Advertising Amsterdam: the rise and growth of an international advertising industry
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Chapter 8: The geography of advertising production in project networks

The geography of advertising production in project networks
8.1 Introduction

This chapter will focus on the production system of the international advertising industry in Amsterdam and its geographic organisation patterns. Gernot Grabher’s work on the project ecology of London’s advertising industry provides a useful theoretical tool to study the networks involved in the production of advertising campaigns. Specifically, he distinguished between client networks and creative networks, which are the specialised creative companies that produce the campaigns. The combination of the advertising agency and these two networks forms the triad of producing advertising material, which can be consequently presented to the public via a medium.

The buying of media space, conducted by specialised media companies, will not be included in the analysis. The key question is whether the production is embedded within the local (i.e. do production networks have a local orientation?) or is it connected more to international networks for the production of advertising campaigns? Is the international advertising industry of Amsterdam a typical cultural industry ‘avant-la-lettre’ as Scott (2000, p.12) described, i.e. organised in a dense network of small and medium-sized companies?

This chapter will make the distinction between the GNAAs and independent advertising agencies, in order to examine whether and how their geographies of production differ.

8.2 From making the pitch to producing the campaign

The production of advertising basically starts with the client, who has different motives and interests. The introduction of a new product on the market is obviously one of the most important reasons. Some product types (e.g. cars, electronic goods, and clothing) have relatively short life cycles, which require new marketing and advertising on a regular basis. However, it is not only new or (incrementally) enhanced products that require a new campaign. An advertiser can also try to stimulate faltering sales of products, for example by creating a new brand image that better connects with consumers, or by using different media channels to reach the targeted consumers. Advertising needs are not limited to consumer products, it
is also important for service industries, retail companies, and also governmental bodies and NGOs (mostly with awareness raising campaigns).

When large advertisers decide to seek a new advertising agency, they commonly start with what is called a ‘pitch’. Clients generally have a shortlist of what they consider as interesting advertising agencies. In a pitch the client invites a few (usually three) advertising agencies to present ideas on how to position a brand in the market, both from a strategic and creative perspective. Especially with respect to big budget client accounts, the selection process for an advertising agency can be extensive. In the end, there are several factors that influence the client’s choice. Whetley (2007, p.159) argued that ‘most are related to the strength of the agency’s employees, since an agency is only as good as its people’. Advertisers look for a combination of individual and team professionalism, insight in the sector of the client and the consumers, innovative and creative ideas, good rapport with the agency’s staff, and simply good value for money. The marketing budget is generally quite sizable, and the final choice for a specific advertising agency can have a big impact on the success or failure of product sales: the stakes are high. Whetley (2007, p.165) also argued that advertisers need to devote ample time to thoroughly examining the goals and strategy, matching them up with the financial resources (and with a long-term three to five year view).

There are a few important issues for clients to consider, in order to minimise possible pitfalls. The client should focus on the deliverables, i.e. what do they want to achieve and within what timeframe? There should be a clear understanding of the investment and how this is budgeted over media, production and agency fees. The next step is to concentrate on the strategy of the campaign. On this aspect, the client closely collaborates with account planners from the agency, analysing the specific brand together in order to gain insights that later feed into the creative process. The creative specialists of the agency are responsible for producing the creative concept for the advertising campaign. Finally, the client should clearly state their ideas regarding the management of the campaign, such as the operations of media buying and the research regarding the effectiveness of a campaign (Whetley, 2007, p.165–166). Clients generally also conduct a pitch for their media accounts as well, to select the media companies that will purchase media space for the advertisements.

After a pitch, the client chooses the winning advertising agency and the actual production process start. The literature on advertising organisation studies places great emphasis on the various actors involved in the production of advertisements (Grant & McLeod, 2007; Thiel, 2005; Grabber, 2002). For example, Thiel (2005, p.50) referred to the intensity of collaborations within the production of advertising campaigns, which is not only reflected in the network between the advertiser and the agency, but also in the collaboration between a variety of actors within the agency, and between the agency and the various external creative specialists,
subcontracted for executing particular aspects of the campaign. Concerning the actors involved within the agency, Grabher (2002, p.247) argued that on average they are divided along the lines of 2:1:1 and form what is called in the trade ‘account teams’. The account team can again be subdivided in the creative team (art director and copywriter), account planning, and account management. The creative team has to translate the client’s request and the insight from the strategic studies into a creative idea, or in other words to design a concept for a campaign. The task of the account manager is to ‘sell’ this concept to the client. The account planner puts together and coordinates the client, the creative team and the account manager. Feldwick (2007, p.193) argued that ‘It is seen as the planner’s responsibility to translate between the different groups, to be the account man’s conscience, to be a mediating presence in interdepartmental conflict, to enthuse and unblock the creatives, and to take the responsibility for the effectiveness of the advertising’.

Grabher’s (2002) concept of ‘project ecology’ covers the different layers and the actors involved in the production of advertising campaigns. Project ecology is defined as ‘a set of interdependencies between the project (i.e. the production of a campaign) and the particular firms, personal relations, localities, and corporate networks from which these projects draw essential resources’. In another article, Grabher (2004b) focused more in-depth on the architecture of project ecologies in relation to learning, disentangling four constitutive layers: the core team, the firm, the epistemic community, and the personal networks. This chapter will focus more narrowly on the two most important networks involved in the production of a campaign: the client networks and the creative networks. The creative networks are the external specialists who are employed to produce specific aspects of the campaign. Creative specialists include film production companies (also online content, 3D and animation), post-production companies, music producers, sound studios, photographers, image manipulation companies, and graphic designers/illustrators.

8.3 Methodology and approach

Methodologically, for the needs of this chapter, I created a special dataset of advertising campaigns of international advertising agencies based in the Amsterdam Region. The idea to create a dataset came from reading Adformatie magazine, the most important business magazine weekly for the advertising industry in the Netherlands. In each edition, a small number of newly developed campaigns is published. The magazine presents additional information on the different actors involved in the production process, both from the side of the agency and the client, as well as providing additional information about the creative
specialists who produced the campaign.

The resulting dataset contains 340 different campaigns produced, from 2003 until the end of 2008, by 28 different international advertising agencies from Amsterdam and Amstelveen. In total, 239 campaigns were produced by eighteen different GNAAs, and 101 campaigns were produced by thirteen independent agencies. The underlying reason for the larger share of GNAAs might be explained by the fact they are generally larger in size (although the independents Wieden + Kennedy and 180 are among the largest advertising agencies in the Netherlands) and have a longer history in the Netherlands. Several of the independent agencies were founded only in the last several years. Another reason is that foreign independent advertising agencies in Amsterdam probably do not have a strong link with Adformatie magazine, as it is only published in Dutch. Unfortunately, a few of the newly established foreign independent agencies are not included in the dataset, e.g. AKQA, Sid Lee, or Taxi. However, all in all this dataset does provide unique insight into the geography of the production of advertising by Amsterdam-based international advertising agencies.

Further illustrations will be provided by several network maps, which were created using the social network analysis software UCINET and NetDraw. UCINET was used to create a matrix, which subsequently was imported in NetDraw to produce a visualisation of the networks. This software tool was initially developed to study the connections between different individuals or between several groups of people. However, it can also be used to analyse other types of networks, such as project networks or the connections between actors and companies in project-based production.

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18 UCINET is a social network analysis software tool developed by Analytic Technologies
http://www.analytictech.com/downloaduc6.htm
8.4 **The client profile of the international advertising industry in Amsterdam**

Table 8.1 summarises the dataset with respect to the advertising agencies and their clients. It shows the advertising agencies included in the dataset, some of their major clients, and the scope of their campaigns, i.e. national or international. There is one clear distinction that stands out in this table. The scope of the GNAA campaigns is in general national, whereas the independent agencies are in contrast considerably more international. Again, it must be emphasised that this table and the figures used in this analysis are only based on the campaigns represented in the dataset. The bulk of the GNAA campaigns (between 80 and 100 per cent) are local; this also coincides with the information collected during interviews with GNAA offices, where most respondents identified the workload as 90 percent national and 10 percent international.

GNAA’s clients can be classified in three principal groups. First, there is the group of local clients, acquired independently from the international network. Most of these clients only have a national focus, although some are Dutch multinationals that can also potentially utilise the international network for advertising in other countries. Another significant group includes the multinational clients handled by the international network. The leading office is generally the international or the continental headquarters of the network (sometimes this can be one particular office that distinguished itself through its creative profile). For these clients, a Dutch GNAA office can have two different functions. On the one hand, clients can decide to produce one campaign for a group of countries, which will be subsequently adapted to the local context, e.g. with a Dutch voice-over or Dutch text. However, GNAAAs also produce different campaigns for different national contexts, upon request of large multinational clients. In this case, the Dutch office creates an original local campaign. A third smaller example includes multinational client accounts where the Dutch GNAA offices have the leading role.
Table 8.1 International advertising agencies in the Amsterdam Region and their client profiles
(based on the dataset of 340 campaigns produced between 2004 and 2008)

<table>
<thead>
<tr>
<th>Advertising Agency</th>
<th>Type</th>
<th>Campaigns</th>
<th>National (%)</th>
<th>International (%)</th>
<th>Major Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cayenne Communications</td>
<td>GNAA</td>
<td>5</td>
<td>40</td>
<td>60</td>
<td>Canon Europe,</td>
</tr>
<tr>
<td>DDB Group</td>
<td>GNAA</td>
<td>25</td>
<td>88</td>
<td>12</td>
<td>Volkswagen, Philips McDonald’s</td>
</tr>
<tr>
<td>EuroRSCG Group</td>
<td>GNAA</td>
<td>15</td>
<td>60</td>
<td>40</td>
<td>Peugeot, Citroën, Volvo</td>
</tr>
<tr>
<td>FCB/BK&amp;P</td>
<td>GNAA</td>
<td>5</td>
<td>100</td>
<td>0</td>
<td>Kia</td>
</tr>
<tr>
<td>FHV/BBDO</td>
<td>GNAA</td>
<td>25</td>
<td>92</td>
<td>8</td>
<td>Sara Lee, Masterfoods, Interpolis</td>
</tr>
<tr>
<td>Grey</td>
<td>GNAA</td>
<td>9</td>
<td>78</td>
<td>22</td>
<td>Eli Lily, St Nederland Schoon</td>
</tr>
<tr>
<td>Leo Burnett/Arc</td>
<td>GNAA</td>
<td>8</td>
<td>100</td>
<td>0</td>
<td>Heinz</td>
</tr>
<tr>
<td>Lowe &amp; Draft</td>
<td>GNAA</td>
<td>12</td>
<td>100</td>
<td>0</td>
<td>Planet Internet, RVS</td>
</tr>
<tr>
<td>McCann-Erickson</td>
<td>GNAA</td>
<td>6</td>
<td>100</td>
<td>0</td>
<td>Loyalis, Hivos Klimaatfonds</td>
</tr>
<tr>
<td>Ogilvy &amp; Mather</td>
<td>GNAA</td>
<td>11</td>
<td>100</td>
<td>0</td>
<td>Ford, NS</td>
</tr>
<tr>
<td>UbachsWisbrun/PPGH/JWT</td>
<td>GNAA</td>
<td>26</td>
<td>96</td>
<td>4</td>
<td>Nestlé, BMW, ANWB</td>
</tr>
<tr>
<td>Publicis Group</td>
<td>GNAA</td>
<td>17</td>
<td>88</td>
<td>12</td>
<td>Fortis ASR, Kon. Landmacht</td>
</tr>
<tr>
<td>Saatchi &amp; Saatchi</td>
<td>GNAA</td>
<td>11</td>
<td>91</td>
<td>9</td>
<td>Staatsloterij, Dance4Life</td>
</tr>
<tr>
<td>TBWA Neboko Group</td>
<td>GNAA</td>
<td>26</td>
<td>88</td>
<td>12</td>
<td>Heineken, Delta Lloyd, Tempo Team</td>
</tr>
<tr>
<td>TMP Worldwide</td>
<td>GNAA</td>
<td>2</td>
<td>100</td>
<td>0</td>
<td>Monsterboard</td>
</tr>
<tr>
<td>van Walbeek Etcetera Group</td>
<td>GNAA</td>
<td>12</td>
<td>92</td>
<td>8</td>
<td>ING</td>
</tr>
<tr>
<td>Y&amp;R/Not Just Film</td>
<td>GNAA</td>
<td>17</td>
<td>100</td>
<td>0</td>
<td>Super de Boer</td>
</tr>
<tr>
<td>180 Communications</td>
<td>Independent</td>
<td>14</td>
<td>7</td>
<td>93</td>
<td>Adidas, Motorola, BMW Motorrad</td>
</tr>
<tr>
<td>72AndSunny</td>
<td>Independent</td>
<td>3</td>
<td>0</td>
<td>100</td>
<td>Nike, Bugaboo</td>
</tr>
<tr>
<td>BSUR</td>
<td>Independent</td>
<td>11</td>
<td>55</td>
<td>45</td>
<td>Wrangler Europe, G+J</td>
</tr>
<tr>
<td>Hallelujah (Kenneth&amp;Law)</td>
<td>Independent</td>
<td>2</td>
<td>50</td>
<td>50</td>
<td>Greenpeace</td>
</tr>
<tr>
<td>John Doe</td>
<td>Independent</td>
<td>8</td>
<td>50</td>
<td>50</td>
<td>MTV, Lada</td>
</tr>
<tr>
<td>KesselsKramer</td>
<td>Independent</td>
<td>17</td>
<td>59</td>
<td>41</td>
<td>Diesel Jeans, SNS Reaal, J&amp;B/Diageo</td>
</tr>
<tr>
<td>Laboratorium/Mountain</td>
<td>Independent</td>
<td>2</td>
<td>50</td>
<td>50</td>
<td>Dommelsch</td>
</tr>
<tr>
<td>LaMarque</td>
<td>Independent</td>
<td>4</td>
<td>50</td>
<td>50</td>
<td>Miele, Filmfestival Rotterdam</td>
</tr>
<tr>
<td>Rich (LG&amp;F)</td>
<td>Independent</td>
<td>4</td>
<td>100</td>
<td>0</td>
<td>Ministerie SZW, Financieëlle Dagblad</td>
</tr>
<tr>
<td>Springer &amp; Jacoby</td>
<td>Independent</td>
<td>4</td>
<td>0</td>
<td>100</td>
<td>Mercedes Benz</td>
</tr>
<tr>
<td>StrawberryFrog/Amsterdam WW</td>
<td>Independent</td>
<td>11</td>
<td>0</td>
<td>100</td>
<td>Onitsuka Tiger, Chevrolet, Panasonic</td>
</tr>
<tr>
<td>Wieden + Kennedy</td>
<td>Independent</td>
<td>20</td>
<td>15</td>
<td>85</td>
<td>Nike, Coca Cola, Electronic Arts</td>
</tr>
<tr>
<td>Woedend!</td>
<td>Independent</td>
<td>5</td>
<td>60</td>
<td>40</td>
<td>Asics, Yamaha Motor Europe</td>
</tr>
</tbody>
</table>

Source: Table by author
The two exceptions within the GNAA pool are the agencies Cayenne Communications and EuroRSCG. Cayenne Communications was established as a creative ‘hotshop’ under the umbrella of Japanese holding company Dentsu. In fact they copied the approach of the independent creative agencies and established a smaller agency with high creative aspirations. One of their major international clients was the Amstelveen based Canon Europe. However, in response to the planned relocation of its European headquarters to London, Canon transferred this account to another advertising agency, located closer to their new headquarters (Canon, 2009). The loss of this major client and the economic crisis prompted the shareholders to put the activities of Cayenne Amsterdam on hold for the time being, leaving its fifty employees out in the cold (Adformatie, 2009c). This case is a typical example of the potentially disastrous impact of overly relying on a single major client. EuroRSCG is another GNAA with a considerable international portfolio. This success, however, should be attributed to the interactive agency of EuroRSCG/4D, which has a leading creative role for international clients such as Volvo, Nokia, and Beck’s.

Some of the independent agencies have a completely different client profile. Especially the agencies with an Anglo-Saxon background. Agencies such as Wieden + Kennedy, 180 Communications, Amsterdam Worldwide (former Strawberry-Frog), and 72AndSunny mainly produce international advertising campaigns. The same held true for Springer & Jacoby International, even though this office, just like Cayenne Communications, also suffered greatly under the economic crisis and had to stop their activities in Amsterdam. The specific niche and competitive edge of this group of independent agencies is the production of highly creative campaigns, which can be described as ‘communications without borders’. Moreover, the international labour profile within these agencies is geared at international campaigns and not local campaigns. These aspects partially explain why they do not focus on local clients in the Dutch market. The proportion of national versus international work by the independent agencies with a Dutch background is about fifty-fifty, as visible in Table 8.1. Dutch agencies such as KesselsKramer, BSUR, John Doe and Woedend! are all well grounded within the local advertising market and have managed to attract several international clients as well.
8.5 **The creative networks of the international advertising industry in the Amsterdam Region**

After establishing that the GNAAs and the independents in the Amsterdam Region have different client profiles (client networks), the next step is to find out how the production networks, or creative networks, are geographically organised and further to identify the most important creative companies. Four different groups of creative firms will be analysed: production companies, post-production companies, music and sound studios, and photography and image manipulation. As the dataset did not include sufficient information on graphic designers and illustrators, they will not be included in the analysis. In the four figures that will be presented in this analysis, only the creative networks that have two or more references are included in the dataset. The underlying reason not to include creative firms with only one reference in the dataset is practical; when firms with single references were included, NetDraw was not able to draw the network maps. To compensate, the analysis will give some emphasis to creative firms (and location) with only one reference. In the figures below, size reflects the strength of the individual connection. The red dots represent advertising agencies while the blue squares stand for creative firms. If there is no other name of a city following the name of the creative firm, then the firm is located in Amsterdam. The position of the firms in these figures is based on the underlying networks; there is no geographical logic in the figures.

8.5.1 Creative networks with film production companies

The most important creative specialists for advertising agencies are film production companies. In addition to film production, some of these companies also specialise in animation or 3D and online content productions. The traditional TV commercial is still one of the most important advertising mediums, but increasingly online advertising is also employing film production companies. For the 340 campaigns in the dataset, a total number of 119 different production companies provided services, which demonstrates that the advertising industry taps from a large pool of different production companies. The largest number of these production companies is based in Amsterdam, fifty-three in absolute numbers. From the Netherlands, only five production companies outside of Amsterdam were used. One of these companies is the Amstelveen based Liberty Films (see Figure 8.1), which is the only in-house film production company based within an advertising agency, FHV/BBDO. Two others are based in Hilversum, another in Utrecht, and yet another
in Helmond. Clearly the film production of advertising campaigns in the Netherlands is strongly embedded within the city of Amsterdam, in close proximity to the advertising agencies. But a more remarkable conclusion is that more of them are based outside of the Netherlands, sixty-one versus fifty-eight. With twenty-one different production companies, London is the most important city for film production outside Amsterdam. It is followed by Los Angeles and New York (both with six), Stockholm with five, Brussels with four, and Paris and Hamburg both with three different production companies each.

However, this is a simplified view of the number of production companies involved. Looking at frequency of use, Figure 8.1 clearly shows that the majority of film production companies used more than once is based in Amsterdam. Most of the foreign production companies have only been used once. One production company stands out in particular: Czar, located at the Herengracht, accounts for twenty campaigns in the dataset. Czar also includes CCCP, which has produced nine campaigns. Where Czar is the company of the established directors, CCCP is a breeding ground for young creative talent. Next to the production of commercials, CCCP also produces television programming, such as *de Jakhalzen* in the popular Dutch television show *De Wereld Draait Door* and the satiric programme *Draadstaal* (*CCCP, 2009*). Next to Amsterdam, Czar is also represented in Brussels,
Hamburg and Barcelona (Czar, 2009). In 1996 the production company was honoured with the Palme D’Or in Cannes for best production company of the year. Most remarkably, it is the first non-U.S. based production company distinguished with this title in Cannes (Adformatie, 1996). Next to Czar, other frequently used production companies in Amsterdam are Hazazah (thirteen times), LenzingBrand (twelve times), Bonkers (ten times), Artcore (nine times), 25FPS, and Christel Palace (both eight times).

There is clearly a distinction in the production companies used by GNAAs and the ones used by independent agencies. Whereas the networks of production companies for most of the GNAAs are embedded or clustered within Amsterdam, the networks of most of the independent agencies are far from embedded within the city of Amsterdam. These agencies have particularly strong links with the high-end audiovisual production centres in London, Los Angeles and New York. Figure 7.1 illustrates the links of several independent agencies (such as Wieden + Kennedy, 180 Communications, StrawberryFrog, Amsterdam Worldwide or 72AndSunny) with production companies in these cities. Production companies such as Anonymous Content, Digital Domain, Stink Productions or Radical Media are at the top end of the hierarchy of film production companies in the world. The production of advertising commercials is sometimes only a sideline activity, next to the production of films for the motion picture industry. For example, Digital Domain has directed a wide range of films, such as The Curious Case of Benjamin Button and Fight Club (both by David Fincher), Star Trek (by J.J. Adams), and Pirates of the Caribbean: At the World’s End (by Gore Verbinski) (Digital Domain, 2009). The same holds true for Anonymous Content, with films such as Being John Malkovich (by Spike Jonze), Eternal Sunshine of the Spotless Mind (by Michel Gondry), and Babel (by Alejandro Gonzales Inarittu) (Anonymous Content, 2009). Stink Productions’ (London) director Neill Blomkamp directed District9 in collaboration with Peter ‘Lord of the Rings’ Jackson (Davis, 2007). Next to directing films, they also direct commercials or music video clips. As they are much larger than their counterparts in Amsterdam, these production companies are better able to produce big budget international commercials. Recently, Palme D’Or and Emmy Award winning production company Hungry Man opened an office in Amsterdam. This office is led by Hein Mevissen (former KesselsKramer), who is one of the co-founders of independent advertising agency John Doe and production company Fat Fred and is also a film director. This film production company was founded in New York in 1997 and also has offices in London, Sydney, Los Angeles, Sao Paolo, and Rio de Janeiro (Adformatie, 2009d). This is a sign that these types of high-end production companies see a growing market potential in Amsterdam for (big budget) creative campaigns.
8.5.2 Creative networks with post-production companies

After the film footage has been shot, one of the most vital parts of the production process starts. The raw film material needs to be edited in a coherent storyline, according to the script of the commercial. This part of film production is better known as post-production and includes, in addition to editing, also visual effects, colour grading, sound effects, scanning from film to data and other activities (Postoffice, 2009). The pool of different post-production companies is much smaller than the pool of production companies; in total forty-three different post-production companies were used. Fifteen of them are located in Amsterdam; one company operates from Amstelveen and another one from Utrecht. Just as with film production companies, the majority of post-production companies was located outside of the Netherlands (totalling twenty-six different post-production companies). London is again number one with thirteen different companies, followed far behind by Los Angeles with three, and Stockholm, Paris and Capetown with two post-production companies each.

Figure 8.2 clearly shows that there is a small group of important local post-production companies. Based on absolute number of networks in the dataset, Hectic Electric is the most important company from Amsterdam (twenty-four networks), followed by Condor (fifteen), Postoffice (fourteen), Valkieser (eleven), and AVP in Amstelveen (ten). Hectic Electric and AVP often collaborate together. London-based post-production companies are next in importance for the international advertising industry in Amsterdam. Again, the conclusion

Figure 8.2 Networks of post-production companies from international advertising agencies in the Amsterdam Region

Source: Author’s illustration
made for production companies also holds true for the post-production networks: GNAAs are most often embedded within the local, while the networks of independent agencies point more frequently to foreign cities, in particular to London. Wieden + Kennedy, 180 Communications, and StrawberryFrog all collaborate with local post-production companies now and then, but for big budget campaigns they usually shift to foreign based companies, such as Moving Picture Company (MPC), The Mill, The Whitehouse, and Cut & Run in London. A company such as the Moving Picture Company is an example of a global leader, with an impressive list of ‘heavily edited’ films: Watchmen, Harry Potter, or Rome. Another post-production company from London, Glassworks, opened an establishment in Amsterdam at the end of 2007. The main underlying reason for this decision was their increasing collaboration with advertising agencies from Amsterdam (Adformatie, 2007c). Figure 8.2 illustrates that Wieden + Kennedy and 180 Communications have already found their way to the Amsterdam-based branch of Glassworks.

The economic crisis had significant effects on the local post-production industry. In 2009 Valkieser was forced to declare bankruptcy (Reclameweek, 2009). In addition to the crisis, another reason might be the choice of the three GNAAs of the Omnicom holding (TBWA, DDB and FHV/BBDO) to shift to different preferred suppliers in 2004 to Hectic Electric/AVP and Postoffice (for sounds Earforce, FC Walvisch and Alfred Klaassen Studio) (van Nierop, 2007). Although there was still a significant connection between FHV/BBDO and Condor; these preferred supplier relations are clearly visible in Figure 7.2. In other words, Valkieser was sidelined by this decision, which might have had a significant impact, leading to their bankruptcy. Condor is another large post-production company that was sidelined by these three big agencies. However, this company is less dependent on the Dutch market, as it expanded internationally with offices in Brussels, Berlin, Kiev and Capetown (Condor, 2009). Condor is not the only company expanding to other markets; for example, Hectic Electric has a branch office in Paris (Hectic Electric, 2009).

Since the summer of 2007, the small stable pool of local post-production companies have had to deal with competition from the Ambassadors, a newly established company by former employees of Valkieser, Hectic Electric and Earforce. One of their competitive assets is that they can offer large 3D projects, thanks to their collaboration with the experienced post-production company The Embassy19 from Vancouver, Canada. There is only a very limited number of new entrants in the post-production industry in Amsterdam, mainly because of the high investment threshold for acquiring advanced equipment (although advances in technology have significantly reduced this cost).

19 One of the founders of the Ambassadors used to work at this particular company (Adformatie, 2007d).
8.5.3 Creative networks with sound and music companies

Even though, most post-production companies also offer sound editing, there is a large batch of specialised firms, simply called sound studios. These companies focus on all aspects connected to sounds in commercials (and also films, television shows and video games). This can be the production, recording and selection of different sorts of sound and music, but also the recording of voices. Next to sound studios, Figure 8.3 also includes music companies or music composers. These companies or individuals only focus on the production and the recording of music. Just as with post-production companies, there is also a relatively small pool of sound studios and music companies (compared to film production companies). In total, thirty-one different sound studios and thirty-three different music producers are included in the dataset. The majority of the sound studios are located in Amsterdam (twenty), one in Hilversum, and another one in Kortenhoef (close to Hilversum). The other nine are located in Los Angeles (four), London (three), New York and Berlin (one each). With respect to music producers there is more diversity, but still most are located in Amsterdam (twelve); the others work form Hilversum (two), and Amstelveen, Rotterdam, Groningen, Breda, Utrecht, Eindhoven, Volendam, and Uithoorn (one each). These locations are generally where the individual resides and operates his/her studio. Foreign music production was networked to New York (three), Los Angeles (two), San Francisco, London, Paris, Copenhagen, and Manchester (one each).

Figure 8.3 Networks of sound and music companies of international advertising agencies in the Amsterdam Region

Source: Author’s illustration
In terms of the most networked sound studios and music producers, there are a few that stand out in Figure 8.3. Earforce is clearly the most important local sound studio for the advertising industry, with forty-four networks. This studio is followed by FC Walvisch (twenty-nine) and Alfred Klaassen Studio (twenty-one). Other important sound studios are Studio de Keuken (fourteen), Marco Sound (ten), Kees Kroot Studio (seven), and Recsound (six). Good Sounds (four networks) is a new entrant founded by post-production company Postoffice. As in the other industries mentioned above, the preferred supplier relations of the Omnicom GNAAs are also visible in Figure 8.3, although with some exceptions. DDB and TBWA have a particularly strong network with Earforce and to a lesser extent with FC Walvisch. FHV/BBDO, on the other hand, has a stronger network to Alfred Klaassen Studio.

With respect to music production there is one local company that is a major player: Massive Music. In addition to Amsterdam, this music production company also has studios in New York, Los Angeles and Shanghai. Whereas most local creative specialists hardly collaborate on the production of big campaigns with agencies such as Wieden + Kennedy or 180 Communications, Massive Music has produced the music for commercials for Nike and Coca-Cola. The networks of Dutch independents are mostly embedded within Amsterdam, while foreign independents mostly collaborate with the big centres of the industry, as visible in Figure 8.3. For example, Wieden + Kennedy, 180 Communications and 72AndSunny sometimes do employ local companies (e.g. Earforce, FC Walvisch, and Massive Music), but still they primarily make use of sound and music production facilities in London, New York and Los Angeles. One of these specialists is Dutch DJ/producer Junkie XL; he has relocated to Los Angeles and produces music for commercials, video games, and movies. Also with respect to sound production, there is an example of a foreign company, London-based Wave Studios, that has recently opened an office in Amsterdam, in order to be closer to the international agencies (Adformatie, 2008d).

8.5.4 Creative networks with photographers and image manipulation firms

The final group of creative specialists works with photos and images. This group is subcontracted for printed campaigns, in magazines or outdoor, especially when special and unique image(s) are required for an advertising campaign. Quite often advertising agencies also use stock photography, provided by large commercial image banks with hundreds of thousands of images, e.g. Getty Images or the Dutch company Van Beek Images. These stock photography companies have become important competitors of the traditional advertising photographers. Image manipulation firms on the other hand offer a variety of services,
which include image retouching, digital image processing, digital proofing, and scanning and printing. Of the sixty-three different photographers included in the dataset, only a small group of sixteen photographers was used more than once. The most often employed photographer, still with only four networks, was Jaap Vliegenthart. The sample of image manipulation companies in the dataset is very small (eleven); nine are located in Amsterdam and two in the adjacent town of Weesp. The most important image manipulation company in Amsterdam is Magic Group (thirteen networks). All in all, the sample is too small in order to draw valid conclusions.

Numbering forty-five, the majority of photographers are located in Amsterdam, while another three are located in smaller towns nearby Amsterdam. Most of these photographers are represented by photography agencies. Some important photography agencies in Amsterdam are Unit C.M.A. (with photographers such as Jaap Vliegenthart, Carli Hermès, Maurice Heessen, and Wendelien Daan -- see Figure 7.4), Witman Kleipool (with photographers such as Auke Vleer, Ruud Baan and Marc de Groot -- Figure 8.4), Solar Photography and House of Orange. A few of the photographers in the dataset are quite well known in the business. Advertising photography can be a lucrative business for photographers; it can further enable them to produce self-contained work. KesselsKramer

Figure 8.4  Networks of photographers and image manipulation companies from international advertising agencies in the Amsterdam Region

Source: Author’s illustration
for example likes to collaborate with Vivianne Sassen, the winner of the 2007 Prix de Rome (Ministry OC&W, 2007). Erik Kessels, known as a great admirer of photography, is regularly involved as curator for the FOAM photography museum in Amsterdam.

From the fifteen photographers located abroad, most worked in New York. Further, two came from London, while Copenhagen, Paris, Stockholm, and Wellington had one each. Most of these foreign photographers (total of twelve) were employed by the independent agencies. Most of these photographers also enjoy acclaimed status in the fashion or music industry, e.g. Dutch and Amsterdam-born Dana Lixenberg. Currently residing in New York, she became famous for series of portraits of various aspects of American society. Other acclaimed photographers in the dataset include Danish Peter Funch (he also relocated to New York), Howard Schatz (New York), and Elaine Constantine (London). It appears that New York is a magnet for photographers, who are probably attracted by the large fashion, advertising and publishing industries and the accompanying large market for original photography (Currid, 2007).

8.6 The project networks of three different types of advertising agencies in the Amsterdam Region

The final part of this chapter will focus more in-depth on several individual advertising agencies and their project networks. The first case will focus on the GNAAAs, the second case will focus on independent advertising agencies with a foreign background, and the third case will focus on independent advertising agencies with a Dutch background. There are actually two different types of foreign independent agencies, those established as new agencies by (a) foreigner(s) in Amsterdam or agencies that were set up new branch offices of already existing agencies abroad. It is important to distinguish between foreign and Dutch independents, because they are likely to have a different perspective on and knowledge of local and international markets, both in terms of clients as well as in terms of external creative specialists.
8.6.1 GNAAs in the Amsterdam Region

Figures 8.5 and 8.6 show the project networks of campaigns produced by advertising agencies FHV/BBDO and DDB. As Chapter 4 already emphasised, FHV (it merged with BBDO in 1970) has been one of the most influential advertising agencies in the history of Dutch advertising. Currently, DDB is together with TBWA the most acclaimed GNA office in the Netherlands, as testified by the number of awards won over the last two decades (see Chapter 7). Strikingly, both figures emphasise the local orientation of both the client networks and the creative networks. This picture appears to hold true for most GNAAs active in the Netherlands, as already emphasised in Table 7.1, which details the client profiles of the GNAAs. In the words of a DDB respondent,

‘our client portfolio consists of ninety percent local clients and only of ten percent international clients. Nonetheless, within the ninety percent there are also some huge multinational firms that require local campaigns, for example McDonald’s and Volkswagen. These accounts are handled by our entire global network’ (DDB).

DDB’s local identity is greatly strengthened by the fact that the agency has several typical Dutch clients in its portfolio (such as Achmea, Aviko, and Grolsch), which were acquired independently from their global network. It also has the international coordinating role for one major multinational, Dutch electronic goods company Philips, which is a strong

Figure 8.5 The project networks of FHV/BBDO in Amstelveen
(based on 25 campaigns for 14 clients)

Source: Author’s illustration
relationship spanning approximately a decade. In 2000, Philips made the decision to strategically reposition their advertising activities by shifting their international account from EuroRSCG to DDB Worldwide (Adformatie, 2000b). In the last several years the Dutch DDB office increasingly played the leading creative role in a number of campaigns; for example the dataset includes three international campaigns produced for Philips. It is striking that they immediately shifted to foreign creative specialists for the production of these international campaigns, similar to the independent agencies when working on their international accounts. The total budget of the pan-European marketing campaign for the introduction of the Philips’ Aurea television was 50 million euro (Adformatie, 2007e). These big budgets allow advertising agencies to employ high-end audiovisual companies, and, more importantly, their clients expect them to seek out and employ the best available creative specialists from around the globe. This particular campaign was directed by Hong Kong-based director Wong Kar-wai (In the Mood for Love and 2046). More recently, the award-winning ‘Carousel’ campaign for the Cinema 21:9 television was produced by a combination of London-based audiovisual companies and Prague-based specialists (it was filmed in the Czech Republic). The interactive agency Tribal DDB of the Dutch DDB Group had the creative lead in this commercial.
Apart from a few high-profile international accounts (such as Philips) FHV/BBDO has a similar profile to DDB:

‘We have several large Dutch multinational firms in our client portfolio; we mainly produce local campaigns for them, such as Douwe Egberts (Sara Lee) and Campina. These clients can make use of our international office network when they need to produce campaigns in other local markets’ (FHV/BBDO).

In the dataset there is one clear example of how Sara Lee in the Netherlands used the international network for the production of a campaign for another country. FHV/BBDO collaborated with the BBDO office in Copenhagen for a campaign of a Sara Lee brand for the Danish market -- Zendium (toothpaste). A similar story was shared by another interviewee:

‘We collaborate with the Lowe office in Warsaw for our multinational Dutch dairy industry client. They wanted to produce a campaign for a margarine brand for the Polish market. We invited the Polish account team over in our office to work in collaboration with the Dutch account team’ (Lowe).

Agencies such as DDB, FHV/BBDO, TBWA, Lowe, and UbachsWisbrun/JWT are seen as GNAA offices with a strong local client base and are therefore also seen as having a strong local identity. On the other hand, agencies such as Leo Burnett/Arc, McCann-Erickson, Grey or EuroRSCG are perceived as being under tighter control by their American or French headquarters, and as doing more adaptation work. One respondent, with experience in both worlds, described the differences:

‘…at EuroRSCG you can feel very well that you are a network agency. There was strict control on the finances from the Paris head office. The majority of the clients were also international and then particular French companies such as Danone, Citroën, Peugeot and Lu. Much of the work was adapting, and otherwise the planning and creative part was already mostly decided by the head office’ (UbachsWisbrun/JWT).

However, while this may hold true for the advertising agency EuroRSCG, its sister EuroRSCG/4D -- the interactive agency of the Group -- is quite a different story. As Table 7.1 shows, EuroRSCG does have the highest number of international campaigns of all GNAAs; however, all their international campaigns can be attributed to 4D. This interactive agency has the creative lead role on international client accounts such as Volvo, Beck’s, Leffe (Inbev Breweries), and Carte Noir (Kraft Foods). After making
several internationally award-winning campaigns, their status in the network has increased and now they enjoy an exceptional position:

‘We now have a team from our office for already a week at the headquarters of Volvo in Göteborg. They work in close collaboration with the client on a campaign…. As we have a lead role for many campaigns, we direct or collaborate with teams at other 4D offices as well, although not necessarily face-to-face. We collaborate quite frequently with the offices in New York, Paris, Prague, and Warsaw’ (EuroRSCG/4D).

For these online campaigns, the creative production is frequently subcontracted to online production companies. These companies specialise in the production of online content, such as websites, games, and other applications.

The majority of the creative networks of the GNAAs in the Amsterdam Region are locally embedded, and then specifically within the city of Amsterdam. However, the GNAAs are also likely to employ creative specialists from other countries, especially for exceptional international campaigns. As seen in Figures 8.5 and 8.6, the creative networks of both FHV/BBDO and DDB are predominantly oriented around Amsterdam:

‘We have many different contacts with local firms and freelancers to whom we subcontract. The choice for a specific subcontractor is based on factors such as quality, style and price. With respect to long-term campaigns we sometimes make use of just one director to guarantee and continue a specific style of the campaign’ (FHV/BBDO).

8.6.2 The case of the independents with a foreign background in the Amsterdam Region

Figure 8.7 and 8.8 show the project networks of Wieden + Kennedy and 180 Communications. These two are quintessential examples of international independent agencies in Amsterdam. In contrast to the networks of the GNAAs, their networks are not strongly embedded within the local. Although for both agencies their major client (Nike for Wieden + Kennedy and Adidas for 180) is located nearby, they primarily work for the international market. While for the GNAAs the ratio of local/international is overwhelmingly (ninety to ten) in favour of the local, for the independent agencies with a foreign background this ratio is the other way around. Agencies such as Wieden + Kennedy and 180 Communications work now and then for local clients, but these are generally not long-term links. The respondents from this agency confirmed this observation:
‘I think there is some interest, only if we can do good creative work and if we are financially affordable for them. The truth is we mostly do global stuff. We do most of our business in English. So I think it is not likely to do much Dutch work’ (Wieden + Kennedy).

In other words, the high costs of such a high-end advertising agency are already prohibitive for many clients. The reputation usually allows them to be picky and select the clients for whom they can make challenging and culturally relevant work. Also, as the competitive

**Figure 8.7** The project networks of Wieden + Kennedy in Amsterdam (based on twenty campaigns for eight clients)

![Project Network of Wieden + Kennedy in Amsterdam](image)

*Source: Author’s illustration*

**Figure 8.8** The project networks of 180 Communications in Amsterdam (based on fourteen campaigns for nine clients)

![Project Network of 180 Communications in Amsterdam](image)

*Source: Author’s illustration*
strength of this type of independents lies in their ability to produce creative campaigns that cross borders, they tend to concentrate largely on international work rather than local clients.

The foreign creative networks of Wieden + Kennedy and 180 Communications mainly point to subcontractors in London, Los Angeles, New York, and to a lesser extent to Paris and Stockholm. 180 Communications has two units within the organisation that are engaged in the selection and preparation of work to be subcontracted:

‘We have a unit we call “broadcast” that prepares all the TV-production work. They know everything about film directors and their styles and quality. We also have “art buying”. They are specialised in photography and illustrations and the like and arrange photo shoots. You see them checking photo books all the time and having meetings with photography agencies. They present themselves, because of our reputation everybody wants to work with us’ (180).

Previously this chapter described the pitching process for selecting advertising agencies. A similar pitching process is also organised for the selection of creative specialists pitches, at least for the big budget campaigns:

‘Let’s say we design a TV ad, than we go to maybe ten different directors of who we think they have the right kind of style, and finally the creative team will have a pitching process with the three they like best. Different people will see the idea in different ways. You will use whomever you think will give the best creative impression of your idea. These people can be based anywhere, it doesn’t matter where they are based. We use directors from the US and the UK, but also quite a lot from Scandinavia, all over the place’ (Wieden + Kennedy).

The rates for post-production work in London are much higher than in Amsterdam (although with the currently lower exchange rate with the pound real costs have dropped). Despite this increase in cost, for big international accounts, Amsterdam-based agencies frequently shift to subcontractors in London, New York or Los Angeles. It is not only because the post-production companies in these cities are more acquainted with the production of big-budget commercials; there is also a cultural component. The working culture in the United Kingdom and the United States is to work twenty-four hours, seven days a week if necessary. In Amsterdam agencies sometimes simply say no; Dutch people are more attached to their spare time (Van Nierop, 2007). The new establishment of the British post-production company Glassworks in Amsterdam did not go unnoticed by 180 and Wieden + Kennedy. The dataset shows that both have worked with this new entrant, 180 for campaigns for BMW and MTV, and Wieden + Kennedy for a campaign for Electronic Arts.
In addition to subcontracting work to creative companies, advertising agencies frequently work with freelancers. Although these networks are difficult to map and are not included in the dataset, there is one interesting notion to mention, which also could be useful for policymakers. Most of the respondents emphasised that there is a shortage of digital creative talent on the Dutch labour market.

‘The slice of creative talent present here in the city tends to be skewed more towards the traditional media. I am also disappointed that a lot of talent here is really expensive, and it is actually easier for me to hire people from the UK or the US. Freelancers in Amsterdam are a lot more expensive than in London. That is why we make use of people from the UK and the US, or Scandinavia. We not necessarily ship them over, but we send work over to them’ (AKQA).

The lack of digital talent was repeatedly emphasised:

‘I think the online/digital area is something we should invest more in here, Sweden is a good example’ (Springer & Jacoby).

With Sweden they refer in particular to a school called Hyper Island. This is a Stockholm and Karlskrona-based international school which was already launched in 1995. They offer two-year programs related to digital media (Hyper Island, 2009). It would be useful to learn from this success story and implement a similar education system in Amsterdam or somewhere else in the Netherlands.

8.6.3 Independents with a Dutch background in the Amsterdam Region

Figures 8.9 and 8.10 show the project networks of Dutch independent agencies Kessels-Kramer and BSUR, which have a level of internationalisation somewhere between the level of the GNAAs and the independents with a foreign background. The client composition of both KesselsKramer and BSUR (also shared by other agencies such as John Doe and Woedend!) is a mix of local firms, (non-profit) organisations, and foreign multinational companies. Their client portfolios also include several clients with smaller advertising budgets. Having international staff within the agency, is one of the crucial preconditions for Dutch agencies to obtain international client accounts. In order to attract international clients, Selmore, a Dutch agency with international ambitions, hired an experienced British director for generating new business (formerly employed at 180) (Prummel, 2007). The labour composition of Dutch agencies that work on the international level generally reflects their
current client portfolio:

‘Sometimes we get 70% of our business from international clients, other times 50%, or sometimes our local clients have the largest share. The amount of foreigners working in the office is fluctuating for that reason’ (BSUR).

There is a general consensus among the advertising industry that in order to work internationally in advertising an agency needs to employ international staff. KesselsKramer has a particularly strong creative reputation worldwide:

‘Clients come to us for our specific signature, which is a mix of realism and creativity. Think about using really ordinary citizens as actors in commercials. Having international clients is not our starting point. However, our client portfolio is currently about fifty-fifty in terms of Dutch or foreign clients. Our starting point is whether a client interests us. We want to make varied and creative advertisements (KesselsKramer).

The reputation of KesselsKramer in Japan is remarkable; it is a market that is not easily accessible to foreign advertising agencies. For example, KesselsKramer worked for MTV Japan (see Figure 4) and also for Microsoft Japan. They gained a good reputation in Japan through a project of one of the founders:

‘We once made the documentary “The Other Final”²⁰ in Bhutan and the co-producer was a Japanese guy. This documentary got a lot of publicity in Japan and some new clients came to us as a consequence’ (KesselsKramer).

The success of Woedend! testifies that the size of the agency is not necessarily decisive. After winning the account of Asics Europe for their online strategy and web development at the end of 2004, they also managed to win the worldwide integrated campaign for Asics in 2008. At the Asics headquarters in Tokyo they won the pitch, beating out a large Japanese GNAA and an agency from San Diego in the United States.

‘Not bad for only thirty people working from an attic’, as the founder of Woedend! argued (Adformatie, 2007f).

²⁰The Other Final is a documentary about a football match between Bhutan and Montserrat. These countries were at the lowest positions of the FIFA ranking of national football teams. This matched was played at the same moment when the World Cup final between France and Brazil took place in France in 1998.
While many advertising agencies had to fire employees during the credit crisis of 2009, BSUR had an enormous success in 2009, attracting many new employees. They won the pitch of the Mini (BMW-group) account, and have since become their global lead agency. Even more striking, their competitor agencies in this pitch all came from Amsterdam:
Some important conclusions can be drawn from the empirical analysis of the project networks of the international advertising industry in Amsterdam. Most importantly, two production milieus can be distinguished. On the one hand, there is the production of local advertising campaigns, particularly by GNAAs and independents with a Dutch background. The creative networks for the production of local campaigns are strongly embedded within Amsterdam. There is an especially diverse, large pool of film production companies and photographers that is available to advertising agencies. Post-production and sound and music production is slightly more concentrated within a smaller group of major players. This type of advertising production is clearly clustered within the city of Amsterdam and it follows the characteristics of a densely networked local cultural industry. However, the production of international advertisements shows a different picture. International advertisements are mainly produced by the independents with a foreign background, to a lesser extent by the independents with a Dutch background, and only in rare occasions by the GNAAs. Nonetheless, it holds true for all that for big budget projects the actual production is executed by London, Los Angeles, and New York-based creative companies and specialists. The audiovisual industry in Amsterdam cannot match the capacity nor the quality of the high-end production facilities from the cities mentioned above. However, the growing number of advertising agencies that produce international campaigns seems to imply that a critical mass for (foreign) high-end creative specialists is being created. The recent founding of the first high-end (post-) production office (by London based companies) might be a sign that Amsterdam’s international advertising industry is maturing.

Compared to a Wieden+Kennedy and 180, the creative networks of these Dutch international independents are more embedded in a local context. But also they shift quickly to using foreign creative specialists for international campaigns with a relatively large budget. In contrast, the creative specialists for local campaigns are usually based in Amsterdam:

‘When we work on a large international campaign in which a lot of money is involved, we have much more possibilities to select top creative specialists. For a small campaign it would be wrong to advise a client to spend €75,000 on just a photo while the budget is only €100,000. You have to think better to make a good choice’ (KesselsKramer).

8.7 Conclusions

Some important conclusions can be drawn from the empirical analysis of the project networks of the international advertising industry in Amsterdam. Most importantly, two production milieus can be distinguished. On the one hand, there is the production of local advertising campaigns, particularly by GNAAs and independents with a Dutch background. The creative networks for the production of local campaigns are strongly embedded within Amsterdam. There is an especially diverse, large pool of film production companies and photographers that is available to advertising agencies. Post-production and sound and music production is slightly more concentrated within a smaller group of major players. This type of advertising production is clearly clustered within the city of Amsterdam and it follows the characteristics of a densely networked local cultural industry. However, the production of international advertisements shows a different picture. International advertisements are mainly produced by the independents with a foreign background, to a lesser extent by the independents with a Dutch background, and only in rare occasions by the GNAAs. Nonetheless, it holds true for all that for big budget projects the actual production is executed by London, Los Angeles, and New York-based creative companies and specialists. The audiovisual industry in Amsterdam cannot match the capacity nor the quality of the high-end production facilities from the cities mentioned above. However, the growing number of advertising agencies that produce international campaigns seems to imply that a critical mass for (foreign) high-end creative specialists is being created. The recent founding of the first high-end (post-) production office (by London based companies) might be a sign that Amsterdam’s international advertising industry is maturing.

180 and KesselsKramer (Adformatie, 2009b). This is a clear sign that large international clients obviously keep an eye on the advertising industry in this city.