enter the Netherlands in 1928. The growth of these advertising agencies generally followed in parallel to the international expansion of their major clients. For example, J. Walter Thompson followed the growth of their client General Motors (West, 1987; Pouillard, 2005).

A true international invasion of American advertising agencies into the Netherlands started only after World War Two, particularly from the 1960s onwards. Chapter 4 showed that American agencies (such as Ted Bates, Young & Rubicam, Foote, Cone & Belding, and BBDO) entered the Netherlands by taking over local agencies in Amsterdam. The rapid international expansion of these advertising agencies was primarily financed through stocks.
As demonstrated in Chapter 3, the internationalisation of American advertising agencies triggered a response by their European counterparts. Advertising agencies that were founded in London and Paris in the 1970s (such as Saatchi & Saatchi, Lowe, TBWA, and EuroRSCG) opened offices or took over local agencies in Amsterdam (or Amstelveen) from the 1980s onwards. In the study of globalisation of the advertising industry, most emphasis has been placed on the process of internationalisation of the office networks of GNAAs. The rise of international advertising is seen as part of the growth of the advanced producer services industries in general, which have significantly facilitated and contributed to contemporary economic globalisation (Taylor, 2006b; Sassen, 2002; Leslie, 1995). Although the initial internationalisation of advertising already started in the early 20th century, the peak in terms of takeovers, mergers and growth of GNAAs came during the 1980s and 1990s.

Next to the horizontal expansion of takeovers, another similar process took place within the GNAAs. The portfolio of activities under the umbrella of the GNAAs diversified, partly as a result of the changing media landscape. Next to the core advertising agency, a variety of specialist agencies were established, and soon these specialized daughter agencies also started to form international networks. Under the umbrella of a GNAA there are specialised interactive (sometimes called online or digital) agencies, direct marketing, retail marketing, labour market communications, or action marketing agencies. Overall, they are called ‘Groups’ in the industry (Grabher, 2001). For example, if one takes a look at DDB in the Netherlands, the DDB Groep Nederland encompasses DDB (the core advertising agency) and the specialised firms Eigen Fabrikaat (action marketing), RAPP (direct marketing), Tribal DDB (interactive), and DataBay (data-analysis/research) (DDB, 2009). Except for Eigen Fabrikaat, the other agency names have uniform brand recognition worldwide. These specialised agencies have followed the same growth pattern as the core advertising agencies, generally by taking over local agencies or by founding new local agencies. The international intra-office networks are generally less widespread compared to the core advertising agencies. For example, Tribal DDB had 54 offices in 36 countries in 2009 (compared to over 200 DDB offices in 90 countries) (TribalDDB, 2009).

Also a supra-organisational layer has emerged on top of the GNAA structure: the holding company. Taylor (2006) argued that the rise of these mega-holding companies has produced a general trend of increasing concentration in the global advertising industry. The extreme growth figures of these holding companies are generated by taking over agencies around the globe. The largest single holding companies encompass a large variety of different agencies, including several large GNAAs. Under the umbrella of the holding company the different GNAAs have retained their brand identities. Grabher (2001, p.356) argued that ‘by retaining the separate identities of agencies and networks, the Group (holding company) can control
a larger client base and can overcome the growth barrier posed by account conflicts’. For example, it is quite unlikely to have two different car brands in the account portfolio of one single GNAA. However, the presence of different advertising agencies with unique identities under the same umbrella solves this problem: ‘the internal diversity of the Group (holding company) allows for a broader portfolio of clients which in turn reduces the risk of becoming locked into the organisational and cultural idiosyncrasies of a client’ (Grabher, 2001, p.356).

Table 6.1 The largest ten holding companies in the world in advertising and marketing communications in 2007

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<tr>
<td>1</td>
<td>Omnicom Group</td>
<td>New York</td>
<td>12.7 bn</td>
<td>6.7 bn</td>
<td>6.0 bn</td>
<td>70,000</td>
</tr>
<tr>
<td>2</td>
<td>WPP Group</td>
<td>London</td>
<td>12.4 bn</td>
<td>4.5 bn</td>
<td>7.9 bn</td>
<td>90,000</td>
</tr>
<tr>
<td>3</td>
<td>Interpublic Group</td>
<td>New York</td>
<td>6.6 bn</td>
<td>3.7 bn</td>
<td>2.9 bn</td>
<td>43,000</td>
</tr>
<tr>
<td>4</td>
<td>Publicis Groupe</td>
<td>Paris</td>
<td>6.4 bn</td>
<td>2.7 bn</td>
<td>3.7 bn</td>
<td>44,000</td>
</tr>
<tr>
<td>5</td>
<td>Dentsu</td>
<td>Tokyo</td>
<td>2.9 bn</td>
<td>0.06 bn</td>
<td>2.9 bn</td>
<td>17,000</td>
</tr>
<tr>
<td>6</td>
<td>Aegis Group</td>
<td>London</td>
<td>2.2 bn</td>
<td>0.5 bn</td>
<td>1.7 bn</td>
<td>15,000</td>
</tr>
<tr>
<td>7</td>
<td>Havas Groupe</td>
<td>Suresness (Paris)</td>
<td>2.1 bn</td>
<td>0.7 bn</td>
<td>1.4 bn</td>
<td>14,500</td>
</tr>
<tr>
<td>8</td>
<td>Hakuhodu DY</td>
<td>Tokyo</td>
<td>1.4 bn</td>
<td>n.a.</td>
<td>n.a.</td>
<td>8,500</td>
</tr>
<tr>
<td>9</td>
<td>MDC Partners</td>
<td>Toronto</td>
<td>547 mn</td>
<td>439 mn</td>
<td>108 mn</td>
<td>6,500</td>
</tr>
<tr>
<td>10</td>
<td>Alliance Data Systems</td>
<td>Dallas</td>
<td>469 mn</td>
<td>440 mn</td>
<td>29 mn</td>
<td>2,000</td>
</tr>
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Source: Advertising Age (2008)

The two largest holding companies were established rather late, Omnicom in 1986 in New York and WPP in 1987 in London. In Table 6.1 the world’s ten largest holding companies in marketing and advertising communications are shown. Omnicom and WPP are about the same size, although WPP employs significantly more people. The number three and four, Interpublic and Publicis are both of comparable size about half the size of number one and two. The number five Dentsu, is far behind and primarily focused on the Japanese and Asian markets. The Aegis Group is more focused on media rather than advertising. The top four holding companies each consist of three or more different GNAAs, with diverse backgrounds Omnicom consists of two GNAAs with an American background (DDB and BBDO), but also includes TBWA that originated from Paris. WPP, although based and originating from London, does not include a single GNAA of British origin.
Ogilvy, Young & Rubicam, JWT, and Grey were all founded in the United States. Two GNAAAs founded in London, Saatchi & Saatchi and Lowe, are owned by a French (Publicis) and an American holding company (Interpublic) respectively. Next to Saatchi & Saatchi, the Publicis Group includes the GNAAAs Publicis and Leo Burnett. The Havas Groupe also includes a large and important European GNAA: EuroRSCG. McCann-Erickson is part of the Interpublic Group.

It must be emphasised that the GNAAAs are among the largest firms under the umbrella of these holding companies, but they also include one or more media companies, which are mainly engaged in buying media space for placing advertisements. Next to advertising, there are also several marketing related firms under the roof of holding companies, such as public and customer relations firms. These firms are sometimes even of comparable size to the GNAAAs. For example, WPP housed a total of 266 different companies in 2009, out of which four are GNAAAs (WPP, 2009).

Figure 6.1 Organogram of the Omnicom Group and its firms in the Netherlands in 2007

Source: Author’s illustration, based on Hafkamp & Geerts (2007)
In Figure 6.1 the Omnicom Group is further subdivided. Each individual GNAA has over 200 offices worldwide. Next to these large advertising agencies, there is also a global marketing network, which is named DAS Global. This agency network consists of firms specialised in customer and personal relations. Omnicom’s media company is named OMD and also has multiple offices around the globe. Each GNAA of Omnicom functions as a group in the Netherlands. Next to the core advertising agency, these groups consist of several specialised firms. Both DDB and TBWA have two group organisations in the Netherlands. Next to the TBWA Group, there is also the ARA Group, which is based in Rotterdam. ARA is the only group that is part of a GNAA and based outside the Amsterdam region. Next to the groups, TBWA in the Netherlands also includes some individual agencies, of which some have a regional function. Next to the DDB group there is also the Etcetera group, which is based in Amsterdam.

Figure 6.2  Growth rate of the Omnicom Group between 1994 and 2006

Source: Author’s illustration, based on Omnicom (2009)
6.3 **The function of the Dutch GNAA offices within the international network**

The headquarters of the individual GNAAs are not always located in the same cities as the headquarters of the holding companies. For example, all the four GNAAs owned by London-based WPP have their headquarters in New York. Actually, most of the worldwide headquarters of the GNAAs are based in New York, except for Publicis, which is still based in Paris, and Leo Burnett, which still has its worldwide headquarters in the city where it originates from: Chicago. The GNAAs have subdivided the world into continents or regions, each with a focused headquarters. For several agencies Europe also includes the Middle East and Africa (abbreviated as EMEA). Most of these European headquarters are based in London, but some also chose Paris.

The Dutch offices of the GNAAs are in most cases local hubs within the international networks. The relationship with the headquarters of the networks is mainly based on managerial and financial issues:

> ‘The consequence of having a stock exchange notation is that the level of reporting and auditing has increased sharply’ *(Publicis)*.

Financial managers present the financial results and the performance of their offices to the headquarters. Especially after the introduction of the Sarbanes-Oxley Act of 2002 in the wake of accounting scandals (Enron, WorldCom, and Ahold in the Netherlands), compliance has become the key word. One of the respondents at DDB also acknowledged that the influence of Omnicom has increased over the past several years:

> ‘Omnicom is particularly interfering with financial guidelines and procedures. As a consequence, the headquarters of DDB (in New York) impose targets on the individual offices around the world. However, Omnicom itself is more like some invisible controlling organisation to us’ *(DDB)*.

The degree of freedom granted to the individual offices partially depends on the number of local clients in their portfolios. The more local clients an agency acquires independently from the network, the stronger it is within the network. One respondent, who has worked for three different GNAAs in the Netherlands, argued that there is a lot of difference in the
way these agencies are managed by the international headquarters. The agency she currently is working for

‘feels most importantly as UbachsWisbrun that somehow has to do something with JWT’ (UbachsWisbrun/JWT).

The acclaimed local agency UbachsWisbrun was bought by PPGH/JWT in 2007, thus acquiring several strong local clients. At her previous employer, EuroRSCG, there was a different situation:

‘Most of the clients there were French multinationals. For LU and Danone we still had some creative freedom. For Peugeot and Citroën nearly all was planned and appointed by the headquarters in Paris’ (UbachsWisbrun/JWT).

The case of the digital daughter company of EuroRSCG in the Netherlands, EuroRSCG/4D, is quite different. This is one of the leading offices within the international network of 4D and manages several international client accounts, such as Volvo and Beck’s EuroRSCG/4D. The international profile of EuroRSCG/4D within the Netherlands is quite an exception, because most other GNAA offices have a decidedly local profile.

Next to the link with the international headquarters of GNAAAs, the local offices sometimes also collaborate with other offices in the network, for the needs of international campaigns. The DDB respondent argued that the Dutch office has more contact with New York than with London. DDB has the international Philips account in its client portfolio, on which the New York and Amsterdam offices collaborated intensively. The respondent argued that usually the international campaigns for this client are developed in the office in New York, although the Amsterdam (Amstelveen actually, but they like to use ‘DDB Amsterdam’) office is the coordination centre for the Philips account. Nevertheless, an increasing number of the international campaigns are being developed from Amsterdam. For example, in 2009 the digital daughter company Tribal DDB Amsterdam won the most prestigious award at the Cannes Festival – the Grand Prix – for their international online campaign for a new Philips television set. Another agency, FHV/BBDO, also mentioned that it sometimes collaborates with the other office within the network:

‘People from our office have collaborated with BBDO offices in Germany and Poland for

7 The commercial ‘carousel’ can be watched at YouTube: http://www.youtube.com/watch?v=2YFkwtpGZo (last accessed on August 31, 2009).
While the GNAAs have extensive and far-flung office networks (sometimes counting more than two hundred offices worldwide), the independent advertising agencies are much smaller. The older GNAAs have followed a growth strategy of ‘being global but acting local’, by establishing or taking over offices in most of the local market areas of their clients. The independent agencies remain relatively small; their philosophy is to create cross-border advertising without expanding profusely in offices or staff. A former executive creative director of 180 Communications argued a few years after the start of the agency that their particular business model could be exported to several other locations:

‘In the end, if everything will evolve positively, we could export this business model to the United States, Latin America, or Asia. Rather than having seventy-five offices worldwide to service your clients, we can be effective with only four offices for example. They only need to have a global outlook, just like the office in Amsterdam’ (Gons, 2002).

This strategy was pioneered by international independent agencies, such as Wieden + Kennedy and Bartle Bogle Hegarty. These independent agencies have rather different underlying strategic motivations for choosing particular office locations. Most importantly, the city
has to be able to function as an international hub for the agency. Most of the independent agencies have only one or a few offices on one continent. In fact, the offices of the independents function as continental (or global) hubs, whereas the offices of the GNAAs mostly function as local hubs.

Figures 6.3 and 6.4 contrast the connection of Amsterdam with other cities in terms of intra-office networks of independent agencies. These figures are based on seventeen independent agencies that have an office in Amsterdam and at least one more office in another city outside of the Netherlands. International independents with only one office in Amsterdam were left out of this analysis. Amsterdam is most connected to London, followed by New York. In absolute numbers there are seven connections to London, and six to New York. These two traditional advertising centres are followed by, quite surprisingly, Montreal in Canada. Montreal again is followed by a group of seven cities to which Amsterdam-based independents have two connections: Los Angeles, San Francisco, Toronto, Vancouver, Shanghai, Milan, Stockholm, Tokyo, and Paris. Finally, there is a group of nineteen cities to which there is only one office connection.

From the seven connections to London, only two are established by agencies that originated there: Naked Communications and De-construct. KesselsKramer is the only Dutch agency with an office connection to London. The other four connections to London are to the branch offices of agencies that were founded in other cities, for example Wieden + Kennedy from Portland. There are six office connections to New York, but none originated there nor

Figure 6.3 Distribution of intra-office linkages of independent advertising agencies between Amsterdam and other cities

![Chart showing connections to various cities](chart.png)

Source: Author’s illustration
have any Amsterdam founded agencies opened a branch in New York. Former Strawberry-Frog, which was founded in Amsterdam, has its headquarters in New York. However, they split from StrawberryFrog Amsterdam in 2008, which continued alone under the new name of Amsterdam Worldwide. In 2010 StrawberryFrog decided to re-open in Amsterdam. Although London and New York are most connected to Amsterdam, it seems that not many of the international independents in Amsterdam have their roots in these two oldest centres of advertising. This finding emphasises that many fourth-wave international advertising agencies were founded outside of the traditional advertising epicentres. Nevertheless, many independents still seek to establish a presence in these cities.

The relatively high number of connections to Canadian cities is a bit of a surprise. Three independent Montreal based agencies have established an office in Amsterdam: CloudRaker, (not present anymore in Amsterdam) Sid Lee, and Taxi. Another agency, Blast Radius, has its origins in Toronto. Internationally acclaimed Taxi\textsuperscript{8} only recently entered Amsterdam in 2009, by buying a majority share of the local agency Ottonico, a method usually used by GNAAs.

The two connections to Los Angeles are from 180 Communications and 72AndSunny. 180 Communications was founded in Amsterdam, while 72AndSunny simultaneously established two offices from start, one in Los Angeles and one in Amsterdam. A few other independents have their roots in other smaller American cities, such as Wieden + Kennedy from Portland, Modernista! from Boston, and AKQA from San Francisco. In Europe, apart from London, only three agencies from other cities established offices in Amsterdam: Springer & Jacoby from Hamburg, Perfect Fools from Stockholm, and LG&F (now called Rich) from Brussels. There is only one agency that has an Asian (Japanese) connection, Cayenne Communications.

\textsuperscript{8} Taxi was for five consecutive years on row chosen as one of Canada’s best managed firms by the Accounting financial service company Deloitte (\textit{Van Nierop}, 2008).
Figure 6.4 World map of intra-office networks from Amsterdam-based independent advertising agencies

Source: Author’s illustration
6.5 Amsterdam’s competitive assets

Amsterdam is attractive to entrepreneurs and people from the international advertising industry, in particular from the Anglo-Saxon countries. There are various reasons why Amsterdam is so attractive and, as it is difficult to rank the most attractive pull factors, I will now present in arbitrary order some of the most often mentioned items by the respondents.

6.5.1 The large number of international marketing departments

Anglo-Saxon (American, Canadian, and English) advertising agencies use the Netherlands, and then specifically Amsterdam, as a marketing gateway to the European backcountry. One of the respondents (180) argued that many multinational firms have their international headquarters, European distribution centres, or just their international marketing departments in Amsterdam or elsewhere in the Netherlands. For example, 180’s main client Adidas has its international marketing department in Amsterdam, amongst others due to the attractive tax climate. Wieden + Kennedy came to Amsterdam in 1992, when Nike established their European headquarters in Hilversum in the Netherlands. Boston agency Modernista! established a presence in Amsterdam in 2006 because of their client General Motors Europe:

‘Hummer is distributed throughout Europe by a company which is Dutch based. They have their headquarters based in Breukelen. So, obviously to be based near the main distributing partner was very logical. So for that brand it made complete sense to be in Amsterdam. But we have aspirations to be a growing agency, with other pieces of business. Managing Europe wide, a wider sort of communications’ (Modernista!).

However that did not happen, Modernista! had to stop its activities in Amsterdam due to the major problems of their client General Motors over the last years. AKQA is another agency that voluntarily established an Amsterdam presence in order to be closer to their clients and provide more service to them:

‘The reason to come here in the first place is because we had three clients that are based here: Nike Europe, Unilever, Diageo, and by being here we can provide them better services. We were not asked by the clients, it was a voluntarily decision’ (AKQA).

Although it is only one of the reasons; the large number of international marketing departments of multinational firms that are located in the Netherlands has obviously been
important for the growth of Amsterdam’s advertising industry. In 2005 there were 5,380 foreign firms established in the Netherlands. About thirty percent (1,600) of these firms originated from the United States, with Germany coming in second (1,015), followed by the United Kingdom (698), Scandinavia (382), and Japan (320). Looking at types of operations, 454 of them can be considered (international) headquarters and 620 (international) distribution centres (Ministry of Economic Affairs, 2006). Both types of operations frequently have (international) marketing departments.

6.5.2 The creative climate and labour market

Amsterdam is generally considered a rich cultural and creative city, and therefore very attractive for creative people from all over the world. For centuries, Amsterdam in particular and the Netherlands in general have been considered as a safe haven for creative minds from all fields (Volten, 2008). The foundations for this climate were laid in the Golden Age of the 17th century, when Amsterdam emerged as the most prosperous and dominant city in the world. During this period, the infrastructure needed for international trade was developed, such as financial institutions, insurance companies, and transport firms: ‘Amsterdam was in fact a global city avant la lettre in this era’ (Musterd & Deurloo, 2005, p.80). Amsterdam also provided safe refuge to dissidents, such as the Huguenots from France or Sephardic Jews from Portugal and Spain. Next to a tolerant attitude towards people with different beliefs, one of the underlying reasons for being received so well was because they were generally well-educated and had valued knowledge and skills. These new groups produced influential figures, such as philosopher Benedict de Spinoza (Israel, 1998).

The rising prosperity in Amsterdam also created a demand for cultural products. Kloosterman (2004, p.243) argued that ‘the astonishing blossoming of painters can be seen as the outcome of a complex interaction between changes on the demand and the supply side of the market for paintings’. The paintings of 17th century artists such as Rembrandt van Rijn, Johannes Vermeer, Jacob van Campen, and Frans Hals, today attract millions of people to Dutch museums, e.g. the Rijksmuseum in Amsterdam. The historical profile of the city (visible in the architecture of the city centre and the various museums) along with the high density of shops, bars, restaurants, nightclubs, and music venues are strong pull factors for creative workers. I have already emphasised that the historical buildings in the city centre, such as merchant houses, churches, or warehouses, are prized office spaces by the independent advertising agencies.

Today, even with the Golden Age far behind it, Amsterdam and the Netherlands are still economically prosperous, especially from the early 1990s onwards. Cultural industries are
among the fastest growing industries in Amsterdam (but also in several other cities in the country). Chapter 5 already elaborated on the cultural industries and the performance of individual industries over the last years. In some specific cultural industries, key figures or firms have a very prominent global role. In architecture, several Dutch architects are internationally acclaimed and design prestigious projects all over the world. Rem Koolhaas’ office OMA is probably the most famous example, but there are also others: UN Studio, MVDRV and West 8 (Kloosterman, 2008; 2010). However, except for UN Studio, all the other firms are based in Rotterdam, the Dutch architecture centre. Dutch graphic design is also highly praised, also reflected by scores of foreign designers who want to work for acclaimed graphic design firms in the Netherlands (Röling, 2003). Next to architectural and graphic design, a variety of international interior and product designers have emerged in the Netherlands.

The Design Academy in Eindhoven is one key contributor to this trend, although the established designers usually settle in the Randstad. Nowadays, the Design Academy in Eindhoven is one of the leading institutions in the world (Wiltshire, 2006). Dutch design is also highly revered by media outlets, such as the New York Times: ‘The best international design used to be Italian, from the Brionvega television of the 1960’s to the sleek Cappellini sofas and Boffi kitchens of the last decade. But increasingly it is Dutch product designers who are making waves’ (Effringer, 2003). Several of these designers are or used to be related to the design collective Droog Design, for example Hella Jongerius and Marcel Wanders. Former students of the Design Academy also founded the successful international firm Bugaboo (pushchairs for infants), which has its headquarters in Amsterdam and is a client of independent agency 72AndSunny. Among the fastest growing cultural industries in Amsterdam are fashion design and audiovisual production for television and radio (Van der Groep, 2010). One of the respondents even argued that Amsterdam could possibly develop into a ‘denim capital’, because three important denim fashion houses originate from the city: G-Star, G-sus, and Blue Blood (Springer & Jacoby).

All in all, the high density of cultural and creative amenities (such as museums, bars, nightclubs, creative firms and individuals) is considered as a source of inspiration for creative workers in the advertising industry. Creative people feel comfortable in this climate:

I think there is a lot of cultural and creative inspiration here. You have a lot of museums. Artists live here, musicians live here. It is a city that’s on the tour, so everybody who is touring Europe as a musician, or an artist, Amsterdam will be part of that. It is certainly full of creative inspiration. When you hang out with creative people, they need to enjoy life. They need to come up with new ideas. So if you sit in an office all day, you don’t come up
with creative ideas. But if you go out and enjoy life, you tend to come up with more ideas. I think that Amsterdam’s pace of life and its culture stimulate creativity. (Wieden + Kennedy)

Chapter 5 already demonstrated that Amsterdam and environs (the North Wing) should be considered as the creative epicentre of the Netherlands, because it houses the highest concentrations of jobs in most creative industries. The exception is architecture, where Rotterdam has the lead. I also showed that the highest concentration of advertising jobs is found in the North Wing of the Randstad, covering about a third of all advertising jobs in the Netherlands. The large number of creative people in Amsterdam and its surrounding areas constitute a creative labour pool for the advertising industry. One of my respondents argued this was one of the decisive pull-factors for establishing an office in Amsterdam:

‘We also want to tap in the Dutch creative talent pool…this is something which the international advertising industry is fully aware of’ (AKQA).

It is not only the presence of a local creative labour pool that is important. It is also important that the local advertising cluster is well-connected with the global labour market of talented advertising creative personnel. Independent agencies that produce international campaigns depend on employing a multi-cultural staff from all corners of the globe. Most respondents agree that the added value of Amsterdam is its ability to attract people from all over the world:

‘Many people in the international advertising industry would like to work for several of the top agencies here in the Netherlands. It is known as a country which is well-organised, with a nice lifestyle, and it is one of the only countries outside of the Anglo-Saxon world where you can really work in English’ (180).

Agencies with a strong international reputation have the benefit of being sought out by the creative professionals. The most acclaimed agencies hardly have to recruit:

‘Usually, talented professionals make offers to us. Or sometimes you see the portfolio of a creative professional you don’t want to let walk away to another agency. Erik (Kessels) gives lectures around the world, and at such occasions he meets talented professionals as well. But generally we receive between fifty and one hundred letters a week of people from anywhere who want to show their portfolios to us. Although it can be difficult to pick the right ones’ (KesselsKramer).
6.5.3 Schiphol Airport

Amsterdam’s Schiphol Airport is one of the major European hubs for international air traffic. It is very close to the city, only twenty minutes by train and from Amsterdam-Zuid an even shorter ten minutes. International advertising agencies depend on air connections for their client networks, for their foreign employees, for external creative networks, or for film shootings on foreign locations. The close proximity and the high number of flight destinations make Schiphol a real asset for the city; a major international airport is considered as a precondition for international business:

‘Schiphol is a big bonus, a big apple, you can go anywhere from here. Even London (laughing)… There are a few flights to Atlanta every day. Our client Coca Cola has its headquarters there. So having Schiphol is a big part of what makes Amsterdam an international city. It is a very big apple and it goes to a lot of places’ (Wieden + Kennedy).

The respondent from KesselsKramer reported that he took on average about fifty return flights a year, with some rather crazy flight schedules:

‘Once I came back from Tokyo to Paris, from Paris to Amsterdam, to find out in Amsterdam that a new meeting was planned in Athens, and that my flight would leave within two hours. I had to buy clean clothes at the airport’ (KesselsKramer).

He also shared another example from a colleague:

‘She went to a shooting of a commercial in Argentina, for which you need to fly via Sao Paulo. She spent a week there and afterwards she had another shooting in Japan, after which she flew back to Amsterdam. She literally made a trip around the world within two weeks’ (KesselsKramer).

6.5.4 A favourable tax climate

Canadian top creative independent advertising agency, Taxi, decided in 2008 to establish their European headquarters in Amsterdam. In 2009 they realised this ambition by taking over an already existing Dutch agency called Ottonico. Amsterdam was chosen over their option number two London and the earlier considerations of Paris and Barcelona. In the several reasons mentioned by Taxi’s founder Paul Lavoie, he highlighted a key advantage: ‘Amsterdam has some interesting tax advantages’ (Couzy, 2009). The Dutch government uses its tax policy as a vehicle to increase its competitiveness to attract foreign investment.
In the last few years the corporate tax rates have been significantly reduced, in order to make the country more attractive. In a report by the Dutch *Innovatieplatform*, the Dutch corporate tax climate ranks sixth among EU countries, right after Ireland, Switzerland, Denmark, Poland, and Hungary, but before countries as the United Kingdom, France, Germany, or Spain. The income tax rate for foreign knowledge workers (set at 30%) is also lower compared to the tax rates for Dutch citizens (*Innovatieplatform, 2009*).

### 6.5.5 The quality of life

The ‘quality of life’ in a city is an important attraction factor. Richard Florida (*2002, p.231*) uses the term ‘quality of place’ to refer to the unique set of characteristics that define a place and make it attractive. Each year, the international consultancy firm Mercer conducts a quality of life research, covering more than two hundred cities worldwide. Their ranking is based on several social, economical, cultural, housing and infrastructure-related factors. In 2009 Amsterdam was ranked on the solid twelfth position, one position higher than the year before. In 2009 Austrian capital Vienna ranked first, displacing the 2008 number one – Zürich. European cities, together with cities from New Zealand, Canada and Australia, dominate the top twenty-five of the list. The first city from the United States is Honolulu on a 29th position, and the first Asian city is Singapore on a 26th position. It appears that large-sized European cities such as Paris (33rd) and London (38th) have a significant lower quality of life, compared to the smaller global cities on the top positions of this ranking (*Mercer, 2009*).

Muster and Deurloo (*2006, p.92*) argued that the physical, social and cultural characteristics of Amsterdam’s urban structure cannot be replicated easily and are therefore distinctive competitive assets. The combination of these factors has created an entirely ‘unique urban fabric’. Amsterdam is considered as a cosmopolitan global village by people in the international advertising industry:

> ‘Multiculturalism is important for international agencies. There are so many people from so many places here and they all interact in English in an easy way’ (*Wieden + Kennedy*).

The pace of life is considered laidback but still business focused. The bike culture is another important advantage for many people, as attested by Alex Melvin one of the founders of 180:

> ‘My commuting time to work is only six minutes on a bicycle. We have 150 people here and only one car owner amongst us all. We all work in a stressful industry, but when you leave the front door at work there is a beautiful canal and within an hour and a half in the plane’
you are in the south of France’ (Parekh, 2009).

The commuting factor was stressed often:

‘All our people are living in Amsterdam, in the centre or the surrounding areas such as Westerpark. If you compare this to London or San Francisco, London in particular, there you live a long way from your office, so one of the attractions of coming here is not having to commute and you can ride a bike in 10 minutes to your office. You can live the city life and work in the city as well, which makes it very attractive’ (AKQA).

A former Swedish creative director of AKQA (Martin Cedergren) argued that ‘Amsterdam is attractive to live in. Especially for advertising people that got fed up with New York or London. Long working days are common in our business and therefore the compact size of the city is so attractive’ (Adformatie, 2007a, p.43). Above all, Amsterdam is known for its tolerant and open-minded atmosphere:

‘Amsterdam’s lenient laws that tolerate prostitution and marijuana don’t hurt either. That kind of liberal attitude is appealing to creative thinkers of all disciplines, including musicians, dancers and photographers’ (AmsterdamAdBlog, 2009b).

6.6 Conclusions

The different spatial and organisational composition of the GNAAs and the independent advertising agencies has been outlined in this chapter. The GNAAs are part of large holding companies, which include a large variety of different advertising, marketing, and media-related firms with far-flung office networks all over the globe. Within the Netherlands we see these GNAAs are mostly organised in ‘Groups’, which include next to the core advertising agency a few different specialized agencies in for example online advertising, direct marketing, or labour market communications. Although these GNAAs are interwoven in worldwide intra-office networks, it seems there orientation is mainly local in terms of clients and labour profile. This preliminary conclusion will be further examined in Chapter 8 on the project networks of the advertising industry in Amsterdam.

The presence of GNAAs in the Netherlands is not so unique, as you will find them in most of the developed countries in the world. The presence of international independent agencies in Amsterdam is more unique in contrast. This chapter showed that the background of the
foreign independents with a presence in Amsterdam is mainly Anglo-Saxon. They use their Amsterdam office as a ‘marketing gateway’ to the European backcountry. The choice for an office in Amsterdam is based on some specific competitive assets, such as a favourable tax climate, the creative atmosphere and labour market, the presence of international headquarter, Schiphol Airport, the possibility to work in English, or the general quality of life. These factors are of course also beneficial for GNAAs, but Amsterdam can exploit them in order to attract international independent agencies to the city.