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A chapter for Smith, McSweeney and Fitzgerald (Eds) REMAKING MANAGEMENT PRACTICES: BEYOND GLOBAL AND NATIONAL APPROACHES

Comparative management practices in international advertising agencies in the UK, Thailand and the USA.

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Introduction

According to some cultural theorists, advertising is deeply implicated in the phenomenon of globalization, yet the management of advertising agencies has attracted much less attention from researchers than advertising itself. Analyses of the cultural economy of advertising have tended to neglect the constitutive management practices of agencies, preferring instead to see advertising as an institution driven by exogenous cultural and economic forces. In this chapter we will review a range of research into advertising to substantiate this position before outlining some of the literature that deals with the main roles, functions and processes of advertising production. We will then draw on several empirical studies including some previously unpublished data to try to pull together strands of advertising management practices in three countries: the UK, Thailand and the USA.

Advertising and promotional strategies and styles differ very much around the world in response to national and regional marketing communications environments. Language, economic history and consumer culture, the communications and broadcasting infrastructure and legal and regulatory environments, among other things, create contrasting priorities for ad agencies and clients, even when they are selling the same products in different countries. The management of advertising within agencies around the world, though, does not differ so strikingly, and employees in international agency groups can be quite mobile internationally. Nevertheless, agencies tend to have a very local feel. During the interviews which inform this chapter, we found account planners from Birmingham, UK, working in New York in top Madison Avenue agencies, a Thai creative director who had worked in US agencies, a Welsh account director working for a Japanese-owned Bangkok agency, an American psychology graduate working as head of planning in a London agency. But the majority of agency employees we encountered were nationals. This might be expected, since mass commercial communication demands a highly nuanced grasp of local idioms and social practices. However, there might be another reason for the national bias. Advertising tends, in each country, to be a relatively small, elite creative industry, and the networks that operate within it are not easy to penetrate.

Most of the large agencies are part of global communication conglomerates and they boast a cross-national perspective, but there are also small, local organizations. Ad agencies began around the late 1700s and early 1800s in the UK and USA as brokers selling advertising space. Often, the agency acted for only one or a few print publications. In many cases the proprietor of the agency had a proprietorial interest in the media
vehicle in which advertising space was being sold (McFall, 2004). The early agencies often had no division of labour, with one individual winning clients, conducting research, designing strategy, writing copy and deciding on media. But as time went on and agencies began to employ specialist artists, writers and client services staff, the traditional agency began to take form. Only around the beginning of the 1900s did a division of labour begin to emerge within agencies as the industry sought to professionalize and win greater respectability. The demands of advertising production dictate the organization of roles and management mechanisms in agencies to a large extent, so, on a superficial level at least, ad agency management seems to conform to roughly the same template the world over. The traditional ‘full service’ agency undertake any communications-related activity a client demands. This might include a full strategic review of the brand based on consumer and marketing research and leading to a multi-channel creative campaign. It can include other strategic consulting services: one account planner at a Northern English branch of a major US agency was designing customer satisfaction survey instruments for a theme park in addition to her research work supporting the development of a promotional campaign. Clients have often taken advantage of ad agencies’ strategic perspective and skills for consulting services. In other cases agencies might fulfill any part of a client’s marketing communications or branding activity, such as the consumer research, the strategic planning or the creative production.

The traditional agency structure, though, is under threat. ‘Full-service’ agencies are no longer the default option for major brand clients as media and direct mail agencies, and small, specialist creative boutiques are increasingly making inroads into the big advertising accounts. One of the reasons for this is that media audiences are fragmenting so quickly into harder-to-reach sub-cultural groupings, and new communications channels and vehicles are developing so quickly, that even the top agencies frequently have to outsource parts of campaigns to specialists with up-to-date knowledge and relevant skills. Nonetheless, even if an agency doesn’t necessarily do all the work itself, it still has to manage consumer and market research, communications strategy and creative work, and media channel mix, and it has to manage clients. So, generic management processes and functions can be identified in all but the most idiosyncratic agencies. In outline, agency management processes can be summarized thus. Work is organized in account teams. On big accounts, more than one account team might be working on parts of the same account. The account team consists of account executive, account planner or researcher, creative team, and a number of ancillary roles such as art production and ‘traffic’ or administration management. The account handler (also called client services manager) liaises with the client and reports to the account director. The account ‘planner’ or researcher generates the consumer insight that will provide the hook of consumer reality on which to hang the advertising fantasy, and reports to the director of planning. The creative team devises an ad in response to the creative brief, and report to the director of creativity. The account team collectively reports to the agency head, and is responsible to the client.

Within this generic management process, though, there are significant differences in emphasis. These differences may seem minor in terms of management process, but to industry professionals, they are crucial and far-reaching. In all the countries we have
studied, agencies like to regard themselves as distinct from other agencies in the same country (or the same city) in some aspect of their management style. Some agencies are considered straight-laced and hierarchical, focusing on business values and placing great emphasis on smooth client relations. Some long-standing East-coast US agencies have this reputation. Others are regarded as more creatively risky agencies, in which aesthetic values (as opposed to instrumental commercial values) are prized and risks are taken in an anarchically informal working culture. Still others prize their ‘account planning’ approach which keeps the consumer in the advertising development loop and (according to the agencies) ensures that the communications strategy is based on empirical insight as well as creative flair. Several British agencies, and a few West Coast US ones, particularly cleave to the ‘account planning philosophy’ of advertising development. Some agencies have a planned approach to recruitment which gives them a distinctive climate: one London agency is famous for hiring the top Oxbridge graduates in maths, history and classics. Its understated climate contrasts with the louder, brasher, more macho working class ethos in some other London agencies. Some agencies are owned by a global group but dominated by local people and a local working approach, as one Bangkok agency was when we visited it. They prided themselves on their informal style and closeness to the creative, brand-conscious and humor-loving mentality of the Thai consumer. This agency has since been bought out by the parent company and the Thai employees have now set up their own independent agency. Other agencies are heavily influenced by the culture and management controls of their international owners. American and Japanese firms in particular have established the now advanced Thai advertising industry, generally by imposing their own management models on to the local context. The result is an attractive blend of high advertising production values with a characteristically Thai humor and aesthetic.

So, an exploration of comparative management practices in cross-national ad agencies needs to tease out quite elusive management issues which are, nonetheless, significant in their implications for the workers producing the advertising as well as for the consumers consuming it. Yet, as we will see below, ethnographically-inspired descriptions of management practices within agencies have been surprisingly few in number.

What happens in Ad Agencies?

The relative neglect of situational accounts of advertising management

The advertising industry is highly developed and its output attracts a great deal of attention but, oddly, ad agencies remain enigmatic organizations and what happens in them is not at all well-documented. The practice-based marketing literature is very culpable in this respect. Standard marketing texts treat advertising as a sub-discipline of marketing management but they do not deal in ethnographic or other situational accounts of management practice, instead focusing on abstract, normative frameworks (e.g. Kotler, 1980, discussions in Ardley, 2005; Hackley, 1997, 2003a). This results in a highly generalized, and idealized, account of the ways in which marketing management professionals play out their organizational roles (Brown, 1995). You do your research, design your product, then get an agency to make you a nice ad. Even the more specialized
marketing communications texts display the same tendency to avoid situational specifics in favour of abstract models, with only cursory treatment of the internal dynamics and conflicts of advertising management (Buttle, 1995). Managerial ‘Marketing Communications’ texts (e.g. Shimp, 1997, Pickton and Broderick, 2002) normally offer few (if any) citations to ethnographic or other deeply descriptive work in ad agencies to support the explications of creativity, strategy formulation, advertising production and the integration of research into advertising.

The foregoing activities can be classed under what agencies call the ‘advertising development process’. This is a general label for the management process in agencies, and it contains many activities. It is the conduct of these activities, and the organizational climate within which they are undertaken, that gives advertising its distinctiveness as a unique creative industry. But agencies vary greatly in the way they manage and undertake such activities. As we have noted, the managerial marketing literature tends to underplay this variation in favor of a generic account. But the human detail of management practice in ad agencies is not only neglected by the marketing literature- the critical cultural literature also neglects it, though for a different reason. Where the managerial marketing literature draws an ideologically tinged picture of a relatively unified and cohesive domain of marketing practice, the critical literature uses a generic account of ad agency management to support accounts of advertising’s cultural influence.

Critical cultural studies of advertising neglect to give detailed attention to the managerial, technical and economic imperatives that drive advertising practice, tending instead to focus on the analysis of advertising texts (e.g. Williamson, 1978, Barthes, 1972, Goldman, 1992). For critical researchers, marketing in general is a key component of the ideological process whereby cultural meanings are inscribed into commodities (Holt, 2002, citing Baudrillard, 1998). Marketing’s cultural authority is said to be facilitated, mobilized and articulated by advertising. For Holt (2002) the application of scientific management principles to advertising from the 1920s fostered the idea that consumers could be controlled by advertising in the interests of the corporations. This momentum accelerated in advertising as post-war psychologists of behaviourism and group influence were co-opted into the advertising game, most famously in the case of behavioral psychologist J.B. Watson who applied his theories of learning devised while a research academic to his later career as an advertising man. The sense of advertising as a device of mass control managed by a detached class of expert behavioural scientists has been powerful in popular notions of the topic (e.g. Packard, 1959) as well as in both practitioner-based and critical cultural accounts of advertising. Tadajewski (2006) suggests that McCarthyism and the Cold War influenced the financial, institutional and political drivers behind marketing scholarship, resulting in an accentuated emphasis on ‘scientific’ research in marketing informed by the quantitative behavioural sciences. As a result, ethnographic studies that tried to reveal and explicate the complex and negotiated management practices that actually obtain in agencies were rather ruled out of bounds in mainstream management business schools, and are more likely to be found among the work of cultural and communication studies scholars with limited credibility in mainstream business schools.
Critically-inclined marketing and consumer research academics have characterized advertising as a major feature of postmodern consumer culture, especially for its role in producing brands as cultural resources for the production of social identity (Elliott and Wattanasuwan, 1998, Firtat and Venkatesh, 1995, Brown, 1994). The position here is that while there is nothing new about goods having symbolic as well as utilitarian value, advertising is presented as a hybrid realm which binds culture and commerce into commodity-signs on a scale and within a communications infrastructure that is historically unprecedented. While such accounts are seductive, McFall (2004) suggests that their neglect of the material practices and, particularly, the historical context of advertising practices is a serious flaw. McFall (2004) suggests that these accounts implicitly assume that advertising in the modern era is more pervasive and more persuasive than in any other era. Studies of historical archives of advertising show that this is not necessarily the case, if the technologies of advertising media are understood in their historical context. There was never an era in which advertising was quaintly informative—ever since it has been recorded it has made use of integrated media, attention-getting spectacle, emotional appeals and visual rhetoric. Another flaw McFall (2004) reads into the epochal advertising literature is this. Advertising is characterized as a hybrid institution that breeches the cultural and economic domains. It takes meanings extant in non-advertising culture and re-forms them as commodity-signs in juxtaposition with marketed brands. This characterization might rest on an implicit duality between culture and economy, but McFall (2004) points out that these two domains are mutually constitutive. She argues that it was never true that culture and economy could be demarcated clearly into two domains, one purely economic, the other purely cultural.

On the other hand, it can hardly be denied that new media technologies and the lateral integration of media interests have created a historically new environment for advertising which, in turn, may well have some subtle effects on the way consumers read and engage with advertising. For example, studies have shown how advertising is consumed for its own sake as a cultural resource for social positioning in ways quite unconnected with consumption of the actual advertised products (Ritson and Elliott, 1999, Tiwsakul and Hackley, 2006). Furthermore, the inter-active involvement of consumers with brands through branded websites, ‘blogs’ and chatrooms is only possible because of contemporary technologies and techniques of brand marketing communication. If, following Foucault (1984, cited in McFall, 2004) labels such as modernist are regarded not as periodizations but as an attitude or a spirit, then we can understand why many consumer researchers have been keen to characterize contemporary consumption phenomena (especially in connection with advertising) and their social implications as postmodern, the better to distinguish them from anthropologically based studies of the symbolic nature of ownership and display of goods (e.g. Belk, 1988). Be this as it may, our concern here is that accounts of advertising and its purported role in creating and sustaining a postmodern consumer culture have emphasized the interpretation of advertising and consumption phenomena while neglecting to offer an account of how, why, and indeed, if, agencies accomplish these phenomena.

So, we can see why ethnographic or other situational accounts of work in ad agencies might undermine the agenda of both managerial and critical accounts of advertising’s
role. The managerial accounts privilege an advertising agency that operates as a sub-field of marketing management, supplying the promontional ‘P’ of the Four Ps of the Marketing Mix. Critical cultural accounts see ad agencies as the symbolic factory creating marketing commodity-signs by juxtaposing cultural with commercial signs. Notwithstanding this, it is not the purpose of this chapter to fully explore the omissions of either category of advertising literature. The point here is to set the context for this chapter by indicating something of the current state of work on ad agencies. The next step in this chapter is to outline some of the main themes in research on the cultural role and influence of advertising, so as to set current agency practices within a sense of the role and purposes of advertising.

Advertising’s role and purpose- critical perspectives

For many marketing texts, advertising raises awareness of brands or persuades individual consumers to change brands or trial new products. Advertising texts allow that its strategic role can be more complex and subtle than this (Hackley, 2005). In the critical literature advertising’s key role as a conveyor of ideology is emphasized. The historical role of advertising in legitimizing corporate activity and establishing the preconditions for a consumer culture has received detailed historical attention from Marchand (1995) who described how ad agencies had enabled the big American corporates to overcome popular resistance to their growing power at the turn of the century. When critical questions about their influence over American life were asked at Presidential level the ad agencies responded with an onslaught of promotional imagery and rhetoric conferring small town human values on the faceless corporations. This may have helped establish a baseline of acquiescence for the ad agencies’ subsequent role in the production of a culture of promotion (Marchand, 1985, Wernick, 1991).

Many critical cultural studies of advertising have placed ad agencies at the centre of Horkheimer and Adorno’s (1944) ‘culture industry’. In this role they are thought to be deeply implicated in the production of a seamless mediated world that links production and consumption under the guise of entertainment. Regardless of the biases of the Frankfurt School, the culture industry thesis seems on the face of it to have found its apotheosis in the way major ad agencies have become a hub connecting movies, TV studios, newspaper groups, and brand marketing organizations, all seeking mutually advantageous ways to cross-promote their various brands in entertainment communication contexts (Hackley 2003a, Tiwsakul et al, 2005, Hackley and Tiwsakul, 2006 in press). The resulting ‘intertextuality’ (O’Donohoe, 1997) of the consumer experience of advertising seems at least one aspect of the field in which precise historical parallels are difficult to see.

Building on the mutual interests of advertising and commerce and their joint power to influence news and entertainment, it has been argued that advertising is the ‘super-ideology’ of our time (Elliott and Ritson, 1997). This ideological force is made possible by the panoptic research surveillance of ad agencies as they use many quasi-anthropological techniques to scrutinize consumers’ inner motivations and unconscious behaviour (Hackley, 2002). But while many critical research perspectives place
advertising and ad agencies implicitly or explicitly at the hub of this ideological process as prime movers in the transfer of meaning from culture to consumption (McCracken, 1986), they differ on the extent to which agencies are an active presence or a passive instrument of the structural relation between production and consumption. For example, Williamson (1978) offers a detailed textual analysis of advertisements to highlight their apparent role in linking and conflating culture and economy but has nothing to say about the internal agency mechanisms, techniques and processes which make this possible. In fact, many critical accounts of advertising (such as Leiss et al, 1977, Wernick, 1991) implicitly place ad agencies in the role of ‘cultural intermediary’ (Bordieu, 1984), acting to transform non-advertising meanings into commodity-signs. One problem with such accounts is that most leave this transformational process unexplained- the internal workings of the ad agency are, it seems, of great significance but remain enigmatic.

This is an important omission. McFall (2004) argues that critical studies of advertising present particular challenges because of the relative lack of empirical grounding for key implicit assumptions. For example, semiotic analyses of advertising texts (Barthes, 1973, 1977) tend to assume that there is a duality between culture and economy. Advertisements, explicated through the expertise of the semiotician, are supposed to take meanings from authentic culture and juxtapose them imaginatively with images of commodities, creating commodity-signs. There is no examination of the precise way ad agencies do this, they are assumed to be the fulcrum around which this transformation from authenticity to artifice turns. If a dialectical relation is supposed in which economic and cultural meaning are bound up with each other, then the ideological transformation from authentic meaning to myth becomes less easy to describe. For McFall, semiotic analyses suffer from other under-specified assumptions. In addition to the assumed duality of commercial and non-commercial culture, there is an assumed historical evolution of advertising from an epoch of functional, rational consumption to one of symbolic, emotional consumption. As we note above, supporting this epochal distinction is an assumption that the techniques of advertising have become progressively more persuasive and more pervasive. Where once advertising was factual and information-based, it is now symbolic and lifestyle-based, or so the story goes. Seductive though such assumptions may be, as McFall (2004) notes, there is little historical evidence to substantiate such a historical distinction. “Thus contemporary forms of advertising practice are seen as emblematic of an underlying structural change, producing a new hybrid form of cultural/economic practice. Advertising is thereby described as a culture industry (Lash and Urry, 1994) staffed by practitioners blending symbolic expertise with economic aims in a ‘third wave’ creative revolution (Mort, 1996, Nixon, 1997)” (p.98).

**Critical ethnographic studies of ad agencies**

Critical accounts of advertising, and also practice-based accounts, then, often assume that the production of advertising is known and understood while it is consumption that requires examination. There are some ethnographic accounts of life in ad agencies, most from a critical theoretical perspective (e.g. Alvesson, 1998, Miller, 1997, Moeran, 1996) which are helpful in providing some insight into the material practices of advertising, though generally these have not been assimilated into text-based analyses of
advertisements. Hackley (2002) examined the research practices of ad agencies to explore
their ‘Panoptic’ role in the production of consumer culture, arguing that they carry out a
largely unacknowledged but extensive and penetrating surveillance of consumers and
consumption through their marketing and consumer research practices, and that their
skills in this surveillance are key to the function they perform as a conduit between
consumers and marketing institutions. As Hackley (2003a,b) has also noted, the
suggestion that ad agencies are part of a system of cultural transformation is not
unproblematic, partly because exactly how agencies operate is obscured by the degree of
internal tension, conflict and contradiction found. More effective expositions of ad
agency dynamics might create a more compelling empirical basis for analyses of
advertising’s cultural and economic role.

Ad agencies, then, are elusive and enigmatic organizations to study. They can often seem
folksy, disorganized and parochial places. Most are relatively small businesses in a small
industry, even though many are, as we have seen, legally linked as arms of giant
communications corporations. Many people attracted to work in them for the opportunity
to exercise their creative skills draw on aesthetics and the liberal arts for their cultural
reference points, while many others have a hard-nosed business mentality. If they didn’t
have to act as an arm of brand marketing with all the supposed accountability and
formality of process that implies, ad agencies could be understood as arts or cultural
organizations. But they occupy this uniquely contradictory site as cultural intermediaries,
one foot in culture, one foot in the arts, another in business. How, then, can we discuss
the management practices of ad agencies in a global context?

*What sort of management occurs in an ad agency?*

In anthropology and organization studies, organizations have often been conceived in
terms of three dimensions; the formal, informal and environmental (Wright, 1994, p.17).
Ad agencies have bureaucratic systems and procedures of management and
accountability, and they have highly developed informal systems which often seem to
override the formal systems. They also intersect with the environment through two points
at either end of a continuum. At one end they intersect with brand marketing clients, and
they do so by speaking the language of business. At the other end, they have an
ethnographer’s inside-out understanding of the cultural practices of consumption and
communication, earned through their formal and informal systems of consumer research
(Hackley, 2002). Finally, they have another point of contact in the middle of this
continuum. This is the world of aesthetic and liberal arts, which supply the preferred
cultural references points of many ad agency professionals and form the raw symbolic
material of advertisements (Hackley and Kover, 2006).

Linguistically, then, ad agencies master three competing vernaculars: those of business,
art and popular culture. Their position is further complicated because these three
incompatible vernaculars are often located in different nation states (leaving aside
problematic conceptualizations of ‘national’ culture, MacSweeney 2002). If the agency is
a subsidiary of a national conglomerate, then the governing management culture is that of
the global head office, and it has to be superimposed on to the local agency culture. To
take one example, major US ad agencies tend to be organized along more formal, hierarchical lines than British ones, and they often have a different view of what accountability means for advertising. Consequently, culture clashes can be common. Another source of competing vernaculars is the international account that requires, say, one agency to market a Brazilian brand in a different country. So, for example, a British Account Director in a US-owned London agency might be accountable to US group executives, a French client and UK colleagues for a campaign designed for the South African consumer market. This can result in a drift toward a mid-Atlantic advertising vernacular unless the local agencies are allowed (or take) the creative initiative.

Another difficulty raised by studying the management processes of ad agencies is that they have seldom been regarded as exemplars of excellence in management practice. The history of advertising management might be regarded as a persistent attempt to manage the un-manageable. As long as corporations have sought to impose models of bureaucratic efficiency on their ad agencies, the agencies have found ways to circumvent and undermine these controls to impose their own creative vision. Ad agency creatives are convinced that clients do not understand marketing communication. They have to be helped, or made, to understand. Not surprisingly, then, agency life is typically fraught with conflict between client and account team, creative and account management, creative and research: and between account teams and their agencies (Kover and Goldberg, 1995, Hackley, 2003b). Management seems a slightly grandiose term for the organization of such a collegiate and fractious bunch.

Ad agencies are often thought to be the very antithesis of sober, rational business practice while marketing is thought of as the organizational function which unites consumer need and organizational innovation. Yet it can be argued that the main sense in which marketing gives consumers ‘what we want’ is in a symbolic sense, our imagined ‘need’ realized in the promotional communication that valorizes manufactured objects by drawing on a parasitic relation with non-consumer culture (Cook, 2002, McCracken, 1986). Management in ad agencies is, in some, ways, separated from the discourses and practices of management in manufacturing or commercial services. As a hybrid form of organization, in this sense of being neither completely bureaucratic nor informal but both, ad agencies have generally eluded the management fashions and trends that have proved so influential in other industries. Within the advertising industry, debates about best practice tend to focus on what might be called operational techniques and processes rather than management styles.

Ad agencies, then, do not seem to conform easily to a model of organization: they are polymorphs. They are bureaucratic, with stated systems, procedures and internal paper trails of accountability. Agencies claim to possess specialized technologies for understanding the workings of the consumer’s ‘black box’ and for creating communications which will resonate with meaning for the chosen kind of consumer. However, these systems are highly flexible and implemented pragmatically, and often seem to dissolve altogether when agencies are studied first hand. Advertising is a collective endeavour characterized by negotiation between the various functional roles (Richards et al, 2000). In Hackley (2000) I looked at ways in which ad agency
professionals constructed their own sense of professional identity by internalizing the instrumental discourse of the agency. McFall (2004, citing Fish, 1980) suggests that the articulation of a campaign in an ad agency is “bound up with the production and ‘reaffirmation’ of organisational roles and occupational ‘habiti’ and this entails being “caught up in the reproduction of particular organisational identities” (p. 73). In this broad sense ad agencies could be seen as places where the order is negotiated (as in Strauss et al 1963, Wright, 1994, p.20) to a considerable extent through both formal and informal social systems.

Ad agencies are hybrid organizations, operating at the intersection of creative, cultural industries and bureaucratized commercial business. They have creative people, and there is a strong belief within the industry that creative geniuses have to be given a lot of management rope if they are to produce the best work. Other, perhaps less intuitive creative people see themselves as cultural ethnographers, translating the meanings and practices of non-marketing culture into symbols for sale. Agencies have their researchers, their strategists, and also their business managers, the Account Executives who are expected to speak the same language as clients and who ensure that the bottom line is always served. Agencies, then, flip between accountable, formally controlled and bureaucratized business processes and informal, un-controlled and creative processes, depending on the circumstances with a given account.

So, when looking at ad agencies in different countries, they can be easier to characterize by their similarities than by their differences. They are, as we noted, all doing pretty much the same thing, but within a different social and political history, economy and culture which gives their work a distinct context. So points of difference in management practices can be as hard to establish as points of convergence, because of the great variability within the field.

Advertising agencies’ internal management practices, then, are arguably central to the maintenance of a globalized sense of consumer culture. One message emerging from recent studies is that Levitt’s (1983) notion of the ‘globalized’ market must, to be realized, rest on ad agencies’ understanding of the cultural specificity of consumption and communicative practice in different regions. Through this understanding agencies are able to translate bounded brand identities into globally-recognized commodity-signs, given purchase to the notion of a global consumer culture. As we shall see in the next section, though, the cultural understanding of agencies is itself a bounded thing, set within particular historical and cultural conditions.

**Comparative ad agency management cultures**

*Thai ad agencies*

Like many Asian economies Thailand has sharply contrasting areas of urban development and rural poverty. Thailand is one of the leading Asian economies in advertising expenditure (Punyapiroje et al., 2002) and has a sophisticated advertising culture in terms of advanced production techniques and creative strategy. The Thai
advertising industry has been heavily influenced by an influx of foreign agencies such as the US-owned JWT, Saatchi and Saatchi from the UK, the world’s largest communications conglomerate Dentsu from Japan and the French-owned Publicis agency group. Nevertheless, Thai advertising has a Thai ‘feel’, reflecting the Thai consumer’s preference for humorous, visual, creatively imaginative and soft-sell advertising (Sherer, 1995). Many Thai ads emphasise aesthetic beauty and loving relationships, though this occurs in a context of a dominance of Western brands. Thai culture (and Asian culture in general) might be particularly open to Western consumption practices because of the prestige and inferred social status attached to ownership of goods, especially Western goods (Suphap, 1993, Tirakhunkovit, 1980). This is such that indigenous Thai industry has a problem marketing home-grown products when they are not regarded as desirable as Western brands by Thai consumers.

Thai ad agencies employ a range of nationalities, including many Thais. Their operating approaches are broadly similar to Western agencies with one apparent exception: consumer research. Where Western consumers are often willing to open up to strangers in focus groups or other research scenarios with their personal insights about consumption (Hackley, 2002), Asian consumers are generally not. The notion of speaking candidly to a stranger about personal matters, such as one’s economic decision-making, is a problematic one in many Asian cultures. Even if they do participate in research South East Asian consumers may be reluctant to show lack of respect by offering opinions that appear to contradict those of others. Consequently, research is not much use and agencies have instead to rely on their insider knowledge of Thai consumption practices. One agency, Publicis of Bangkok, which was until recently owned and run by Thais, had a novel solution to this they called ‘streetsmarts’. This involved all members of an account team taking part in the consumption activity in question: for example, in a campaign brief for a coffee milk substitute very popular in Thailand all account team members would go for trips to public coffee houses to watch the rituals of consumption first hand (Hackley, 2005). This may seem unremarkable, and in Western agencies it is common for quasi-ethnographic observation to be used in the pursuit of insights into the social practices of consumption in particular consumer contexts. What is unusual is the participation of all members of the account team. In Western agencies such a team-oriented approach might threaten the role demarcations and authority of the different account team members. The role of consumer research in Western ad agencies is hotly contested (Kover, 1996) because it is a potential source of power within the account team (Hackley, 2003c). The account team member who ‘owns’ insights into consumers wields authority with clients and colleagues. In Western agencies it is often convenient for the consumer insights to be owned by one individual (usually the account planner or researcher) so that line management accountability can be maintained. This causes a great deal of conflict in Western agencies, but, nevertheless, the practice of allocating the research ‘voice’ to one individual within the account team is still maintained.

In Thailand as elsewhere, local agencies owned by overseas conglomerates have difficulty maintaining the integrity of their way of doing things under pressure to conform to the management systems of the owner. This Thai-run agency, which used to operate under a French agency brand, has since been taken over operationally by the
brand owners while the Thais have left to set up their own agency. It appears that the more communal Thai style of organizing advertising development was not understood or appreciated by their Western owner.

Another Bangkok agency, owned by a Japanese conglomerate, seemed to have a much more formal, Western-style management culture. It held major accounts (including Thai government accounts) but was known as a creatively conservative agency. The account teams did include Thai people, but they seemed (to us) to be subordinate to the Western (in the case of our interviews, Welsh) account team head. This was global advertising development practice with a Thai input, as opposed to a distinctively Thai, creativity and consumer-led advertising development process. The campaigns that were described and shown to us had a standardized, corporate feel, though of course it was a very large agency and we could not be sure that that these campaigns were typical of the agency’s style.

In a UK-owned Bangkok agency a Thai creative director (who had been employed before in US agencies) told us of a similarly top-down style of managing advertising development, though with a clear Thai flavour as regards creative practices and standards. It is probably fair to say that the predominant model of Thai ad agency management is of a Western (especially US) derived hierarchical agency structure interpolated with Thai creative values. This model seems to work reasonably well in comparison to, say, Malaysia, where the intrusion of Western advertising styles is seen by many to produce culturally clumsy and insensitive results (‘patronizing’ was the view of one Malaysian advertising professional we interviewed). The success and prestige of Thai advertising may be attributed to the willingness of Western agencies and brands to adapt, at least to some degree, to the national sensibility. It may also be the case that Thai consumers are friendlier towards, or more tolerant of, Western styles of communication than their counterparts in some other South East Asian countries.

**US ad agencies**

US advertising is known for the predominance of the ‘rational’ appeal. Direct appeals to the consumer’s sense of value tend to be more common than in the UK, Europe and many countries on the Asian subcontinent. This hard sell tone is, in part, driven by the ‘scientific management’ emphasis that is seen in US marketing. There is much effort put into the measurement and prediction of consumer behaviour. US ad agencies are (so we were told by senior practitioners in New York agencies) dominated by a ‘copy testing’ mentality. The advertising copy and creative execution is tested at every stage of development with data from consumer surveys and experiments. A negative copy test result can result in a lost account, or a lost job. That is, if a group of consumers in an experiment record negative attitudes towards a given ad, it’s back to square one for the creative team. Several New York agency personnel expressed wry admiration for the creative standards of British advertising. They regretted that copy testing was so much bigger in the US than it is in the UK.
US agencies, especially the traditional, big East Coast agencies, are known as hierarchical, client-driven organizations. Advertising folklore has it that the client is king, and clients tend to be against advertising that does not appear to be making a hard sell. So the character and tone of US advertising is influenced by the client-driven need for obvious accountability. Creatively risky advertising is more difficult for the client to justify to the board, so it tends not to get made. On the other hand, copy-testing yields quantitative results which are powerful rhetorical devices for the persuasion or reassurance of clients and other non-creative stakeholders. US agencies do employ anthropologists for their skills in ethnographic consumer research, but one of these told us that he used his anthropological skills to generate the insights that drove his work, and his statistical skills to impress and reassure clients. This suggests that a scientistic ideology may be so ingrained in US advertising that agencies have to deploy a double standard just to keep accounts.

It is, of course, true that many US agencies have the highest of creative standards, while many also do not conform to the laced-up, client-driven management model. Several West Coast agencies, for example, are well-known for their strengths in research and creativity. But the typical comment from interviewees reinforced the formal, hierarchical stereotype of US agency management. In US agencies the account executive is often the only account team member permitted to speak to the client. The researcher and creative team are kept in the background, while the account executive leads the team and takes the major decisions about the interpretation and use of consumer research and the creative executions that should be presented to the client. One US account planner summed this scenario up by saying that the client’s marketing director, and the agency account executive, had ‘quantitative MBAs from Wharton’ which, he suggested, led to a cultural divide within the agency between the ‘suits’ on the one side and the creatives and account planners on the other. In fact, while this account planner was aligning himself with the aesthetic values of the creative team in opposition to the instrumental business mentality of the client and account executive, most agencies suffer from conflict between the creatives and the account planners as well.

American advertising is rich and varied, as are agency management styles, but there are predominant themes clearly evident from our range of interviews, and from previous research. These themes can be summed up in terms of control and accountability. Control over creative content is exercised through the technologies of ‘copy testing’, and the aim of this control is to hold creative workers, and the agency, to account. This generates some cynicism and bitterness from advertising creatives, and perpetuates the control of senior agency management, ostensibly in the interest of the client. While creatives feel that they know what ‘works’, the agency management has the power to decide what is good or poor work. The results of ‘scientific’ management measures and techniques are the resource agency management draw upon to justify their judgements on particular creative executions. The ‘hard sell’ tone characterizing much US advertising results from this close control of creativity. That is not to say that US advertising is not visually creative- creative and production standards can be high, but creative executions tend to be tied closely to sales-conversation narratives which are very clear about the values and
benefits of the product. Advertising narratives which are more opaque are considered risky.

It must be acknowledged that US advertising culture seems to fit its consumers. American advertising professionals candidly dismissed it as ‘shit’ in several interviews, but the ethnic diversity of US consumers in New York and California means that subtlety and sophistication in advertising is likely to be missed by much of the non-native English speaking audience. The value-driven advertising might reflect the needs of the mass advertising audience. On the other hand, it might be that corporate control over the creative development process, through copy testing technologies imposed a strict hierarchical agency management system, has itself formed US advertising culture to some degree. In turn, this drive to control and bureaucratize advertising creativity might be linked to broader narratives of ‘scientific’ management ideology and control (Zeitlin and Herrigan (eds), 2000; Kogut (ed), 1993.)

**UK ad agencies**

British advertising has a prestigious global reputation for its sophistication and creative values. This comes from an agency culture in which the creative authority can be held by the agency. What this means is that clients are regarded as strategic partners who are experts in their brand but who are not experts in communication. Therefore, the agency has the moral authority to argue a given point of view with clients, rather than simply conforming to client values and expectations in the interests of retaining the account. This, perhaps somewhat idealized picture, had support from US agency interviewees who spoke admiringly of the license British agency professionals had to contradict clients’ views. They also spoke of their admiration for the creative culture of British advertising, a culture which facilitated creative executions in which “you don’t have to tell the consumer everything”. This comment refers to the softer sell, narrative-driven character of much UK advertising, which is regarded (by some) as creatively superior to the more direct, hard-sell ads typical in the US. The sales-driven style of US advertising is partly a reflection of the influence clients’ wield over creative development. They feel that they need to justify the adspend with a very direct sales pitch. However, the most creatively striking campaigns often arise from the climate of mutual trust between client and agency which gives the agency much greater creative latitude. Put simply, the client trusts the creative vision of the agency, hands the agency a large cheque and lets them get on with it. This trust seems to characterize the most eminent creative campaigns from UK agencies. Campaigns for Guinness, Sony and Honda come to mind.

The creative culture of UK advertising seems more benign that that of the USA. We did not hear any mention of the ‘copy testing’ that US advertising creative professionals bemoan (“copy testing is the bane of our life”) from any UK advertising professional. There was, though, much more discussion of ‘creative research’ than there was from US-based employees. Creative research entails understanding the consumer milieu through qualitative methods (often ethnography-derived). The aim is to generate insights into the social practices of consumption in specified contexts, so that these insights can be incorporated into the creative execution to create a sense of reality and resonance which
consumers will connect with. This general approach of integrating qualitative insights into creative development is sometimes called a ‘planning philosophy’ of advertising development, and is much lauded by several UK agencies. The ‘planning philosophy’ is by no means universally accepted; the industry can’t even agree on what it means. But some of its basic tenets, such as the use of qualitative research to gain insight into target consumers, a team approach to creative development, and a willingness to create advertising that is not entirely explicit to consumers, seem fairly widely agreed upon.

UK agencies have a reputation for being somewhat more collegial and less hierarchical than US ones. However, they are no less riven by conflict between creative, account planning and account executive. Within British advertising culture, though, more effort seemed to be made by interviewees to play the conflict down, though there were enough references to tantrums and ‘cup throwing’ to be clear that conflict (usually between creatives and everyone else) was common. US creatives seemed more direct or candid about the state of relations between themselves and other account team professionals. Management style in UK agencies seemed similarly understated, or perhaps more subtly coded than US management style. The impression given by agencies was of informality, but also professionalism. People did not observe formal codes strictly, but they did their jobs. Many UK agencies are known for a ribald, macho culture, with punch bags hanging in the open plan office, beer fridges, basketball and guitars lying around the office. Other are very understated, quiet but intense places. Most seem to share an air of informality, and most are quietly luxurious, adding to the sense of being elite places for elite people.

This informality, and the emphasis on creativity, for which UK ad agencies are known, should not be taken as a lack of accountability. To be sure, there are maverick creative agencies which keep clients at arms length and resist accountability. And in general, UK management style is known for its individuality, innovativeness and lack of close adherence to procedure compared to management styles more typical in, say, Japan (Storey et al, 1997; Elger and Smith, 2005). But in most cases effort is made to justify and account for the effects of advertising. The account planner and account director are often jointly charged with the task of writing up reports and published case studies which show how advertising (or an integrated marketing communications campaign) effectively solved a client marketing problem. They draw on statistical techniques such as multivariate analysis and rigorous reasoning to try to isolate the advertising cause and the sales effect. These case studies are often entered for prestigious industry awards. The importance of awards in the advertising industry, all over the world, should not be underestimated. In a relatively small, business-to-business industry, industry awards are a badge of achievement and are important for clients, whether they are effectiveness awards or creative awards.

**Concluding comments: cross-cultural studies of advertising management and the SSD model.**

In this chapter we have discussed the ways in which advertising and its management are theorized in various different literatures because of the mutual inter-dependence between these strains of research. They way one conceives of advertising is influenced by the
view one holds of the professionals who create it. The character and consequences of what advertising professionals produce changes if these professionals are viewed as a social elite of ‘cultural intermediaries’, as managerial functionaries, or merely tools in the capitalist system. As we have seen, many theorizations of advertising and its management do not include detailed accounts of the organizational dynamics that obtain within international advertising agencies. In the latter part of this chapter we have drawn together and summarized findings from a number of studies based on ‘ethnographic interviews’ to try to look beneath the stereotypes and reveal something of the complexities of work in these enigmatic yet apparently influential organizational forms.

Smith and Meiksins (1995) suggest that variations in cross-cultural organizational forms cannot be fully explained by any simple account of global or local management practices but are subject to the influence of systems, society and dominance effects. Seen in these terms, advertising agency management, for all the superficial similarity of its generic processes and working methods, appears to be characterized by systems effects which are ‘institutionally mediated’ and uneven in their influence around the world. The emphases on, respectively, client accountability, creativity and consumer research varies greatly within agencies, depending on the extent to which they adhere to a particular advertising management tradition. There is a degree of system incommensurability in the sense that some systems, such as the UK-originated ‘planning philosophy of advertising development, does not fit so well into the agency culture of the USA or Thailand. This comment leads us into a consideration of the dominance effect. We noted that, for example, Thai advertising has been heavily influenced by the US model, with US agencies establishing their working methods (hierarchical, client-driven) in their Thai subsidiaries. However, we also noted that Thai advertising reflects Thai culture. In fact, many Thai ads are more British than American in style, given the love of humor evident in the advertising of both Thailand and Britain. This, we suggest is because the dominant organizational systems have had to adapt to local cultural practices. All the international ad agency groups we visited in Thailand employed Thais, and Thais have a distinctive way of working. In the case of one agency we visited, the cultural tensions between Thai working practices and the needs of head office for more Western management systems became critical. There was a parting of the ways. But that agency had been entirely populated by Thai workers. Others succeeded in an accommodation, bolting Thai creative sensibility and local knowledge on to more Western management practices, usually by employing a multi-national workforce. The dominance of the Western management values of global communications conglomerates on Thai agency branches was, it seems, contested by and mediated through the national cultural mores and practices which Thai consumers and professionals bring to the production, and the consumption, of advertising.

End
References


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