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

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Creativity and reproduction in the advertising industry: awards and spin-offs
7.1 Introduction

This chapter will take a look at the role that creativity plays in the advertising industry and in particular how creative recognition by winning advertising awards enhances growth. Both on the national, as well as on the international level, there is a large variety of awards: some value creativity, others effectiveness, while others reward specific (media) disciplines or niches. The focus will be on the performance of Dutch advertising agencies and individual creative professionals in the various award festivals since the early 1990. The first section of the chapter is linked to the second section on spin-offs and knowledge spillover in the advertising industry in Amsterdam. It will be demonstrated that successful advertising agencies (in terms of winning awards) are likely to experience spin-offs. Also, the reputation granted by winning awards increased the chances for success of the spin-offs. Some of the most important spin-offs since the early 1990s will be discussed, with a special focus on Wieden + Kennedy, its spin-off agencies, and knowledge spillover.

7.2 The Dutch advertising awards

Creativity is one of the essential driving forces in the advertising industry; it determines the competitive advantage of individual advertising agencies. This argument even goes beyond the level of the individual agency, as it also determines the reputation of the advertising industry on the national level, or the overall reputation of the advertising industry within an individual city. Andy Pratt (2004, p. 1) argued that ‘it is a common claim that the British advertising industry’s competitive advantage, or at least its unique quality, is the deployment of creativity in its practice’. In the chapter on the four waves of advertising was already stressed that creativity has become increasingly important due to a variety of recent changes, in particular the diversified media landscape and the increasingly reflexive consumer (the result of the process of individualisation). Technological innovation has created new opportunities to target consumers through a diversified set of media channels. At the same time, it has increased the available media channels, thus making advertising more complicated than in the days of the traditional media landscape (press and television). These additional opportunities drive creativity today.
The main recognition of creativity in advertising are the award competitions in the industry. Till and Baack (2005, p.47) mentioned that ‘advertising agencies pride themselves on industry awards, which are often focused more on the creativity of the advertising than brand performance’. In the Netherlands there is quite a variety of different awards. The most important award in the Netherlands for creativity is the Lamp, organised on a yearly basis by the Art Directors Club Nederland (ADCN). This is the most sought after award by the creative professionals in the industry, because it is a jury of peer creative executives from the industry. The most important award from the perspective of the advertiser (the client) is the Effie, which is an award for the most effective campaigns developed, i.e. brand performance. This award is organised in joint collaboration between the branch organisation for advertising agencies Vereniging van Communicatie Adviesbureaus (VEA) and the branch organisation for advertisers Bond van Adverteerders (BVA) (VEA interview). Next to the Effie there is also a second advertiser organised award, the Accent, organised by the Stichting Adverteerdersjury Nederland (SAN).

Further there is the Esrix, an award which has been introduced for the ‘most intelligent, activating campaigns, which use innovative ways to reach their target group(s)’ (Esrix, 2009). The Magneet, organised by Stichting Jaarprijzen Personeelscommunicatie (SJP), was initiated in 1985 in order to promote creativity in labour market communications (SJP, 2009). The Spin Awards were introduced in 1998 with the objective to stimulate brand performance through creativity in various forms of interactive advertising campaigns (Spin Awards, 2009). This award is probably the most important recognition of the new media landscape. Other awards, such as the Lampen, also have introduced a special category for interactive campaigns, but the Spin Awards have further specified the concept of interactive campaigns, with special categories for online campaigns, cross-media concepts, website concepts, mobile applications concepts, gaming concepts, and interactive video concepts (Spin Awards, 2009). Finally there is also one award where the consumers determine the winner, the Gouden Loekie. This award is presented to the agency that creates the best commercial on Dutch television according to popular votes by consumers.

These awards and all the branch organisations behind them form an important part of the institutional landscape of the advertising industry. One could say that they play an important role in the institutionalisation and stimulation of creativity within the industry. Next to the creative production networks, award competitions are one of the essential backbones of the Bourdieuan ‘creative field’ in the advertising industry (Bourdieu, 1993). Scott (2000, p.30) argued that the dense and many-sided agglomerations of cultural industries function as fields of creative effects. Emphasising these local economic activities can act as a catalyst for obtaining higher rates of creativity and innovation. The award competitions are an essential
element in this creative field because they function as a showcase and platform for peer recognition of the agency’s creative innovative capacity.

Individual agencies need to follow creative strategies in order to be competitive; by winning advertising awards agencies enhance their reputation, which most likely leads to growth. Apart from gaining reputation on the agency level, advertising awards also benefit individual creative employees in their career development in the form of financial rewards and possibilities for job transfers. With an award rich curriculum vitae, they are more likely to succeed in attracting new clients if they start a new agency. One respondent argued:

‘that some of the awards are beneficial for the reputation of the agency, others for the brands or clients themselves. For advertisers the Effies or the Accenten are much more important, while for the creative professionals the Lampen. The award festivals are actually part of the system. Creative directors know very well who is winning awards and who is not. There are some agencies that don’t compete in these awards festivals, but you deny your creative people to build on their CV’s’ (UbachsWisbruun/JWT).

Once a year, Adformatie magazine publishes a special report (Bekroningenbijlage) on the Dutch awards. In 2008, TBWA/Neboko was the most awarded agency with eleven awards, followed by Publicis (nine awards), while N=5 and DDB both won eight awards (Adformatie, 2008b). Next to a list of awarded agencies, there is also a list presented of the individual creative professionals and their awards, plus a ‘hall of fame’ of individual creative professionals who have won more than ten awards from 1990 until present. Table 7.1 presents the list of the twenty most awarded creative professionals in the Dutch advertising industry. The most recognised creative professionals work or have worked for only a select few advertising agencies, in particular TBWA and DDB. One of the most awarded (in terms of Lampen) creative teams in the Netherlands is Lode Schaeffer and Erik Wünsch. They have won nearly thirty Lampen since 1990, first while working at DDB and thereafter with their own agency S-W-H (now called Indie) (Adformatie, 2008b). The same can be said of the individuals at position three and six in Table 7.1. After working as a very successful team at TBWA/Campaign Company, Diederick Hillenius and Poppe van Pelt decided to start their own agency together with another very successful team, Michael Jansen and Bas Korsten, who worked for DDB. The positions one and two in the hall of fame are surprisingly from a Rotterdam-based agency, which is called the PersoneelZaak. However, this agency is specialised in the niche section of labour market communications and they have mainly won the special award for this industry, the Magneten.
What is most striking from the point of view of this study is the almost complete absence of any foreign international independent agencies in the Dutch awards competition, except of Wieden + Kennedy, which has won seventeen Lampen. It appears that the very international independents only participate sometimes in the Lampen competition, while they use more the international award competitions in order to showcase their creativity to the global industry:

We are expected to do the best work….some offices are chosen because they are efficient, while clients come to Wieden + Kennedy for our creative work. We are not that efficient and strategically we are probably not better than anyone else in the world. So people come to Wieden for the reputation of our creative work, often because they have seen a piece of communication and they love it. I would say it is the most important factor of getting new business. (Wieden + Kennedy)
Table 7.2   Top 20 most awarded advertising agencies in the Netherlands since 1990
(including Cannes Lions)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Agency</th>
<th>Awards</th>
<th>Effie</th>
<th>Lamp</th>
<th>Magneet</th>
<th>Accent</th>
<th>Esprix</th>
<th>Lion</th>
<th>Others</th>
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<tr>
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<td>DDB</td>
<td>184</td>
<td>34</td>
<td>72</td>
<td>5</td>
<td>25</td>
<td>8</td>
<td>36</td>
<td>4</td>
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<td>2</td>
<td>TBWA/Neboko</td>
<td>168</td>
<td>10</td>
<td>81</td>
<td>2</td>
<td>26</td>
<td>19</td>
<td>25</td>
<td>5</td>
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<td>3</td>
<td>Lowe/Draftfcb</td>
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<td>22</td>
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<td>26</td>
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<td>4</td>
<td>Y&amp;R Not Just Film</td>
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<td>39</td>
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<td>24</td>
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<td>5</td>
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<td>95</td>
<td>16</td>
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<td>6</td>
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<td>6</td>
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<td>ARA Advertising</td>
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<td>Indie (S-W-H)</td>
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<td>15</td>
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</tbody>
</table>

Source: Marcom500B, 2009

Also, 180 Communications has discovered the Lampen, winning in 2008 two golden Lampen for two integrated campaigns for Adidas (Adformatie, 2008b). One of my respondents (with a British nationality) argued that most people of the international advertising community in Amsterdam are not aware of most of the Dutch awards competitions:

‘I think the new Spin Awards are very interesting here. They are important for the Dutch creative community, but the rest of the creative world is not aware of it and even most of the people in the international agencies in Amsterdam have never heard of them’ (AKQA).

It appears that agencies with many international clients, such as the international independent agencies, choose not to send in their work to the Dutch awards, preferring instead the international advertising awards. For an agency with an international focus it is much more important to obtain recognition on the international level. On the other hand,
the Dutch awards are very important for the GNAAs, due to their stronger focus on the local client market. There is a clear boundary between these two advertising communities in Amsterdam. On the one hand, there are advertising agencies (including the GNAAs) that predominantly focus on the local market, and consequently primarily participate in local award competitions (although they do send their work to international award competitions as well). On the other hand, there are the internationally oriented independent advertising agencies, which are not embedded into the local creative field of award competitions and instead focus on the international creative field of award competitions.

7.3 *International advertising awards*

There is a considerable variety of different international advertising awards, a Google search yields hits for numerous international advertising festivals in places that are far from leading advertising centres in the world, such as in Kiev, Dubai, Beijing or Montreux. Till and Baack (2005, p.48) estimate that around 500 advertising award shows are held each year, from specific niche awards (such as the International Travel Advertising Awards) to the big ‘attention-grabbing spectacles’ (such as in Cannes). Among the well renown festivals, the Clio Awards, argue that they are ‘the world’s most recognized global award competition for advertising, design, and interactive content’ (*Clio Awards, 2009*), a point highlighted by most organisers of international advertising awards. The Clio Awards were introduced in 1959 in the United States, during the heydays of American advertising and its waxing influence on the rise of mass consumer culture. Another international advertising festival from the United States is the New York Festival, which also includes competitions in broadcasting (radio and television) and films and videos (*New York Festival, 2009*). The origins of this festival date back to the same period as the Clio Awards: 1958.

A newer and quickly rising Internet focused festival related is the Webby Awards, which was already founded at the infancy of the Internet in 1996 in the US (*Webby Awards, 2009*). This festival honours excellence in design on the Internet and has a special competition for online advertising. In Europe, the London International Awards, established in 1986, also considers itself as ‘as a global leader honouring advertising, design and digital media’ (*London International Awards, 2009*). Another important European advertising award competition is the Eurobest advertising festival, which (as they all praise themselves) ‘since its inception in 1988 has been the premier awards for Europe’s creative advertising industry’
The 2009 competition was held in Amsterdam. The Eurobest Festival is organised by the same organisation (called International Advertising Festival) that is organising several advertising festivals, such as the Dubai International Advertising Festival and Spikes Asia. Above all, they are organiser of what can be termed as the Oscars of the advertising world: the Cannes Lions.

7.3.1 The Cannes Lions advertising festival

Each year in June the world’s largest and most renowned advertising festival takes place in Cannes at the Cote d’Azur in France. The history of the festival dates back to 1954. A group of cinema screen advertising contractors felt that makers of cinema advertising films should also benefit from official recognition for their work, similar to the motion picture industry. The International Advertising Film Festival was founded and the first competition took place in Venice in 1954, with 187 film entries from fourteen different countries. The festival alternated between Venice and Cannes, until 1984, when it permanently settled in Cannes. Since 2004, the festival is organised by British media company EMAP. To give an impression of the size of the festival; in 2008 more than 10,000 registered delegates from 85 countries attended the festival, the number of delegates more than doubles if one includes unregistered visitors (Cannes Lions, 2009).

The festival has expanded and added different categories into its competition. Today, there are eleven different categories: film, press, outdoor, direct, media, cyber, radio, promo, design, PR, and a special category which is called titanium and integrated Lions. For each category a special international jury of advertising professionals is selected; they make the preliminary selection from all the entries by creating a shortlist. Being short-listed is already considered as a small victory. During the festival week, the jury will decide which entries will be awarded with golden, silver, or bronze Lions. For each category also one ultimate winner is awarded with a Grand Prix. 2008 was a record year with more than 28,000 (paid) entries in all the categories. The economic crisis clearly impacted the industry, as the number of entries for the festival in 2009 dropped by twenty present (Cannes Lions, 2009).
7.3.2 The Dutch performance in perspective at the Cannes Lions Festival

Dutch agencies have performed quite well in Cannes. Figure 7.1 shows a table with the number of awards won by Dutch agencies from 1994 until 2008, separated in GNAAs and independent agencies. In terms of number of Lions, the United Kingdom and the United States regularly alternate on the number one and two positions, which is a testimony to their dominant position within the international advertising industry. The size of the countries, the size of their advertising industries, and language influence this success. However, the Netherlands generally perform well, reaching its best position in 2004 with an all-around third place in the country ranking. The Netherlands also performed quite well throughout the 1990s. In the start of the new millennium, there were some modest years, which were followed by the most successful period. The continually increasing contribution of independent agencies is also visible from the figure.

Other countries that performed well at Cannes and are experiencing a creative ascent include Brazil, Germany, and France, and to some extent Sweden, South Africa and Argentina. Brazil had especially outstanding performances in the years around 2000. At each edition of the Cannes Lions the overall Agency of the Year is chosen, determined by the number of Lions win. The Brazilian agency DM9DDB (a GNAA) was chosen as Agency of the Year two times in a row in 1998 and 1999, and again in 2005 and in

Figure 7.1 Number of Lions won by Dutch agencies from 1994 to 2008

![Graph showing number of Lions won by Dutch agencies from 1994 to 2008](image)

Source: Author’s illustration
2009. In 2000, another GNAA office from Sao Paulo was honoured with the same title: ALMAP/BBDO. The same agency would be on the second position in 2008, after Agency of the Year BBDO New York. These Brazilian agencies particularly excel in the print category, although they regularly win Lions in other categories as well. You could argue that Brazil, and Sao Paolo in particular, has emerged as one of the most creative advertising centres in the world over the last fifteen years. The rise of Germany is particularly thanks to the independent agencies from Hamburg (such as Springer & Jacoby, Scholz & Friends, and Jung von Matt), the creative epicentre of Germany’s advertising industry (Thiel, 2005). France has one particularly outstanding agency, Paris’ TBWA. This GNAA office was even chosen three times on a row as Agency of the Year at the Cannes Lions festival (from 2004 to 2006). Sweden’s competitive edge is in online advertising, with small independent agencies such as Farfar, Perfect Fools and Forsman & Bodenfors from Stockholm.

### 7.3.3 The performance of Dutch GNAAs at the Cannes Lions festival

Except for the year of 1997, Dutch agencies performed quite well throughout the 1990s. The majority of the Lions were taken home by the GNAAs agencies in the 1990s, which is not that strange considering that most of today’s important independents were not yet founded. In Figure 7.2 one can see the best performing Dutch GNAAs in Cannes.

**Figure 7.2** Most awarded GNAAs from the Netherlands at the Cannes Lions from 1994 to 2008

![Graph showing the performance of Dutch GNAAs at Cannes Lions](image)

Source: Author’s illustration
Particularly two agencies have been outstanding: TBWA and DDB. In the words of a DDB professional:

‘winning awards is beneficial for all the positive attention you get, but it is most of all important as your agency will most likely be put on several shortlists of firms who are considering a pitch for a new campaign’ \((\text{DDB})\).

A TBWA respondent argued that winning awards is important for their reputation:

‘We are considered as one of the leading Dutch agencies. Apart from our size and client portfolio, one of the main criteria is the number of national and international awards we have won’ \((\text{TBWA})\).

The heydays for TBWA were clearly the 1990s. By taking over successful agency Campaign Company in 1994 \(\text{(see Chapter 4)}\), TBWA incorporated considerable creative capacity, which was reflected in the following years by their winning of several Lions in Cannes. In the period from 1994 until 1999, TBWA won the majority of their Lions, thirteen out of a total of twenty-four. The specific client accounts were a mix of companies, such as Mercedes Benz, Hij (fashion stores), Guhl (shampoo), Samsonite, and Dutchtone (telecom), and also non-profit organisations such as SIRE (firework warning campaigns).

The other successful Dutch GNAA is DDB, with a total of twenty-nine Lions from 1994 until 2008, although their performance within this time span is more continuous over the years compared to TBWA. DDB Needham was already successful in the period from 1994 to 1996 with six Lions for their client accounts of Volkswagen and Centraal Beheer (insurance). In 1997, this agency took over the creative Dutch agency Result (consequently changing its name into ResultDDB, to finally become simply DDB), which would give them a boost and creative capacity, comparable with the takeover of Campaign Company by TBWA. In contrast to TBWA, DDB has won nearly all their Lions for only a few clients, particularly for Volkswagen, Centraal Beheer (\textit{Even Apeldoorn bellen…}), and to a lesser extent De Lotto (national lottery) and McDonald’s. Not included in this figure is the film Grand Prix the agency Tribal DDB Amsterdam (the interactive agency of the DDB network) has won for their international interactive campaign for their client Philips (cinema 21:9 television) in 2009 \((\text{Campaign, 2009)}\).
The first Dutch agency that won a Grand Prix was AP Lintas (this agency would become integrated into Lowe at a later stage) for their commercial for Rolo\(^9\) in 1996. Interestingly, Amsterdam-based film production company Czar, which also produced this commercial, was honoured with a Palme D’Or in 1996, an award for best production company of the year. It was the first time that a non-US based production company had received this special award. The third GNAA that has won a considerable number of Lions at Cannes is EuroRSCG. However, it must be mentioned that except for one Lion, all were won by EuroRSCG/4D, the interactive agency of the EuroRSCG network. Three of these Lions were won by Fuel Europe, the precursor of what is currently called EuroRSCG/4D. Among the GNAA offices in the region of Amsterdam this is clearly one of the most international, and thereby an exception. Most of these Lions were won for their international Volvo and Nokia accounts. The managing director of this agency argues that winning awards has given them considerable reputation within the international 4D network:

‘After EuroRSCG/4D in Paris, we are the most awarded office within the network. So if there are pitches for large client accounts of multinational firms, we are frequently involved from the start and could get a leading role’ (*interview EuroRSCG/4D*).

### 7.3.4 The performance of Dutch independents at the Cannes Lions festival

Apart from Wieden + Kennedy, none of the international independent agencies under scrutiny was founded before 1994. Newcomer Wieden + Kennedy already showed their value to Amsterdam’s advertising industry by winning two Lions for their creations for Nike in this year. The other two Lions (gold and bronze for print) were won by an agency with the peculiar name Orgasms Advertising. This agency would merge the following year into a new independent agency: BSUR (*MarketingWeek, 1995*). Until the year 2000, most of the Lions were still won by GNAAs; however, from 2000 the balance shifts in favour of the independents. Both in 1995 and in 1996, Wieden & Kennedy succeeded to win golden Film Lions for their Nike commercials. In 2007, they won a silver Lion for the commercial ‘happiness factory’, an animated commercial that showcases a fantasy life in a Coca-Cola vending machine\(^10\) (This silver lion was quite a disappointment, as many people thought there was a big chance to win the Grand Prix, and there was not even gold in the end).

\(^9\) Watch the Rolo commercial at [http://www.youtube.com/watch?v=7T1q1MfX-dA](http://www.youtube.com/watch?v=7T1q1MfX-dA)

\(^10\) To read the story about how the animation of happiness factory was created and to watch the commercial, check [http://veerle.duoh.com/blog/comments/coca_cola_the_happiness_factory/](http://veerle.duoh.com/blog/comments/coca_cola_the_happiness_factory/)
Both in 1998 and 1999, the newly founded agency KesselsKramer won a Silver Print Lion for their campaign for budget hostel Hans Brinker in Amsterdam, one of their first client accounts. The rather offensive campaigns for this hostel got considerable international attention. Rather than focusing on the positive aspects of this hostel, the advertisements enlarged the negative aspects of the hostel (KesselsKramer, 2009). One of the funniest examples was the little flags in dog feces in the city centre of Amsterdam, which stated ‘now even more of this at our main entrance’, (see Figure 3.10). A good example of ‘buzz marketing’; even CNN became curious and showed an item on this peculiar form of advertising (Buzzmarketing, 2008). In 2003, KesselsKramer won a Golden Lion for their print campaign for Italian fashion company Diesel. Actually, the award was won by Diesel itself, as it was the company that officially submitted the campaign to the festival. KesselsKramer decided it would not enter any advertising award competitions anymore, although they probably have created several would-be award winning advertisements ever since. The underlying reason is that it despises the personality glorification at these festivals:

‘It is just a self preserving clique at these festivals. If you look at for example the Lampen awards organised by the ADCN, you will see the same winners as ten to fifteen years ago... Is Ajax still playing with the same team as fifteen years ago?...the fees for these festivals are too expensive for students, or they are put together in the back of the hall, behind the established clique sitting on the front rows’ (KesselsKramer).
Next to their antipathy of personality cult, KesselsKramer thinks that these festivals should be more open to students and young creative minds:

‘Organisations such as the ADCN should focus more on education and art for students’ *(KesselsKramer).*

The entrance fees for these festivals are high, which make them inaccessible to young creative professionals. For this reason the platform JongeHonden *(YoungDogs)* was founded in the Netherlands. Young creative designers who are no older than 28 years can compete each year for one of the seats in the JongeHonden bus to Cannes, where they stay on a campsite (of course, consciously in contrast to the transport by airplane and accommodation in luxury hotels by the established elite) *(JongeHonden)*. KesselsKramer does acknowledge that winning awards increases reputations and is highly valued by clients:

‘If we would not be able to attract clients and the right people because of our principles, we probably would reconsider our point of view. However, the people who like to work for us just don’t like the personality cult and are glad they don’t need to participate in this system’ *(KesselsKramer).*

KesselsKramer uses other methods to harness publicity, for example by publishing books on their own work, such as *2 Kilos of KesselsKramer* *(KesselsKramer, 2005)* and *The Worst Hotel Ever* *(KesselsKramer, 2009)*.

Next to Wieden + Kennedy, the 1998 founded 180 Communications also reaped awards in Cannes. In 2000, they won their first film Lion for a commercial for Adidas; 2004 was the most successful year with five Lions in total for various Adidas campaigns: two golden and one bronze for film, one golden for print, and one bronze for outdoor. This was also a major contribution to the best national results for the Netherlands in Cannes. Above all, 180 won third place in Agency of the Year, right after TBWA Paris and DDB London. 180 Communications attaches much value to awards, especially for their clients and potential new clients:

‘Awards are very important for us and we win quite a lot of them. As long as we win many awards we don’t have to make great efforts to generate new business. Our clients also attach great value to entering our work into advertising award competitions’ *(180).*

Apart from the results of Wieden + Kennedy and 180, the other independent agencies from
Amsterdam have largely remained invisible at Cannes, although some new and promising independent agencies won Lions in 2008: Woedend!, Achtung! and Selmore. In previous years LG&F (now called Rich) won a silver Lion for a Greenpeace radio commercial, and BSUR won a promo Lion for the Glamour Stiletto Run; a high-heels-women-run in Amsterdam’s most luxurious shopping street (P.C. Hooftstraat). Next to KesselsKramer, also BSUR argues they have ambivalent feelings towards the advertising festivals:

‘For quite some years we have scarcely entered any of the creative award competitions. Today we only enter some of our most creative work which we send in as a collective production. We don’t enter competitions for personal glorification. We think there is hardly any added value for our clients with respect to creative awards. The Effie awards are an exception, as you enter this competition together with your client’ (BSUR).

7.4 Reproduction of the advertising industry through spin-offs and knowledge spillovers

This section of the chapter will focus on spin-offs and knowledge spillover in Amsterdam’s advertising industry. I will make the argument that there is causality between proven creativity in terms of awards, and the likelihood this will produce spin-offs and spillover effects. In the academic literature on cluster development, knowledge spillovers from one firm to another is considered as one of the essential conditions for cluster reproduction, next to the formation of spin-off firms that break away from already established firms (Ter Wal & Boschma, 2009; Kloosterman, 2008). Particularly in the literature on evolutionary economics much attention is paid to knowledge spillovers and spin-offs (cf. Martin & Sunley, 2006; Boschma & Lambooij, 1999). This specific field draws on evolutionary economic concepts, which use models and metaphors from biological evolution. Heredity is one useful concept from biological studies that can be used to study cluster formation, specifically to study a specific group of new entrants within an industry: spin-offs (Klepper & Sleeper, 2005). Spin-offs are firms that are founded by employees of firms within the same industry. These new entrants are likely to inherit the specific knowledge and working culture of the firm(s) where the founders previously worked. Iammareno and McCann (2006, p.1023) distinguished between knowledge inflows and knowledge outflows. Knowledge inflows are generally considered positive, as new or specific knowledge enters the firm. Knowledge outflows are frequently considered as negative,
for example when intellectual capital or human resources move out of the firm. However, when knowledge influx strengthens other firms, it also enhances the reputation of the cluster in general. One of the main mechanisms of knowledge spillover is through job transfers.

Spin-offs in advertising jargon are better known as ‘breakaways’ (Tungate, 2007, p.87). Especially during periods of economic boom there is a strong rise of start-ups and breakaways in the advertising industry. The Netherlands experienced solid economic growth from the second half of the 1990s until 2001, which resulted in a strong rise in new advertising agencies within the advertising industry of Amsterdam. Next to new start-ups, there is also a strong rise of creative professional who offer their services as freelancers in economic boom periods. The number of registered advertising agencies in Amsterdam, which also includes freelancers registered as a one-person firm, increased from 850 in 1996, to more than 1500 in 2004 (LISA, 2004). These figures emphasise the strong correlation between this boom period and the rise of start-ups in the advertising industry in Amsterdam. It is said that starting a new agency is easier today than a few decades ago. Simon Neefjes, one of the founders of Dutch advertising agency Neboko, argued that the introduction of ICT has lowered the risks of starting a new agency; today less people and less money are needed to run an agency: ‘In the worst-case scenario we could survive for one year without income. I like to make a comparison with the booming housing market. What we would lose if this agency fails will only be a fraction of the rise in surplus value of my house within one year time’ (Bouwman, 1999). Although he probably would not have repeated this argument during the credit crisis of 2009, it does give evidence of the positive spirit within Amsterdam’s advertising industry at the end of the 1990s. However, many start-ups and breakaways fail, particularly due to a lack of a solid client base and poor preparations (Bouwman, 1999). The example of Neboko could be considered as an extraordinary success. Only three years after it opened its doors, the agency was bought by global network agency TBWA (TBWA/Neboko, 2009). They became a wanted prey for the GNAAs, because of their awards won for local work for brands such as Cup-A-Soup, Rolo, and Heineken.

Dyck and Starke (1999, p.792) argued that usually a ‘breakaway organization forms when a group of organizational members, frustrated by their inability to implement change in their parent organization, leave it and start up a new organization in which they are free to implement their ideas’. In advertising, breakaways are initiated after a few years at the management level. There is limited space for vertical career growth in an advertising agency. The creative art directors and copywriters can become a creative director, account managers can eventually become account director or a client services director, and account planners can become planning directors. So the ‘frustration’ as Dyck and Starke argued, might be the result of not being able to improve one’s position within the advertising organisation anymore.
For the creative people other reasons might be the case, such as dissatisfaction with the creative policy of an agency, and the longing for more creative freedom and possibilities.

Overall, four general characteristics predict the success of breakaways: (1) founding by a group rather than by an individual; (2) previous joint working experience by the members of the founding group; (3) the founding group comes from a firm within the same industry; and (4) the ideas for the new organisation are based on ideas and experiences from the previous organisation(s) (Cooper & Gascon, 1992). Other important contributors to entrepreneurial success that have been stressed in the literature are for example the discovery of opportunities, the securing of resources, and the obtaining of legitimacy (Elfring & Hulsink, 2003, p.409).

7.4.1 Growth and reproduction of the advertising industry through spin-offs

In Figure 7.4, a selection of the most important spin-offs within Amsterdam’s advertising industry since the 1990s are presented. It must be acknowledged that this figure is not conclusive, although it does show the new league of agencies that have become significantly players in Amsterdam’s advertising industry. Some of them have become international agencies like their predecessor agency, some of them have become important local agencies, but have emphasised they also harbour international ambitions. Especially the advertising agencies with a strong creative reputation are important as nests for possible spin-offs.

As covered in Chapter 4, PMSvW/Y&R was the most successful and most creative advertising agency of the 1980s in the Netherlands. Two of the founders of PMSvW started their own agency, after PMSvW seemed to be over its peak of success. The ‘vW’ stands for van Walbeek, who founded van Walbeek Etcetera, which is currently owned by the Omnicom Group. The ‘S’ is for Stamenkovits, who founded the Campaign Company, which would after a few successful years be taken over by TBWA in 1994. Béla Stamenkovits stayed on as the creative director for more than a decade at TBWA, and was one of the driving forces propelling it as one of the more successful GNAAs in the Netherlands. However, in 2008 he left and founded his third new agency in his career, named 2008 (and continuing to change its name each year). Next to Stamenkovits, three other former TBWA employees were co-founders, joined by two professionals from Wieden + Kennedy with a non-Dutch background. Apparantly they did not like the name of the agency as they changed it into SSSS & Orchestra in 2010.
Figure 7.4 Important spin-offs (or breakaways) in Amsterdam’s advertising industry since the 1990s and onwards

Source: Author’s illustration
Another spin-off agency that was taken over by TBWA, only a few years after it was founded, was the already mentioned Neboko. The name of this agency is an abbreviation of the surnames of the founders: Simon Neefjes, Cor Boer, and Diederick Koopal. Using surnames in the name of the agency was very common in the advertising industry for the entire 20th century. However, the names of new founded agencies in the 21st century show that there is a new trend in using different (more creative) names. The three founders of Neboko used to work for Lowe Lintas (or Ammirati Puris Lintas), where they ran the Rolo campaigns, which won them the most prestigious award: the Grand Prix in Cannes. They are in position seven of the most awarded creative professionals (see Table 7.1). Cor Boer and Diederick Koopal are known for their specific style, drenched in typical Dutch humour. For example, at Neboko (and TBWA/Neboko) they made campaigns for Heineken (‘Biertje?’), Unox, and Cup-a-Soup (‘Sjors the manager’). They frequently collaborate with commercial director Bart Timmer from Amsterdam-based production company Czar. Next to Neboko, LEMZ is another spin-off from Lowe Lintas. Founded in 2000, this agency is particularly innovative as it specialises in interactive or digital campaigns.

Next to TBWA, DDB is the most awarded GNAA office in the Netherlands. The creative duo Lode Schaeffer and Erik Wünsch was very important in the 1990s for the success of this agency. They won several awards, particularly for their campaigns for Volkswagen and Centraal Beheer (‘Even Apeldoorn bellen…’). In 1997 they founded, together with Jan Has, the agency S-W-H. Three years later, Jan Has founded another advertising agency: New Message. Another much awarded duo from DDB was Bas Korsten and Michael Jansen. In 2005 they founded the agency Selmore together with an even more awarded duo from TBWA: Poppe van Pelt and Diederick Hillenius. A fifth co-founder came from PPGH/JWT, Otto van der Harst. In 2008, Bas Korsten and Michael Jansen were already looking for a new challenge, and left the rapidly expanding Selmore office to found a new agency: Nothing. The interior of this agency is worth to mention as it is entirely produced out of card box material. With this new agency they pursue the philosophy to develop ‘ideas that have the power to make something out of nothing’. They wanted to start an agency that is different from the traditional advertising agency. In addition to Nothing, they also introduced Nothing Ventured, a label that wants to develop new products and services. They invented for example a new sport, foot golf, for which already a Dutch national championships was played in 2009. The idea is that clients will use, or ‘adopt’, these inventions as a vehicle for new platforms for their brands (van Nierop, 2009).

11 See pictures of the card box office of Nothing at http://www.dexigner.com/design_news/a-cardboard-office-nothing-amsterdam.html
Two former employees of KesselsKramer, Hein Mevissen and Diederikje Bok, founded together with Sam Stewart the advertising agency John Doe. Another former employee of KesselsKramer, Patrick van der Gronde, was one of the co-founders of an agency called They. This particular agency is currently one of the rising stars of Amsterdam’s advertising industry, and has opened a second office in Delhi in India in 2010. Other co-founders of this agency came from FHV/BBDO, van Walbeek Etcetera and Heineken. From another Dutch international independent agency, BSUR, came another spin-off: 60Layersofcake.

In 2002, Five former employees of PPGH/JWT founded N=5 (hence the name of the agency). Today this agency is considered as one of the more important players in the local Dutch advertising market. In 2007 they also founded interactive agency Kong. The managing partners (one of which is British) of this digital agency come from the London-based agency Poke, the digital office of acclaimed advertising agency Mother (Adformatie, 2007b). The founder of interactive agency Achtung!, Dick Buschman, used to work for ICT company Lost Boys in Amsterdam. This agency was only founded in 2005, but has developed into one of the most promising new agencies in Amsterdam. Within a few years time they built an impressive client portfolio, and they won several awards, including two Webby awards in New York in 2009 (Webby Awards, 2009).

7.5 The reproduction of Wieden + Kennedy in Amsterdam

This section will take a more detailed view of the case of Wieden + Kennedy and its breakaway agencies. I have argued earlier in this dissertation that the establishment of Wieden + Kennedy in Amsterdam was a critical juncture for the development of an international advertising cluster in this city. Together with their client Nike they demonstrated that it is possible to operate as an international independent agency from Amsterdam, which stimulated more foreign agencies to open a branch office in the city. Good examples of spin-off agencies are 180 Communications and 72AndSunny. What makes these spin-offs special is that they were all founded by non-Dutch people. Further, Wieden + Kennedy is also important for knowledge spillover; there are several former Wieden + Kennedy employees at management positions at other (mainly independent) agencies in Amsterdam. To put it simply, Wieden + Kennedy is one of the main motors for the rise and growth of an international advertising community in Amsterdam.
The unique characteristic culture of Wieden + Kennedy distinguishes them from most other agencies and also serves to inspire imitation by other independent agencies. Therefore, I will now go more into detail to uncover the particularities of this Wieden + Kennedy working culture. The agency was founded in 1982 in Portland in Oregon and it developed into one of the larger independent and most influential advertising agencies in the world. Dan Wieden and David Kennedy met each other two years before at McCann-Erickson, where they found they shared one dislike: ‘they hate status quo advertising’ (Rothburd, 2004). In McCann-Erickson (a GNAA) they worked on the creative team on the Nike account, at that time a relatively unknown sports equipment manufacturer from Beaverton, Oregon. In 1982, they left McCann-Erickson and established their own agency and took Nike as a client with them. However, in anticipation of the Olympics in Los Angeles in 1984, Nike switched to another rather more experienced agency, Chiat/Day from Los Angeles. After the Olympics Nike came back to Wieden + Kennedy. Dan Wieden coined one of the most memorable advertising slogans in the history of advertising at a meeting with Nike employees in 1988. It is said he spoke admiringly of Nike’s ‘can-do attitude’: ‘You Nike guys, you just do it’ (CFAR, 2009). There the slogan ‘Just Do It’ was born. Nike would become a tremendous business success; between 1988 and 1998, it increased its domestic share in the sport-shoe business from 18 percent to 43 percent. Its worldwide sales rose from $877 million to $9.2 billion (CFAR, 2009).

The advertisements created for Nike rarely focused on the products itself, but on the people in the advertisements. Hero-worship is one of the central elements in the ‘Just Do It’ campaigns. Some of the athletes they used for their campaigns matched with the ‘anti-establishment attitude’ of both Nike as well as Wieden + Kennedy, e.g. John McEnroe, Andre Agassi, and Dennis Rodman. One of the most famous sportsmen who nearly became synonymous with Nike was Chicago Bull’s star and basketball legend Michael Jordan. Rothburd (2004) describes the creative innovative role of Wieden + Kennedy: ‘They did break new ground in advertising throughout the 1980s by injecting irreverent humor, sophisticated film techniques, and hip cultural references into their ads for the shoe manufacturer. The firm put Lou Reed in a Honda commercial, used the Beatles’ ‘Revolution’ as insurrectionist version of a jingle for Nike in 1987, and introduced a cinematic, storytelling approach to print and television ads’.

Unlike most advertising agencies, Wieden + Kennedy does not work with fixed creative teams. Art directors, copywriters, young and older, all work together. They are convinced that using fixed creative teams results in predictable advertising. A rising reputation in the international advertising industry quickly followed for Wieden + Kennedy. The advertising magazines Advertising Age and Adweek both chose Wieden + Kennedy as the Agency of
the Year in 1991. Apart from that, the agency won several advertising awards at advertising festivals. Alone at the Cannes Lions festival in 1992 the agency won four Lions, among others a Gold Lion for the commercial “Bouncing TV”, featuring Andre Agassi. In this commercial you see Andre Agassi being locked inside a television. The television bounces heavily by his powerful tennis play (Prummel, 1992b).

Wieden + Kennedy opened its first branch office outside of the United States in 1992. Nike requested them to open an office in Amsterdam as Nike would open their EMEA headquarters in the Netherlands and their EMEA distribution centre in Belgium. The work approach and ambitions of Wieden + Kennedy was a new phenomenon in the advertising industry of Amsterdam. At the start, seven staff members from the office of Wieden + Kennedy in Portland were sent to Amsterdam to establish a new office in Amsterdam: four creative, two account and one financial. The objective was ‘not to become an American agency, as well as not an American-Dutch agency, but an international and European agency, with people from many different national backgrounds’ (Prummel, 1992b, p.16). One of the Dutch persons they contracted at the start of the new office was print production manager Pieter Leendertse, who came from TBWA. At a later stage, in 1997, he became a co-owner of KesselsKramer. He is just one of the several professionals in Amsterdam’s international advertising industry who experienced the ‘Wieden + Kennedy culture’.

The reputation of Wieden + Kennedy Amsterdam quickly rose in the international advertising community, most importantly in thanks to their advertising awards. The commercial “The Wall” 12 that Wieden + Kennedy Amsterdam produced for Nike Europe was awarded with a Gold Lion in Cannes in 1995, and the Film Epica D’or at the Epica Awards in 1994 (Coloribus, 2009; Epica Awards, 2009). The success of winning both a Golden Lion as well as Film Epica D’Or was again repeated with the Nike commercial ‘Musical Chairs’ 13 in 2003/2004. The commercial ‘Happiness Factory’ for Coca-Cola won the Epica D’Or in 2006 and got a Silver Lion at Cannes in 2007. These awards are just the top of the iceberg. The overall Wieden + Kennedy network was chosen as ‘Global Agency of the Year’ in 2007 by Adweek Magazine: ‘for its ability to grow globally with its independent spirit intact, its strategic management skills, and its culturally relevant award-winning work’. The winning recipe, according to global Chief Operations Officer (COO) Dave Luhr, is ‘one-third Wieden + Kennedy culture, one-third DNA of the host city and one-third the personality

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12 Watch the Nike commercial “the Wall” at YouTube: http://www.youtube.com/watch?v=2LVz66BKOHw
13 Watch the Nike commercial “Musical Chairs” at YouTube: http://www.youtube.com/watch?v=zQNi2ETKrSQ
of whoever leads the office’ (Selman, 2008, p.25). The role of the cities as a location is highly influential on the work of the agency.

How to summarise that particular Wieden + Kennedy culture in a nutshell? First of all, they uphold an anti-establishment image. The choice to open their office in Portland is a reflection of the antipathy to the GNAAAs based in New York. William Sawyer, the general manager of Wieden + Kennedy in the early 1990s, showed his antipathy for the large GNAAAs by saying that ‘multinational advertising is in general so old-fashioned, not interesting, and therefore an insult for the intelligence of consumers’ (Prummel, 1992b, p.17).

Second, (related to this anti-establishment image) they have a strong belief in their independent position and resist being absorbed into a GNAA. Wieden + Kennedy has been contacted several times by interested holding companies in the early 1990s but have resisted these generous takeover bids (in 2007 the overall Wieden + Kennedy network had $1.65 billion in billings [Selman, 2008]). It is not likely that the owners of the agency will yield for money, as the independent spirit seems deeply embedded within the culture of the agency. In the words of David Kennedy, ‘When we are gone, the name Wieden + Kennedy will remain. We will never become an Omnicom’ (Prummel, 1992b, p.17).

Third, the agency is strongly driven by creativity, and wants to produce culturally relevant work. As I already mentioned, Wieden + Kennedy does not work with fixed teams of art directors and copywriters. The organisation structure is flat, open and all employees can share their ideas on ongoing projects. In their view the work and office atmosphere should foster creativity among their employees. The headquarters in Portland (also called “the mother ship”) is housed in a former warehouse in Portland’s emerging Pearl District, which was renovated into what is considered an architectural masterpiece. The office includes a large central atrium, which is used as a social meeting and interaction point. The atrium is even used as a concert room where so-called ‘lunchbox concerts’ are given, by acclaimed bands such as G Love and Special Sauce, Ladytron, The Rapture and Nada Surf (Wieden + Kennedy Blog, 2009).

The office of Wieden + Kennedy Amsterdam is located in the heart of Amsterdam in an old canal merchant house at the Herengracht. The interior is modern in contrast. They have

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14 To see pictures of the headquarters of Wieden + Kennedy in Portland, check the website of the developer http://www.gerdgedlen.com/project.php?id=21 (last accessed on June 15, 2009).
moved to this new office at the end of 2007 after the building was completely renovated.\(^1\)
The office has several facilities that seek to make it attractive for the employees to put in long working hours. The office houses an indoor gym (with a floor made of old Nike shoe soles), a penthouse with a bar and a roof terrace overlooking the city, and a large garden with a basketball court (\textit{Next Architects, 2009}). Finally, Wieden + Kennedy acknowledges the differences in characteristics of cultures around the world. The office in Amsterdam for example has 150 employees of 25 different nationalities. As founder Dan Wieden shared, ‘our offices are a reflection of the ethics and weirdness of the mother ship, but they also are enriched because they operate in very different surroundings and different cultural settings. And that cross-pollination enriches all the rest of the offices, because we move everyone around’ (Solman, 2008, p.28).

\subsection*{7.5.1 Wieden + Kennedy breakaway: \textit{180} Communications}

The best example of a successful breakaway agency from Amsterdam’s international advertising industry is \textit{180} Communications, or simply 180. The four founding partners all used to work for different offices of Wieden + Kennedy. The agency was founded in the autumn of 1998 and started with Adidas as a major client. Two of the founders, Alex Melvin (account planner) and Chris Mendola (account manager) participated in a pitch on an international client account of Adidas, while they were still employed at Wieden + Kennedy and working on the account of Adidas most important competitor: Nike. Somehow their participation in the pitch became public and they were fired on the spot by Wieden + Kennedy and even had to appear in court (Hooft van Huysduynen, 2006). However, the two men won the lawsuit and, above all, they won the international Adidas account as well. A new agency was born in Amsterdam. Their specific knowledge on the advertising of the sport products from Nike was an asset that helped them attract Adidas.

None of the founders of \textit{180} is Dutch; two are American, one is British and another one is Irish. This breakaway agency complies with the first three characteristics favourable for success, as posed by Cooper \\& Gascon (1992). It was started by a group of individuals who knew each other from their previous jobs at another advertising agency, i.e. Wieden + Kennedy. The philosophy of this new agency seems partly derived from the international organisational structure and the production of international campaigns by Wieden + Kennedy. The objective at the start of \textit{180} was to ‘build the first truly international agency’

\(^1\) To see pictures of the Wieden + Kennedy office in Amsterdam, check http://www.nextarchitects.com/projects/5
The founders of 180 teetered between Amsterdam and London as the founding city for their new agency. One of the main motivations for choosing Amsterdam is the fact that Adidas’ international headquarters is located in Amsterdam. But according to Guy Hayward (one of the founders), there is a variety of reasons that makes the city attractive: the presence of many international headquarters (as potential clients), accessibility, and the proximity to a main international airport hub. One of the most important motivations is the magnet function of Amsterdam:

‘We need to attract top creative people from around the world and the whole world seems to like to live in Amsterdam’ (De Swarte, 2009).

Just like Wieden + Kennedy, 180 is housed in a nicely refurbished old merchant house at the Herengracht. At first they started in an office at the Keizersgracht, one of the other four main canals in the centre of Amsterdam. As the agency grew quickly, they had to move to a larger office in 2004 to the Herengracht (and are neighbours with the mayor of Amsterdam). In 2008, there were about 150 people employed at the office of 180 in Amsterdam, which was about the same size as Wieden + Kennedy Amsterdam. These two agencies have the most staff among the independents within the city of Amsterdam. Just like Wieden + Kennedy, the employees come from various national backgrounds:

‘I think we have more than 20 nationalities in our office. They come from all over the world: New Zealand, Australia, United States, South Africa, United Kingdom, Germany, Finland, Sweden, Japan, really from everywhere’ (180).

On the first of January in 2007, 180 founded a second office, in Los Angeles. The motivation for opening a second office, and then specifically in Los Angeles, was because they won the account of Sony Electronics, which is headquartered in nearby San Diego. One of the competitors in the pitch was BBDO New York. During the pitch process, Sony Electronics realised that the brand would get a better and stronger position on the American market if the two would co-operate. According to Alex Melvin (currently the chairman of 180) they could combine the reputation of BBDO New York as creators of large and famous TV-commercials in the United States and the reputation of 180 as inventors of media-independent brand strategies (Prummel, 2006). This is not the first alliance of 180 with a GNAA. In 2001 they contacted TBWA to form an alliance on the Adidas account. They also formed an alliance with Goodby, Silverstein & Partners in San Francisco and BBDO on their Motorola account. In the words of Alex Melvin, ‘We can come up with a great and big idea for Adidas, but then we are not able to show it on twenty different media channels in 75 countries around the world’ (Prummel, 2006, p.7). In order to satisfy the
needs of the client they form these alliances with GNAAs. This sort of strategic alliances between small and independent agencies, which are strong in media-independent creative brand strategies, and large GNAAs are quite new in advertising. It also shows that there can be drawbacks to being a small independent agency when handling big international client accounts, such as Adidas. Alex Melvin further clarifies, ‘I don’t think there are many agencies that can provide for all the needs that large clients have in this era of media-fragmentation’ (Prummel, 2006, p. 7). Their frequent use of strategic alliances with a few different GNAAs distinguishes 180 from Wieden + Kennedy.

7.5.2 Wieden + Kennedy breakaway: 72AndSunny

In 2004, the advertising agency 72AndSunny was founded in two cities at the same time: Los Angeles and Amsterdam. One of the four founders, the American Robert Nakata, just had left Wieden + Kennedy Amsterdam, after working his way up to an associate creative director during eleven successful years. Two of the other founders, John Boiler and Glenn Cole, also have a Wieden + Kennedy history. The fourth founder, Greg Perlot, came from Publicis in Canada. Because of their experience of working with big name brands (such as Nike, Microsoft, Coca Cola, Miller, ESPN, Vodafone, Siemens, and Audi) 72AndSunny quickly managed to attract several major clients (Adformatie, 2004). Their website says: ‘we work with clients defining culture today, including Nike, Discovery Channel, Quicksilver, and Bugaboo’ (72AndSunny, 2009).

It is particularly striking that 72AndSunny also works for Nike, as the global account for Nike is in Wieden + Kennedy’s portfolio, their previous employer. In the words of John Boiler: ‘Well, that is advertising. I mean, they don’t really like it, but there are no hard feelings. We knew the marketing people of Nike and we just participated in the pitch. On the other hand, it was not such a big surprise to us. For Microsoft we did for example the worldwide launch of the Xbox 360, and in the Netherlands, but also international, we positioned Bugaboo in the market. We come from the Wieden + Kennedy school of building big worldwide brands that are based on strong ideas’. (Adformatie, 2008c). The campaign Boiler mentioned was the Nike campaign ‘take it to the next level’ that 72AndSunny produced for the European Football Championships in 2008. The viral-commercial produced by Guy Ritchie became a huge success on the Internet16. Viral marketing is a marketing technique of using (online) social networks to create awareness -- i.e. ‘buzz’ -- for a commercial. Alone on YouTube this commercial has already been watched millions of times.

16 Watch the Nike commercial “Take it to the next level” at YouTube:
http://www.youtube.com/watch?v=anwlpTgbQTE
7.6 Conclusions

This chapter showed that there is a strong causality between advertising awards and the growth of the advertising industry in Amsterdam through spin-offs. Reputation is one of the essential driving forces for success of a newly founded agency. In the advertising industry, creative professionals build on the reputation of the agency, but also bolster their own name by winning awards at the large variety of award festivals. In this chapter, I highlighted the numerous spin-offs that emerged from advertising agencies with a strong creative reputation. The founders, and then specifically the creative professionals, generally have an impressive list of awards, which makes it easier for spin-off agencies to attract new business. Once one has built a strong name (bolstered with numerous rewards), it seems that the next logical step is to start an own agency. Although some agencies also mention the negative aspects, such as personality glorification and self-preservation, award festivals should be considered an institutionalised system for recognising creativity, with clear positive effects on the growth of the industry.