Chapter 14: Advertising, Agencies and Globalisation

Paul Springer

Introduction

After advertising became a highly organised profession in the US during the first half the twentieth century, its standardised practices encouraged some agencies to expand overseas. In doing so agencies transitioned into 'advertising groups' by leveraging their branding, methods and client networks. This chapter addresses how advertising became organised globally within groups and how it developed across different regions of the world. The chapter also highlights a series of challenges that working globally involves for advertising practitioners, and identifies the leading exponents of globalised advertising today.

The first section charts the beginnings of agencies 'going global'. It considers why US firms in particular chose to open overseas offices in the first place, and how expansion took a different form later in the century. This section contemplates challenges that working 'out of country' involved, and considers why US agencies were best positioned to exploit open border opportunities. The section also considers how multinational firms have organised specialist skills within regions with designated business, creative and production epicentres. The second section profiles major global advertising networks. I profile what the New York Times termed the 'Big Four' giant agency companies - WPP, Omnicom, Publicis and Interpublic. Such multinational groups tend to incorporate 'traditional' and new advertising-related services spanning magazine and newspaper advertising, billboards and posters, television, cinema and radio commercials alongside marketing, media planning and buying, PR and more recently digital advertising services which include social media, mobile and interactive communications within their network. Individual advertising agencies in such umbrella organisations tend to operate under their own brand name but form part of a network that contains complementary (and sometimes overlapping) skills. This section identifies some of the complexities of working within a holding company of branded agencies. The third section identifies themes that emerge from global advertising practices. This includes the idea of 'glocal' approaches; seepage of national campaigns through the worldwide web, and the notion that interest networks now serve more of a collective community than geographic regions.

Section 1

Agencies 'going global'

American advertising agencies were trading in the UK even before Madison Avenue, New York became a focal point for commercial advertising (Meggs, 1998). J Walter Thompson were the first Anglo-American advertising agency in 1899 when they launched an office in London. However their London base simply served as a sales bureau for European businesses to trade and advertise goods in the US (Goodrum, & Dalrymple, 1990; McDonough & Egolf, 2002). Few other US agencies worked internationally until the late nineteen twenties, when US businesses upped their trade in South America. At a time when European manufacturers were recovering from the First World War they were displaced by US firms that were closer to South America and better equipped to export. US manufacturers called upon compatriot advertising agencies to handle their export accounts as the South American market grew, which led to a first wave of US agencies competing overseas. In 1929 NW Ayers & Son Inc. became the first US agency to open in Brazil, and managed Ford Motor Company's communications. Soon after they were joined by J Walter Thompson, working for the General Motors Corp. while McCann Erickson were tasked with Standard Oil Company's accounts across South America (McDonough & Egolf, 2002 p.1456). Such large accounts made working 'in situ' highly profitable, so many more large US agencies started competing for multinational accounts. A situation of mutual dependency soon developed whereby US advertisers were reliant on South American media to advertise US products while the South American media relied on US agencies' high levels of spending. The US's rapidly growing economic and political influence in the region was reflected in its growing significance across commercial communications and mass media across the South American region. Such successes encouraged US advertising firms to expand further afield, especially in Europe. McCann Erickson, who launched offices in London, Paris and Berlin in 1927, were symptomatic of US agencies opening 'shops' in European capitals.

Few European agencies expanded overseas even after the Second World war. European agencies tended towards domestic market growth, despite larger export deals being struck with the post-war opening of international trade borders after 1945. It could have been that European advertising accounts were too small to fund the opening of offices abroad. Some commentators have speculated that European agencies felt linguistically and culturally tied to their domestic markets (Tungate 2007), whereas US firms thought the opposite and benefitted. In South America for instance, US agencies discovered that most radio, print and media networks were privately owned, so budgets were larger and trade expansion more straight-forward than with state-owned European networks. Many more US advertisers secured European advertising contracts of American-founded multinational brands including McCann Erickson for Coca Cola, N. W. Ayer for Ford, and J Walter Thompson for Procter & Gamble. Such deals helped these agencies establish a foothold in different continents (Tungate 2007: p.24-39). Some European agencies did manage to succeed overseas. For instance the British co-founded agency Hewitt, Ogilvy, Benson and Mather (which later became Ogilvy & Mather) proved highly successful in Manhattan from 1948 (Tungate 2007: p.239). For the most part however European advertising groups only internationalised through mergers with agencies that were already trading across borders.

A wave of agency acquisitions and mergers occurred during the nineteen eighties and nineties, which was when multi-agency ‘holding’ companies developed. ‘Holding group’ organisations bought into many global advertising agency brands alongside newer specialist services in direct marketing, media buying, media planning, PR and, latterly, digital advertising. These multi-skilled networks encouraged autonomy between their agencies but facilitated collaboration for pitches. The management team behind agency networks, often referred to as ‘holding groups’, prevent agencies from competing within their own networks. Managing accounts and pitch processes across a network became the responsibility of holding groups, who needed to broach such challenges to prevent stifling agencies in their network. So, for instance, WPP have members of agencies on thir board where issues concerning tthe overarching management of the group is addressed alongside the more specific interests of the gropiu’s separate ageicnes. The dynamics within different holding groups varies, and challenges are generated by the contractual relationship between agency networks and their overarching holding group, not least of which because additional layers of management and in-group bureaucracies (Arsenault and Castells 2008 pp.707-708).

Challenges

Many governments have legislation in place to support their own industry and labour markets, which presents a challenge for agencies operating globally. Until recently for instance, China required international agencies opening in China to partner with Chinese firms (Chao 2012 p.25). Some countries also impose employment quotas: for instance Saudi Arabia's 'Saudization' policy imposes native employment quotas of up to forty percent. This presents a challenge as skilled native advertisers are in short supply.

The adoption of digital media, which varies in pace from region to region, poses challenges for multinational agencies. Many developing countries do not have an overarching IT infrastructure in place, so remote and rural areas of countries, including India, are not easily reached through digital services. In these regions localised advertising remains the most viable option, which favours local agencies over multinational groups.

Digital media poses generational challenges too. For instance, in some Middle Eastern countries the majority of the population is under the age of 25 and there has been a surge in start-up digital agencies, largely funded by multinational cosmetics and luxury brands. These independent agencies are agile in being able to address current issues in real time for brands, and are able to establish an engaged following within target markets. For instance in Saudi Arabia the digital media advertising agency 77 Media create social networks and conversations around Procter & Gamble's cosmetics and pharmaceutical brands. Thy can be reactive to feedback and comments, they can create events and other advertising activity if the interactions suggest that it would be beneficial to do so. Large brands are spending a larger proportion of their marketing budget on digital agencies to blog and utilise social media on behalf of their product lines (Springer 2013). This eats into budgets for generic awareness campaigns which mostly use traditional media, more often than not managed by multinational agents.

Perhaps the biggest challenge multinational agencies face arises from the cultural differences between regions. Agencies tend to adapt to changes in nuance and regional outlook. This impacts on the advertising formats used in different countries and, by extension, the way agencies organise their workforce. For instance, in Saudi Arabian cities, Thursday evening marks the start of weekends, and city roads are gridlocked with cars driving to shopping malls, restaurants, out-of-town activities and cars simply been driven for fun (such is the region's passion for cars). It is therefore little wonder that there are more advertising billboards per mile than anywhere else in the world (Springer 2013). In Saudi Arabian cities the sheer volume of roadside billboards, bridge advertisements and 'mupis' (billboards on poles) reflect cosmopolitan consumer culture whose primary leisure activities are shopping and driving alongside home entertainments. Therefore roadsides, shopping malls and television commercials deliver the best opportunities to prospective reach consumers – so Saudi agencies have large poster and press departments. By comparison, in China where mobile phone penetration rate is estimated to be at seventy-eight per cent in 2017 (Statista 2017), advertising through personal digital media offers the best means of reaching target audiences. Advertisers in China have tended to use pop-up and viral advertisements, banners, in-game advertising and formats such as augmented reality in novel ways to reach target audiences. – and jobs available in Chinese advertising agencies reflect the need for specialist digital skills. So points of difference between countries impact on how agency groups develop in-country. Each region has a communications terrain that is shaped by local consumer behaviours, lifestyle, climate and culture, that influences how advertising budgets are spent.

Table 1 illustrates differences in what has proven to be the most successful media for different regions. In South Africa for instance, the highest proportion of advertising spend – fifty percent - is on television commercials. In China sixty one percent of ad-spend goes on digital formats including branded web spaces, mobile phone and social media. In the developed advertising economies of the US and UK, television and print have reached saturation point where digital media is still making an impact on advertising. In comparison with developing advertising economies such as India and South Africa, print and television advertising still attracts the largest proportion of annual ad-spend.

Table 1: Percentage spent on advertising media between countries (2016)

	TV	**Digital** Social/rich media/mobile (not SEO)	**Out of home**	**Cinema**	**Print Newspaper/ Magazines**	**Radio**	
UK	25	**42**	3	1	27	2	developed advertising economies
N. America	36	**37**	4	2	14	7	

China	20	**61**	10	1	5	3	developing advertising
India	**44**	15	5	1	31	4	Economies
Middle East	**43**	10	7	0	37	3	
South Africa	**50**	4	4	1	25	16	

Sources: emarketer.com (China); Group M (India); Statista (USA); MidEastMedia (Middle East); AA/WARC, 2016 (UK); Adex (Africa).

Such variations in media usage makes it hard for multinational agencies to standardise between countries, which is perhaps why agencies offer different services from country-to-country, and why multinational firms prefer to employ indigenous workers alongside those whose skills have been honed on other markets.

Understanding local points of reference can be used to the advantage of local agencies. For example, in India knowledge of local behaviours was leveraged when the telecommunications firm Airtel opted to employ a Mumbai-founded advertising agency, Taproot, to deliver a campaign targeting 16-24 year olds. The campaign profiled different types of ‘har friends’ Indian youth tended to have, and output included broadcast commercials and 14 downloadable videos - one in each Indian local dialect - for Airtel’s young target audience to watch and share (Springer, 2012:190-191). For instance Procter & Gamble in Saudi Arabia employed a native digital firm for similar reasons, to blog about beauty, fashion and the company’s cosmetics brands in a campaign that was ‘voiced’ by Saudi women for Saudi women (Springer, 2013: 28).

It is important to note that the pace of adopting media formats varies between regions. The market rate of acceptance in early-adopting countries China and Japan is faster than the UK and Scandinavia which, in turn, is faster than most central European, South American and African markets. (Accenture, 2016) It is also worth noting countries that spend the most per-head on healthcare also tend to spend the most on advertising per citizen. They are the countries that spend the most on awareness campaigns (billboard and television advertising) and relationship marketing (mostly digital) proportionately per citizen.

Table 2: Annual spend on advertising per citizen (2015)

United States $567

United Kingdom	$362
Australia	$486
Germany	$311
Japan	$309
Canada	$310
South Korea	$253
France	$224
Norway	$472
Sweden	$361

Source: InsiderMonkey, 2016

While standardisation between regions would suit the agencies that operate globally, it is only possible when cultures overlap in terms of shared behaviours and media usage (Plappert 2010). One strategy employed by multinational firms working from several national bases across one region is to create regional hubs, where specialist services are located in one regional office and shared across the regional network when needed. For instance, in the Middle East Dubai has tended to operate as a business centre of advertising networks; agencies in Lebanon often become the creative hub because of the concentration of art directors and copywriters working in the region; Egypt, known across the region for its jingles and witty commercials, tends to produce television commercials for the region, and a production industry has developed there to support the demand. So, for instance, when the agency BBDO created a strategy for chocolate snack Snickers with the tagline, 'You're not you when you're hungry', the same tagline and creative concept ran globally but the narrative varied from region to region. The storyline was tailored and localised storyline by the regional office of BBDO, and then filmed in the region featuring a cast of regional celebrities to make the advert refer to local reference points.

Regional grouping enables multinational corporations to pool resources and localise communications through regional agencies so that the treatment and tone of voice can be more indigenous than, say, commercials created out of the region. Major advertising firms find it easier to operate through regional epicentres, and most have organised their management of advertising within groupings - Pan-European; Europe, Middle-East, and America (EMEA) and Pan-Gulf Cooperation Council of Middle-Eastern countries (GCC).

This approach to managing brands across regions is manageable when agencies do not face problems of holding rival brands within their same network. This ha not always been the case. For instance, Claude Hopkins, founder of the Interpublic Group during the ninetween thirties, discovered that his holding company's ability to grow was restricted because they could not have agencies in his group simultaneously holding or pitching for rival accounts to brands they already held. Initially Interpublic Group decided which accounts to relenquish and made up for the loss of income by taking on more Fast Moving Consumer Goods (FMCG) accounts as the sector grew.

As more multi-agency groups launched, less stigma was attached to different agencies in one holding group handling rival brands – and brand owners were loath to get rid of their agencies if the relationship worked well. Within agency groups however it still stands that, to avoid conflicts of interest, they should only handle one type of brand in each sector – one automotive, one beverage, one domestic products, one FMCG and so on.

Section 2

The Big Four multinational groups

Table 3: Largest agency networks and their billings (2015)

1. WPP Group	$18.7 billion
2. Omnicom Group	$15.1 billion
3. Publicis Groupe	£10.6 billion
4. Interpublic Group	$7.6 billion
5. Dentsu Aegis Network	$6.3 billion
6. Havas Worldwide	$2.4 billion

Source: Advertising Age, 2016

Changes in the global economy during the nineteen seventies and eighties, and the impact of digital technology during the nineteen nineties, proved to be catalysts that led to the types of multinational agencies in operation today. Periods of economic growth rapidly followed by a successive recessions destabilised national agencies that has been developing since the beginning of the century. Some advertising agencies grew too quickly when they expanded services to meet increased demand but then faced difficulties during economic downturns, which made them vulnerable to buy outs, mergers and acquisition. This was the period in which the largest advertising networks took shape. The development of new specialist digital services has further fed the growth of holding groups. Since the mid-nineteen nineties, when digital technology afforded new media options and more accurate ways to target customers, the specialist digital services were either acquired by agency networks or developed in-house and an extension of services already on offer within global agency groups.

Patterns of transnational growth, similar to creative advertising and digital communications, have impacted on the media-buying and planning industries. In pitching for strategy accounts it is often the case that a holding group will encourage advertising specialists from elsewhere in its network to support their partner agencies - often with a view to other services in their network winning later aspects of an advertising campaign. As one WARC overview of the global advertising industry noted, the use of advertising agencies has spread from a concentration in consumer goods and retailing to virtually all business sectors. (WARC 2011 p3).

With such an array of advertising services now available, the brands that invest most on advertising worldwide such as Procter & Gamble, Unilver and L'Oreal, prefer to channel communications through one agency network rather than fragment and deploy tasks to rivalling agencies.

The most prominent global communications networks - commonly referred to as The Big Four are WPP, Omnicom, The Interpublic Group and Publicis Groupe.

Table 3: The Big Four global multinational communications holding groups

Company	f.	City/ Country	advertising services	Clients include	Countries	Advertising agencies include
WPP plc	1971	London, UK	85	Procter & Gamble GlaxoSmithKline AmEx	Staff: 200,000 Offices: 3,000 Countries: 112	Grey JWT Ogilvy & Mather Young & Rubicam AKQA
Omnicom	1986	New York, USA	165	Morgan Chase	Staff: 74,000 Countries: 100	BBDO DDB TBWA Tribal Interbrand
The Interpublic Group	1930	New York, USA	83	Nescafe Nike Mastercard	Staff: 50,000 Offices: 105	McCann Erickson FCB Lowe & Partners R/GA HUGE
Publicis Groupe	1926	Paris, France	134	Levis Fiat Kelloggs	Staff: 78,000 Offices: 330 Countries: 110	Publicis Worldwide Saatchi & Saatchi Bartle Bogle Hegarty Leo Burnett Sapient Nitro

WPP

WPP, whose acronym derives from the firm's original activity producing Wire and Plastic Products, moved into specialist advertising services in 1985 when Martin Sorrell, a former financial director and acquisitions manager of Saatchi & Saatchi, took a major stake in the company and became its Chief Executive (Tungate 2007). Within two years WPP had acquired several US and UK direct advertising and marking firms and its first major advertising company, J Walter Thompson. By 1990 WPP had become the world's largest advertising holding company. WPP added specialist media buying and planning services alongside public relations and digital communications services to its network Further acquisitions of Ogilvy & Mather and media research agencies Millward Brown and Research International made it the ‘one-stop shop’ network of choice for international brands. When brands such as IBM moved their entire global advertising accounts to Ogilvy & Mather in 1994 the network embarked on a period of buying further services to encourage more global brands to consolidate total advertising budgets within the WPP network.

WPP describes itself as offering a ‘comprehensive range of advertising and marketing services including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; direct, digital, promotion & relationship marketing; and specialist communications’ (WPP 2016). So WPP become the largest global holding groups by bringing specialist advertising, branding, marketing, research, PR and design and digital marketing companies into its multidisciplinary network. WPP has offices running in all continents, and runs project partnerships and even communications schools in two of its biggest growth markets - Shanghai and Mumbai.

WPP are now home to some of advertising’s most renowned advertising brands, many of which were synonymous with Madison Avenue during advertising’s hay-day including J Walter Thompson, Grey, Ogilvy & Mather and Young & Rubicam.

With over 194,000 staff working in its 3,000 offices worldwide, WPP employs a Global Talent Manager to develop its top staff across its various service networks, while balancing this activity with more localised staff development managed through its agencies training programmes.

With such a large network WPP negotiates potential conflicts of interest so that, for example, it does not represent rival brands or causes in any one product sector within its network at any one time (Sinclair 2012).

The Omnicom Group

The Omnicom Group is based in New York where it was founded in 1986. The Group was established following the merger of three well-established rival agency groups, Doyle Dane Bernbach (DDB), Batten, Barton, Durstine & Osborn (BBDO) and French network Tragos, Bonnange, Wiesendanger and Ajroldi (TBWA). The three separate agencies were already well established internationally so when the consolidation was first announced the advertising trade press dubbed the merger ‘The Big Bang’ (Tungate 2007 p.149). Today Omnicom operates through five large agency networks - DDB Worldwide, BBDO Worldwide, TBWA Worldwide, Omnicom Media Group and Diversified Agency Services (DAS). Between them they run over 1,500 agencies worldwide. The group has now incorporated branding firms Wolff Olins and Interbrand, direct marketing specialists Tribal and Rapp Communications and added its own media buying network OMD Worldwide, so Omnicom now has a much wider variety of creative services on offer through its network.

In 2013 Omnicom planned to merge with rival network Publicis, which would have become the world’s largest communications network. However, before seeking the possibility of government Mergers and Acquisitions approval from national competition authorities, disagreements between management teams over a shared structure led to the cancellation of the merger in 2014.

The Publicis Groupe

Even without the proposed merger with Omnicom, Publcis are the largest advertising network based in central Europe. The Publicis Groupe was founded in Paris in 1926 and expanded after the Second World War. Publicis originally comprised of advertising, marketing and sales promotion companies, though in recent years the network has expanded into digital advertising.

Like other multinationals, Publicis has a base in all continents and has targeted expansion in regions with emerging advertising economies, mostly in Asia and Africa. In recent years it has reorganised its operations globally into four distinct themes: creative communications networks; media planning and buying; digital design and technology and healthcare (WARC 2011 p10).

Publicis grew into a global advertising group following a series of agency acquisitions. At one point the network had an acrimonious alliance with the advertising agency FCB when it planned to join the network during the 1990s, which impacted on Publicis’s growth at the time. However further mergers with globally-renowned creative advertising agencies including Saatchi & Saatchi, Leo Burnett and Bartle Bogle Hegarty provided the agency with a strong reputation for reliable and highly creative work. The Publicis Groupe also includes a healthcare communications network, media planning and buying firms such as ZenithOptimedia and Starcom (WARC 2011). More recent buy-outs of US and European digital advertising firms including Digitas, Razorfish and Sapient have reinforced the holding group's reputation as a network of leading edge agencies.

The Interpublic Group

Before being rebranded as The Interpublic Group of Companies Incorporated (IPG), the McCann Erickson Group was the first of the multinational holding group when it established in 1930.

The group changed name in 1961 when it amalgamated three large advertising American agencies - the McCann World Group, Lowe and Partners and Foote Cone Belding. Each agency has offices in 70 countries worldwide with services spanning creative and strategic advertising, public relations, sports marketing, talent management, healthcare and sports marketing.

IPG was considered to be pioneering in the way that it supported the growth if its separate agencies towards the end of the twentieth century. However, the network struggled following a decade of rapid growth, expensive acquisitions and problems accommodating new services into the existing IPG network. By 2010 the group had lost multinational clients and had lost ground to Publicis, which had overtaken IPG as the third largest communications holding group. However the agency still holds major accounts and is still synonymous for the work it produced for Coca-Cola, Johnson & Johnson and Nescafe.

The Big Four networks have been quick to absorb opportunities afforded by developments in media technologies. For instance, WPP bought a majority share of the digital marketing firm AKQA in 2014. AKQA already ran thirteen offices globally but WPP's investment enabled the agency and its founder to develop the network further. Similarly, Omnicom's investment in direct advertising specialists Tribal, IPG's investment in specialist digital media firm R/GA and Publicis's acquisition of digital advertising developers Sapient were thought at the time to present more opportunities for the holding company than for the agencies which, at the time of joining a holding group, had been highly successful independent firms in their own right. In practice joining a global network has had little impact on their productivity or ability to secure prized contracts.

For the most part holding groups bought their way in to the leading digital advertising agencies, which afforded digital firms the level of support they needed to realise their own expansion ambitions. With the plethora of ‘adTech’ (advertising technology) and data analytics firms preparing for Initial Share Offers it is likely that the next wave of digital innovation will also be absorbed within the wider service offer of holding groups, who have successfully absorbed a range of innovations from reward cards, interactive services, social media marketing and mobile communications within their network during the past two decades.

Beyond the Big Four

Aside from the ‘Big Four’ holding groups, European networks such as Havas, with over 5,000 employees, also embarked on a journey that involved rapid expansion during the nineteen nineties. At one point Havas outgrew the French network Publicis until financial problems caused by their rapid growth led them to down-size.

Other networks have grown by specialising in particular regions. The Japanese advertising network Dentsu still has the largest proportion of advertising work its home market, producing approximately 30% of all Japan’s mass media advertising (Adbrands, 2017). Until recently its profile outside Asia was limited but Dentsu now houses US agencies and, since 2013, operates globally through the Dentsu Aegis Network.

In practice, when a significant portion of a regions target market is already tuned in to a media environment, advertising through that particular niche becomes viable and services are made available through the network to service the potential, regardless of geographic al location. Although separate agencies within a holding group operate autonomously they still get opportunities from other areas of their network when opportunities arise.

The Chinese advertising market has become increasingly significant to The Big Four because China is (as of 2017) the second biggest spending nation on advertising (WARC 2011 p.12 and Dorland 2017). However much of China’s advertising and its practices remain exclusively in China. They rarely export communications, and the patterns of integration between global agencies and their Chinese city-centre offices are slightly different to offices elsewhere in the world in that protocols require agencies to engage local government departments in their governance processes. Although China spends most advertising revenue on television commercials, compared to any other country it has made the biggest inroads in digital advertising, and has pioneered formats such as mobile phone and in-game advertising. Western advertising firms such as Ogilvy have managed to harness the nation's passion for mobile technology by making OgilvyOne China in Beijing its pioneering centre for virtual reality and other technologically enhanced modes of advertising (Springer 2012 pp.187-188).

Section 3

Emerging themes

A number of distinct themes arise from simultaneously working between local and global markets. Those summarised below demonstrate the shifting ground and efforts to find stable solutions to a constantly changing working landscape.

Glocal - act global, think local

'Glocal' campaigning was favoured by multinational agencies since the late-nineteen nineties. It involved tailoring a generic trans-regional message to a local audience, using localised points of reference to make messages regionally relevant. For instance, a campaign by multinational agency BBDO for Mars confectionary brand Snickers featured the generic strapline, 'You're not you when you're hungry' and ran in 58 separate global markets simultaneously (Miller, 2016). The aim was to get all national offices to align around one centralised idea, then localise it using actors whose fame was particular to their region. Such approaches enabled agencies to operate a global account for multinational brands but are not without limitations, requiring centralised decision-making and standardisation (Dumitrescu & Vinerean S 2010). Achieving glocalisation is a process that rarely transitions smoothly, continuously or incrementally (Philip Jones, 2000) – and in practice involves continual (re-)negotiation.

The UK's decision to leave the European Union in 2016 will inevitably lead to a re-assessment of how services operate between the UK and partner-countries. Multinational agency networks will be aiming to ensure new trade and taxation boundaries create the minimum impact for clients operating through an agency network in multiple territories. Such economic challenges will be readily accommodated by the larger global networks, who are experienced at operating in a state of continued flux.

Seepage

Campaign seepage occurs when campaigns intended for one specific national market 'go viral' and reach a much bigger worldwide audience online. While advertising reach is often seen as the main measure of a campaigns success in raising awareness, seepage can have a negative impact in getting a message to the wrong audience. One of the most acclaimed and notorious examples of campaign seepage was an online campaign in the US for Burger King to launch its 'Tender Crisp Chicken Sandwich' featured 'Subservient Chicken', a character created to promote the message that US citizens could ask for Burger King's chicken burgers 'just the way you like it'. Burger King's US employees were trained for the promotion run and the campaign was only intended for US viewing. However it went viral, attracting 459 million worldwide impressions on its website. As a consequence, people in other countries saw the campaign and requested Chicken Sandwiches just the way they liked it from their local Burger King, only to discover it was unavailable outside the US. The message had reached an audience for whom it was not intended.

The health industries were one of the first sectors to confront international message seepage in advertising health treatments via the worldwide web. This is mostly because they are subject to various stringent and different national laws and regulations. As the approaches to regulation are different between countries, health promotions agencies are regulated in the jurisdictions in which they are based and in jurisdictions where their promotions appear (with varying kinds of enforcement difficulties). So although the internet is not 'walled' in its reach in the way that broadcast and print advertising is, layers of national and regional legislation closely monitors such advertising for clarity and accuracy.

Emerging and established advertising markets

There are distinct differences between emerging and late-Capitalist markets that impact on the means of best reaching consumers. For instance, Northern and Central Europe's Broadcast and print media now have less impact and proportionately less spent on them than digital media. Whereas the emerging markets in eastern and Europe, Africa and Asia still spend most on broadcast and print advertising, which is still in a period of growth.

Interest communities, not geographic regions

In some respects, digital media is redefining the significance of geographic 'regions'. They are no longer exclusively territories but increasingly communities of the 'like-minded', linked by causes and shared interests. The more advertisers utilise consumption data the more can approach prospective customers by attaching to their interests rather than location.

Such themes are particular to multinational communications and make the landscape of international work one that is constantly in a state of change. No networks have settled on one mode of working that would standardise advertising globally. Constant developments in media, its consumption and ways of producing communications keep the challenge of advertising for multinational agencies constantly dynamic.

Questions for discussion

1. What features define an advertising 'holding group'?
2. How do multinational firms use local agencies and national networks to their advantage?
3. What are the advantages and shortcomings of using one agency network to promote brands worldwide?
4. What circumstances enabled US agencies to become multinational before European agencies?
5. What are the biggest challenges facing multinational agencies in delivering glocal campaigns using online media channels?

References

Adbrands (2017) 'Havas Group (France) Profile'. http://www.adbands.net/fr/havas_fr.htm

Advertising Age (2016) ‘Agency Family Trees 2016’. www.AdAge.com/agencyfamilytrees2016

Doland, A. (2017) ‘57% of China’s Ad Spend Will Go To The Internet This Year’, in *AdAge* 16 May http://adage.com/article/digital/57-china-s-ad-spending-internet-year/309046/

Accenture (2016) *Communications, Media & Technology: Igniting Growth in Consumer Technology, Italy Report - 2016 Edition*. https://www.accenture.com/t00010101T000000__w__/it-it/_acnmedia/PDF-8/Accenture-Igniting-Growth-Consumer-Technology-Italy-Report.pdf

Arsenault, A.H. & Castells, M. (2008) ‘The Structure and Dynamics of Global Muti-Media Business Networks’, *International Journal of Communication* 2 (1): 707–748.

Beumers, B. & Hutchings, S. (2012) *Globalisation, Freedom and the Media after Communism: The Past as Future*. London: Routledge.

Chao, S. (2012) *Doing Business in China: A Guide to Doing Business in China for Small- and Medium-Sized Companies* Indiana: iUniverse.

Ciochetto, L. (2014) *Globalisation and Advertising in Emerging Economies*. London: Routledge.

de Mooij, M. (1997) *Global Marketing and Advertising: Understanding Cultural Paradoxes*. London: Sage.

de Mooij , M (2009) *Global Marketing and Advertising: Understanding Cultural Paradoxes*, 2nd edition. London: Sage.

Dumitrescu, L. & Vinerean, S (2010) 'The Glocal Strategy of Global Brands', *Studies in Business & Economics*, 5 (3): 147-150.

Elliott, S. (2002) 'Advertising's Big Four: It's Their World Now'. *The New York Times*, March 31. http://www.nytimes.com/2002/03/31/business/advertising-s-big-four-it-s-their-world-now.html

Goodrum, C. & Dalrymple, H. (1990) *Advertising In America: The First 200 Years*. New York: Abram.

Gould, T. H. P. (2015) *Global Advertising in a Global Culture*. London: Rowman & Littlefield.

InsiderMonkey (2015) '10 Countries that Spend the Most on Advertising'. 27 November. www.insidermonkey.com/blog/10-countries-that-spend-the-most-on-advertising-385055/?singlepage=1

McDonough, J. and Karen Egolf, K. (2002) 'The Advertising Age', in McDonough, J. and Karen Egolf, K., *Encyclopedia of Advertising*. London: Routledge. pp.727 & 1467.

Meggs, P. (1998) *A History of Graphic Design*, third edition. New York: J Wiley.

Miller, J.(2016) 'Campaign Case Study: Snickers You're Not You When You're Hungry', Campaign, 26 October. http://www.campaignlive.co.uk/article/case-study-fame-made-snickers-youre-not-when-youre-hungry-campaign-success/1410807

Philip Jones, J. (2000) *International Advertising, Realities and Myth*s, London: Sage.

Plappert, S (2010) *Intercultural Communication, Globalisation and Advertising: The influence of culture in global advertising campaigns (intercultural communication)*. Munich: GRIN Verlag.

Sinclair, J. (2012) *Advertising, the Media and Globalisation: A World in Motion*. London: Routledge.

Springer, P. & Carson, M. (2012) *Pioneers of Digital*. London: Kogan Page.

Springer, P (2013) *Saudi Advertising. Yesterday. Today. Tomorrow*. Jeddah:

UBT Holdings/Rumman

Statista (2017) 'Mobile phone penetration in China as share of the population from 2013 to 2019'. March. https://www.statista.com/statistics/233295/forecast-of-mobile-phone-user-penetration-in-china/

Tungate, M (2007) *Adland. A global History of Advertising*. London: Kogan Page.

Van Gelder, S. (2005) *Global Brand Strategy: Unlocking Branding Potential Across Countries, Cultures and Markets*. London: Kogan Page.

WARC (2011) 'Advertising Agencies (Global Industry Overviews)'. London: Gale Industry.

WPP (2016) 'WPP and Tencent Establish China Social Marketing Lab' Strategic Partnership'. 29 June. http://www.wpp.com/wpp/press/2016/jun/29/wpp-and-tencent-establish-china-social-marketing-lab-strategic-partnership/, 29 June