ADVERTISING: BETWEEN ECONOMY AND CULTURE

by

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Abstract

Advertising is an institution of economic, cultural and spatial regulation. This thesis examines the role of the advertising industry in mediating the geographies of markets and identities. In the same way that Stuart Ewen (1976) links the structure of the advertising industry in the 1920s to its role in the consolidation of national markets, mass consumption patterns and consumer identities congruent with Fordism, I tie the restructuring of the industry in the current period to the new regime of flexible accumulation.

There is an increased need for information about consumers and a heightened design-intensity in flexible production. Institutions of power/knowledge such as advertising play an important role in linking production and consumption and in establishing a "just-in-time" consumption. In addition, through the process of "branding", advertising agencies attach images to goods. Branding involves matching consumer identities with the "identities" of products. An important component of this process encompasses the formation of "brandscapes", places where the product is sold and consumed. Advertising both responds to the location of consumers and situates consumers in space.

At the same time that advertising has grown in importance, I find that the advertising industry is experiencing a crisis in the 1980s and 1990s. This crisis reflects a weakening of the industry's ability to regulate the formation of markets and identities. The increasingly discontinuous and fluid spatial and temporal nature of consumer identities, combined with "reflexive
modernization”, have made it increasingly difficult for advertisers to locate consumers in terms of both identity and space.

In response to this crisis and under new conditions of flexible accumulation, U.S. agencies have reoriented both their organizational structure and their methods of operating. In terms of the reorganization of agencies themselves, I focus on two divergent tendencies in the 1980s and 1990s: the concentration/transnationalization of agencies on one hand, and the increased polarization/flexibility of agencies on the other. I draw upon trade journal literature and 55 interviews with employees. With respect to changing methods, I examine the role of agencies in processes of globalization, market segmentation and shifting gender identities. Increasingly sophisticated methods of monitoring consumers' use of commodities, forms of resistance and places of consumption point to an escalation of surveillance in the current period. My thesis presents a contribution to debates over both flexibility and identity. I argue that the distinction between producer and consumer has become increasingly blurred, and that the two have come closer together at the site of advertising.
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Chapter 1
Introduction

1.1 The Crisis of Advertising

Is it (advertising) not on the way to becoming the main ideology of our time, and is not this fact confirmed by the importance and efficiency of propaganda modelled on advertising methods. Has not institutionalized advertising replaced former modes of communication, including art, and is it not in the fact the sole and vital mediator between producer and consumer, theory and practice, social existence and political power? But what does this ideology disguise and shape, if not that specific level of social reality we call everyday life, with all its 'objects'—clothing, food, furnishing (Lefebvre, 1971: 55).

Advertising, marketing, packaging and aesthetic form all took on a heightened importance to the capitalist economy in the 1980s. While consumption and advertising grew in significance, ironically the advertising industry itself lost some of its ability to successfully control patterns of consumption in this period. In this thesis, I argue that the advertising industry has been in a state of crisis in the 1980s and 1990s. As described by Stuart Ewen (1976), the industry, at the peak of its influence from the 1920s to the 1960s, achieved an unprecedented level of power over the creation of mass markets and consumer identities through an alignment with the Fordist system of mass production. In this thesis, I have found that this established role has broken down in the 1980s and 1990s. Under new economic conditions, which some have referred to as a new regime of flexible accumulation, the advertising industry is experiencing a crisis, marked by a growing instability of client-agency relationships, heightened international competition between agencies, saturated markets in the West, and the declining importance of media advertising. On a more fundamental level, the
industry has also undergone a significant weakening of its ability to regulate the formation of markets and identities. Identities, such as the traditional notion of the "housewife" as female consumer, are no longer uniform or universally accepted, and because of changes in work and family, consumers have become more difficult to locate. Consumers and viewers of television advertising now aim to subvert the processes of advertising through remote control "zapping" and VCR program recording, which gives viewers more control over when to watch, what to watch, the order in which to watch, and whether or not to view advertisements at all.\(^1\) Women spend less time in the home, and have therefore become harder to reach through media advertising. Markets are also more segmented, requiring more elaborate forms of research and information gathering in order to identify target markets. In addition, individual identities are more complex, with individuals holding multiple and contradictory identities (Mort, 1989, Jackson, 1992). Lash and Urry (1994) argue that we are entering a new era of "reflexive modernization" where modernization begins to take itself as an object of reflection. Under conditions of heightened reflexivity, consumers question the assumptions of advertising and established practices of consumption.

Central to the strategies by which advertisers seek to deal with this crisis, is the ability to locate and position consumers in space; for institutions of economic regulation are

\(^1\) Poster (1990: 73-74) notes that when the VCR was first introduced, lawsuits were brought against Sony by television networks for alleged violation of free enterprise. This illustrates the degree to which corporations want control, not just over television content, but viewers as well.
simultaneously institutions of spatial regulation (Lash and Urry, 1994: 12). This argument has a number of dimensions.

First, one way of coping with the crisis of the industry has been to restructure by expanding globally. In the 1980s, agencies have undergone a rapid process of transnationalization through foreign direct investment, mergers and acquisitions. Advertising agencies have also developed new techniques of monitoring consumers across the world and have forwarded new concepts of global advertising to rework the geographic boundaries of markets. The attempt by advertising agencies to target consumers across the globe is a response to the growing difficulty of locating consumers in core markets.

A second means of coping with the crisis of the industry encompasses new techniques of surveillance of consumers in an attempt to monitor and control consumption patterns. Agencies have increased their use of computer databases and have tapped into qualitative and ethnographic methodologies. Many of these technologies of power locate consumers more precisely in space and explore in minute detail the links between identity and space. These research methodologies are accompanied by increasingly complex geographical plans for placing advertisements. More geographically sensitive vehicles are being employed such as direct mail and place-based advertising.

A third way of grappling with the crisis of advertising has been the attempt by the industry to use its cultural influence to construct potential female identities. In trade advertising for the mass media, agencies have attempted to represent a nostalgic return to traditionalism and the home as a dominant site of
identity, as a response to a loss of revenue from mass market magazines. In this way, agencies forward the notion that women can still be located in the home, constructing magazines as a viable way of reaching female consumers.

It could be argued that a 'crisis' in gender relations and identities serves the interests of advertising agencies as these anxieties are readily commodified by the advertising industry. Therefore, the difficulties faced by the advertising industry in the 1980s and 1990s have also been the basis for the growing importance of advertising services.

With these strategies of constructing consumer identities within clearly-defined spaces, advertising engages in what Haraway (1989) has called "boundary projects"; attempts to secure a fixed identity by negotiating its limits in space. As Wigley (1992: 338) points out, those limits must be monitored in order to be controlled: "boundaries are only established by the intersection of between a walled space and a system of surveillance which monitors all the openings in walls". In this thesis, I argue that the increasing level of surveillance is a response to the proliferation of these "openings in the walls", to the dissolution of the traditional division between public and private space, as well as the increasingly discontinuous and spatially and temporally fluid nature of consumer (and in particular, female) identities. If reflexive modernization opens up possibilities of reflexivity and autonomous subjectivity, then the institution of advertising struggles to reestablish conditions of atomization, normalization and individuation (see Lash and Urry, 1994).
My thesis is concerned with the respatialization of markets and consumer identities, with the ways in which discourses and strategies of advertisers are related to the new geographies that are emerging. I tie the restructuring of the industry to flexible accumulation. I examine the role of the advertising industry in shaping geographies of economy, consumption, and identity, with particular attention to its role in globalization, market segmentation, the blurring of divisions between private and public space, and the construction of gendered subjectivity.

The business of reworking markets is both an economic and a cultural process and the two cannot be separated. My thesis engages with two of the most important debates in human geography over the last decade: the discourse on flexible specialization/accumulation and the recent concern with power, the subject, and surveillance. A study of the advertising industry lends itself to a synthesis of approaches, linking economy and culture, Marxism and cultural studies. The two areas of debate have too often been considered in isolation. I will draw these theoretical underpinnings to the surface and trace how they relate to the advertising industry.

1.2 Flexible Specialization/Accumulation Debates

I deal with two main accounts of the current economic restructuring: flexible specialization and flexible accumulation approaches. According to the flexible specialization thesis, as

2. Flexible specialization and regulation theory accounts of the crisis are only two of multiple approaches to the crisis, including the "disorganized capitalism" arguments of Lash and Urry (1987, 1994) and the flexible rigidities focus of Sayer and Walker (1992).
outlined by Piore and Sabel (1984), we are witnessing a second industrial divide, characterized by the decline of the system of mass production and the rise of a new form of artisanal production. With the aid of flexible, programmable technologies, small innovative firms now produce customized goods oriented towards niche markets. Piore and Sabel (1984) argue that the growth of vertical disintegration has led to the re-emergence of regional economies such as the Third Italy. The emphasis on craft-based firms has also led to a reorganization of the labour process and a reskilling of work. Central to flexible specialization accounts of the restructuring is the role of demand. Mass markets for standardized goods have become saturated, and have been replaced by a fragmented pattern of demand based on quality rather than price competition (Piore and Sabel, 1984: 17). Consumers now demand a wider array of products and production has had to adapt to more volatile and changing consumer behaviour. Thus, producers have become more "consumer-driven".

The second major perspective is provided by regulation theory (Aglietta, 1979, Lipietz, 1987). Regulation theorists argue that we are witnessing the development of a new regime of flexible accumulation.3 Parallel to flexible specialization

3. The two central concepts of regulation theory are the regime of accumulation and mode of regulation. According to Lipietz (1987: 14), a regime of accumulation "describes the fairly long-term stabilization of the allocation of social production between consumption and accumulation. This implies a certain correspondence between the transformation of the conditions of production and the transformation of the conditions of the reproduction of wage-labour, between certain of the modalities in which capitalism is articulated with other modes of production within a national economic and social formation, and between the social and economic formation under consideration and its 'outside world'". The mode of regulation refers to the set of
accounts, regulation theory emphasizes the development of economies of scope, small batch production, flexible automation, smaller inventories, multiple skilling, reduced job demarcation, and spatial agglomeration. Much attention is also given to the growth of a more individualized consumption pattern.4

Regulation accounts tend to place more weight, however, on the role of regulatory institutions, and therefore do not emphasize the role of demand in economic transformation.5 To date, however, regulation theory has tended to concentrate on state regulation and the institutional regulation of labour (Moulaert and Swyngedouw, 1989: 340). A very narrow definition of regulation has been employed. Moulaert and Swyngedouw (1989) also cite a tendency toward technological determinism in explaining the reorganization of production.6

My thesis draws upon two main criticisms of the flexible specialization/accumulation debates. First, much of the work in these literatures has focused on the reorganization of manufacturing, and the role of the service sector in flexibility has been neglected (Wood, 1991). Producer services in particular,

internalized rules and social norms that organize social behaviour (Lipietz, 1987: 15).


5. In addition, regulation theory attempts to view relationships as part of chance discoveries made in the course of human struggles (Lipietz, 1987: 15).

6. Similarly, aside from more general comments about the breakdown of mass consumption, the mode of consumption has been ignored, as has culture.
are crucial to an understanding of the regulation of demand. These services are part of a broader intermediate economy that "organizes and adjudicates economic exchange for a fee" (Thrift, 1987).

Producer services underwent an explosive growth in the 1980s, accounting for one-third of all job expansion in the U.S. (Beyers, 1991). Between 1982 and 1987, annual receipts for business services increased by 102.9 percent (Table 1.1). The rapid growth of producer services has prompted a growing body of research in geography and in other social sciences, and the contribution of this work to our understanding of economic transformation in the 1980s has been immense. However, as Beyers

7. Producer services can be defined quite simply as services that serve producers or other businesses, rather than final consumers. Accounting, architecture, law, engineering, banking, design, advertising, management consulting, insurance, security, storage, transport, communications, janitorial services and repair firms all constitute producer services (Daniels, 1994: 5). Wodc (1991) also uses the term business services to refer to producer services where transactions typically involve strategic, technical and professional advice and utilize information acquiring, processing and interpretation skills (Daniels, 1991: 162). According to this definition, advertising, marketing, commercial law, computer analysis and market research all constitute business services. However, business services do not include other producer services such as transportation, distribution, maintenance or repair services, all of which serve producers. In this thesis, both terms (business and producer services) will be used to refer to the advertising industry.

8. While these services are labelled "producer services", many also cater to a variety of service companies in the public and private sectors. This is particularly the case in the advertising industry, where a growing proportion of clients are service organizations (Sinclair, 1987). While advertising agencies claim that they also serve consumers by providing information about products in an open market place, giving consumers "choice", radical theorists reject this view. Minimal information is actually provided about products. Most contemporary advertising tends to be much more emotionally based (Davidson, 1992).

9. This literature has focussed on the internationalization of producer services. Many have argued that large metropolitan areas account for a disproportionate share of producer service growth
(1991) and Marshall et al (1988) have pointed out, much of this research has been broad-brush. There is a need for more detailed case studies of particular services. Recent work has attempted to address the specificity and distinctiveness of different producer services; for example, engineering consultancies (Rimmer, 1991), accountancy firms (Daniels, 1991, Thrift, 1987, Thrift and Leyshon, 1992, Beaverstock, 1990, Noyelle and Dutka, 1988), law (Noyelle and Dutka, 1988), architecture (King, 1990) and advertising (Noyelle and Dutka, 1988, Perry, 1991). More work is needed, however, on the role played by various producer services, and on the internal dynamics of these services. Marshall et al. (1988: 251) call for research drawing upon the large literature available from trade and professional associations, trade publications, consultancy organizations, and specialist publications on service industries. Similarly, despite the growing interest in producer services, more research is also needed which connects the growth of individual producer services with the process of flexible accumulation. Many producer services

(see Daniels, 1985, 1991, 1993, Beyers, 1991, O'hUallachain and Reid, 1991, Marshall et al, 1988, Sassen, 1991). The growth of producer services in cities like New York, London and Tokyo has contributed to the emergence of "global cities" which have become control points in the global economy. The concentration of producer services in these cities is due to multiple factors, including labour market diversity, access to information technology, the location of clients/corporate headquarters, availability of information, economies of scale, tradition, and transportation. Much of the producer service literature has also emphasized the social, cultural and economic consequences of change within global cities, resulting from the expansion of a new service class (Daniels, 1991, Budd and Whimster, 1992, Warf, 1991, Ley and Hutton, 1991, Zukin, 1992, Mollenkopf and Castells, 1991). This literature has documented the polarization of these cities, the inflation of land prices, problems of housing affordability and cultural transformations associated with gentrification.
play a central role in either regulating or facilitating increased flexibility and yet producer services have received very little attention in the literature on flexible specialization/accumulation (Wood, 1991).

A second criticism of the flexibility debates concerns the inadequate way in which consumption has been conceptualized. While many accounts of flexibility have attempted to bring together analyses of culture and the economy, consumption and production, postmodernism and flexible accumulation, most have been framed at a fairly general level of analysis (Albertsen, 1988, Harvey, 1989, Lash and Urry, 1987, 1994). More detailed empirical study is needed into the precise nature of changes in consumption. The generalizations that have been made about the breakdown of mass markets and the growth of segmented and individualized consumption patterns are not adequate to explain the complexities that characterize contemporary consumption patterns. The current period reveals contradictory tendencies, with the extension as well as the decline of mass markets. In addition, consumption is viewed as the driving force behind change in flexible specialization accounts and has been marginalized in regulation accounts. A more balanced treatment of the relationship between production and consumption is necessary, which recognizes the interplay between supply and demand factors.

As both a producer service and an institution mediating between production and consumption, a study of the advertising industry contributes to broadening the scope of flexible specialization/regulation accounts. As Lash and Urry note, "the culture industries...were post-Fordist avant la lettre" and
advertising may be a model for the restructuring of both manufacturing and other cultural industries such as film, recording and publishing (Lash and Urry, 1994: 123). Advertising is pivotal to understanding the dynamics of changing consumption patterns. An increased fragmentation and polarization in markets has resulted in a greater demand for advertising.

Between 1977 and 1984, compound annual rates of growth in advertising, computer and data processing, consulting, and public relations services grew at twice the rate for the gross domestic product in the United States (Noyelle and Dutka, 1988: 10). Zenith Media Services estimates that between 1981 and 1990, advertiser expenditures rose by an average annual compound rate of 9.2 percent in the three major continental markets of North America, Europe and Asia Pacific (Saatchi and Saatchi Annual Report, 1993). In the United States, advertising expenditures increased from 19 billion in 1970 to 132 billion in 1992 (Table 1.2). The proportion of GNP spent on advertising has also increased (Table 1.3).

According to the U.S. Census of Service Industries, employment in advertising agencies also expanded from 106,777 in 1982 to 133,957 in 1987 (Table 1.4). The U.S. Bureau of Labor Statistics documents that employment in advertising-related firms has grown steadily since 1970, only falling slightly in 1991, but rising again in 1992 (Table 1.5). Along with accountants and

10. This rate slowed to 4.2 percent per year after 1991 (Saatchi and Saatchi Annual Report, 1993).

11. Focusing on advertising related firms, however, obscures employees working in advertising occupations on the client side or in the mass media.
lawyers, the U.S. Bureau of Labor Statistics ranks marketing, advertising and public relations occupations among those professions projected to have the fastest growth rates in the next few decades (Table 1.6). There are five main reasons for the expansion of advertising services.

First, the recent internationalization of the economy has required the growth of new services and information systems (See Chapter 2). The globalization of industry requires more specialized service inputs. At the turn of the century, advertising was key to expanding the scale of production. By creating mass markets on a national scale, advertising, along with mail order catalogues, retailing and mass market magazines, was central to the creation of consumptive markets in line with a new industrial order (Strasser, 1989, Richards, 1990, Wright, 1992, Ewen, 1976). Today, as markets are reshaped, and as production is increasingly globalized, advertising is needed for the construction of new geographies of global production and consumption (See Chapter 4). By formulating selling strategies and forwarding images of change, advertising forms a vital part of the current economic reorganization.12

Second, in the post-war economy, many advanced producer services such as international law or management consulting were seen as largely unimportant. This was partly a reflection of the fact that many needed inputs were produced in-house. In the case

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12. The industrial production of culture and its dissemination on a global scale during Fordism led paradoxically to the formation of new forms of community and cultural difference less tied to place (Lash and Urry, 1987). As a result, we need to rethink the concepts of community, identity and politics (Gupta and Ferguson, 1992).
of advertising, much of the market research for products was done by in-house marketing departments and then given to advertising agencies. As Sassen (1991) points out, by the late 1970s, the dramatic increase in demand for these services and the increasing specialization and complexity of intermediate inputs led to vertical disintegration and the rapid growth of freestanding business service firms. As a result, advertising agencies began to expand the scope and complexity of their offerings.13

Third, in the current period, there has been an explosion of information on trends in supply and demand. Advertising, market research and sales forces all generate and distribute this information in the commodity system (Sayer and Walker, 1992). I argue that the circulation of such information takes on a heightened role under flexible accumulation. The lack of attention to advertising and marketing in the literature on flexibility is surprising given the importance in regulation theory of those institutions that ensure long term stability (Gibbs, 1992). Advertising, one of the so-called "fixers" of capitalism (Thrift, 1987), seeks to avoid mis-matches between producers and consumers by gathering information about trends and by predicting and directing consumption. By speeding up the flow of information between producer and consumer, the industry is central to the establishment of a "just-in-time consumption".

13. Producing certain highly specialized services in-house became increasingly difficult due to the rising level of specialization and the costs of employing professionals full-time. Specialization was thus key to externalization. Specialized firms are also able to sell their services to a diversity of firms and continue pursuing innovations (Sassen, 1991: 99). However, as many have pointed out, the growth of advertising services can only partly be explained by externalization.
Flexibility seems to depend upon greater responsiveness to consumer demand and access to new markets (Rubery et al, 1987, Gibbs, 1992, Sayer and Walker, 1992, Featherstone, 1991, Crewe and Davenport, 1992). The Interpublic Group (Annual Report, 1992) emphasizes the growing importance of the so-called knowledge industries: those creating, using and selling "knowledge", such as consumer research companies and advertising agencies. Similarly, Castells cites the emergence of an informational mode of development in historical interaction with the restructuring of the capitalist mode of production (Castells, 1991). An increased emphasis has been placed on letting consumers self-design products, on moving final stages of production closer to the point of consumer contact (Interpublic Annual Report, 1992).

14. Agencies have used these changes to "market" their services to clients. The Interpublic Group of Companies, an advertising conglomerate, argues that one "force driving all businesses into defining themselves in service terms is that the activity adding the greatest economic value continues to move 'downstream' in the value chain, closer to customers" (Interpublic Annual Report, 1992: 10). Interpublic notes that increasingly, "product businesses will imitate organizing principles from service businesses" (Interpublic Group of Companies Annual Report, 1992: 10).

15. As Baran and Sweezy (1968: 130) noted as early as 1968, the sales apparatus, including the client's sales department, and its consultants and advertising agencies, used to be a mere adjunct to production, but increasingly, has invaded the factory, dictating what is to be produced. As one economist puts it, "today, the orientation of manufacturing companies is increasingly toward the market and away from production" (in Baran and Sweezy, 1968: 130).

16. Castells (1991: 18) argues that in the sphere of consumption, this mode of development has generated an increase in information-gathering and distributing systems to establish links between the two ends of the market.
Fourth, flexibly specialized production leads not only to reskilling and multi-skilling, but to an increase in design intensity. The advertising conglomerate WPP states that,

In an increasingly competitive national and multinational environment, where technological and product differentiation is increasingly difficult to maintain, where advancing communications technology is reducing the difficulty of transmitting messages across the world, the need to establish perceived differences between competing goods and services is intensifying (WPP Annual Report, 1991: 29).

Advertising plays an important role in differentiating products that may be structurally quite similar. Visual identity, in the form of advertising, logo design and packaging, has become an increasingly important competitive tool in world markets.

Companies find it increasingly difficult to maintain a technological lead, and progressively shorter product life cycles mean that market leadership through technological dominance becomes increasingly expensive. WPP notes, "even technologically advanced goods, such as computers and financial services, are becoming more commodity-like, and their markets are exhibiting

17. Lash (1991) argues that the culture industries are growing relative to manufacturing, and mainstream manufacturing itself is becoming more design-intensive with the increased emphasis on specialized products. The advertising industry is both a business service and a culture industry (Schiller, 1989: 30). Cultural industries can be defined as industries where "cultural goods and services are produced, reproduced, stored or distributed on industrial and commercial lines, that is to say on a large scale and in accordance with a strategy based on economic consideration rather than any concerns for cultural development (UNESCO in Schiller, 1989: 30). Cultural industries include publishing, the press, film, radio, television, recording, photography, advertising, and sports.

18. As Baran and Sweezy (1968: 129) note, "genuinely new or different products, however, are not easy to come by, even in our age of rapid scientific discovery and technological advance. Hence much of the newness with which the consumer is systematically bombarded is either fraudulent or related trivially".
similar characteristics to more mature packaged-goods markets" 
(WPP Annual Report, 1991).19 In the case of computers, brand 
loyalty has become the main tool with which to respond to 
competition from cheaper clones from South East Asia. Increasing 
competition in markets will reinforce the need to maintain 
expenditure on brands. As avenues for restoring profitability 
diminish, clients are having to concentrate on increases in 
market share, and, in these circumstances, there is a heightened 
demand for marketing services (WPP Annual Report, 1992).

Finally, advertising services have expanded because of the 
increasing complexity of matching a product with its intended 
consumer group (See Chapter 5). Due to market segmentation in the 
1980s, branding has become an ever-more sophisticated science 
directing products at narrower, more carefully defined 
lifestyle/consumer behaviour groupings. Micro- or specialist 
communications such as direct marketing, as well as the more 
traditional avenues of television advertising, have fragmented 
media opportunities, making it easier to target particular 
groups:

For our clients this means more complex media decisions. 
This will increase advertising's importance to them as 
purveyors of alternative media and as experts. Research into 
advertising effectiveness and audience measurement will 
become a growing part of the media opportunity. 
Paradoxically, this complexity may lead to a greater 
integration of the media buying service with creative 
work as creative ideas are directed at more specialized 

19. The internationalization of production increases the number 
of competitors in markets. Within Europe, for example, a single 
market will intensify competition in a number of product sectors 
such as food and financial services. This will necessitate a 
greater emphasis on advertising.
Differentiating products is achieved partly by differentiating the consumers of products. Advertising is crucial to this process in constructing new identities for specialized consumption: under the Fordist system of production, advertising promoted integration, where consumers were encouraged to "Keep up with the Jones". In response to the current economic crisis and flexible accumulation, advertising encourages individualization, the formation of new identities which allow the consumer to distinguish themself from others. Advertising masked the differences between consumers under Fordism, and obscures the pervasive homogeneity today (Leiss, 1990). Both integrative advertising (in the case of Fordism) and individualizing advertising (in Post-Fordism) offer solutions to particular problems of identity in their particular societal forms (Leiss, 1990).

1.3 Debates Over the Subject, Discipline, and Reflexivity

A second important debate in geography has revolved around the formation of identities, the relationship between the subject and discipline, and the possibilities for resistance. In this section I will review these debates and outline their relevance to a study of advertising.

In recent years, much attention has been focussed on the construction of identity, particularly gendered identities, and the links between identity and space. In particular, there has been a widespread critique of essentialist identities, resulting in a tension within feminism between those who postulate a prior category of "woman" and those who view "woman" as an effect of

Many feminist and cultural geographers have employed Foucault's work on the relations between power and knowledge and the constitution of the subject in order to clarify the key issue of identity. Foucault argues in favour of the discursive construction of the subject rather than positing discourse as appropriated by a given subject. The discursive and the material are linked together in a symbiotic relationship which is at the heart of the power/knowledge nexus (McNay, 1992: 27).

While Foucault does not dismiss the materiality of the body or of identity, he argues that it is impossible to know the body outside of its cultural signification. All knowledge is the effect of a specific regime of power. Foucault (in McNay, 1992: 27) argues that,

power and knowledge directly imply one another;...there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not

20. Foucault (1979) also critiques the concept of ideology, by which the realm of culture always stands in secondary relation to a prior determining material or economic realm. Rejecting the old opposition of ideology to scientific truth, he substitutes the more nuanced concept of discourse: "the problem does not consist in drawing the line between that in a discourse which falls under the category of scientificity or truth, and that which comes under some other category, but in seeing historically how effects of truth are produced within discourses which in themselves are neither true nor false" (Foucault, 1980: 118). For Foucault, the reduction of culture to secondary or derivative status is untenable.
presuppose and constitute at the same time power relations.

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The body has been the main target of power/knowledge relations operating through discourse.22 The feminine body in particular (like the female consumer) has been defined, redefined and located in shifting ways over time through the operation of culture. According to Bordo (1989: 14) "through the organization and regulation of the time, space, and movements of our daily lives, our bodies are trained, shaped, and impressed with the stamp of prevailing historical forms of selfhood, desire, masculinity, femininity".

I would like to argue that femininity and masculinity are the outcome of multiple discursive practices involved in the constant setting and shifting of the limits of identity.23 Donna Haraway refers to these practices as "boundary projects".

21. According to McNay (1992: 27) a discursive formation is "an amalgam of material practices and forms of knowledge linked together in a non-contingent relation". Power and knowledge are conveyed through discourse.

22. Discourses exist in written and oral forms and in the practices of everyday life (Weedon, 1987: 110). Discourses are ways of constituting knowledge, forms of subjectivity and power relations.

23. There is a growing recognition that the redefinition of images and the creation of new forms of identity are of pivotal importance in the recent round of economic restructuring (Watson, 1991, Burgess and Wood, 1988). Often this interest in subjectivity, sexuality and textuality has been accompanied by an abandonment of political economy, sociology, and economics. It is important to challenge the growing gap between the social sciences and humanities; for there are very real changes going on today which point to the more totalizing power of capital (Spivak, 1989, Barrett, 1992, Felski, 1990). An interest in representation need not signal an abandonment of materialism. Feminists have identified the need to bridge the divide between social sciences and cultural studies, between discourses and the material conditions of women's existence (Deutsche, 1991, Morris, 1992, Grossberg et al, 1992, Barrett, 1992, Massey, 1991, Bondi, 1990, Rose, 1992).
insisting on a view of identity as an incomplete and contingent process, not a reified object,

...bodies as objects of knowledge are material-semiotic generative nodes. Their boundaries materialize in social interaction. Boundaries are drawn by mapping practices; objects do not pre-exist as such. Objects are boundary projects. But boundaries shift from within; boundaries are very tricky (Haraway, 1991: 201).

While femininity and masculinity are drawn through various competing mapping practices which do not guarantee internal stability, this does not mean that they have no material foundation.24

Having established a subject constituted through relations of power and knowledge, we must now examine the forms that power takes. For Foucault, power is not possessed by individuals or groups. Rather, it is embedded in a network of practices, institutions, and technologies that maintain positions of domination.25 The problem is to understand how power operates in

24. Nancy Fraser has observed that many of the debates concerning identity have been caught in a series of false antitheses: the poststructuralist emphasis on construction versus essentialism; identity versus difference, dereification versus normative claims (Fraser, 1991, 1992). She sees a danger in conceptualizing women's liberation as freedom from fixed, essential identity. In order not to privilege this deconstructive mode, it is crucial to forward emancipatory alternatives alongside the "unfreezing" of identities. She argues, "... that the current proliferation of identity-dereifying, fungible, commodified images and significations constitutes as great a threat to women's liberation as do fixed, fundamentalist identities. In fact, dereifying processes and reifying processes are two sides of the same postfordist coin. They demand a two-sided response. Feminists need both deconstruction and reconstruction, destabilization of meaning and projection of utopian hope" (Fraser, 1991). We need a feminist politics corresponding to contradictory forms of identity, family and femininity, one which recognizes the need for a feminist identity, but immediately calls it into question.

25. According to this formulation, power is not repressive but constitutive. As Michele Barrett (1991: 136) puts it, "we are all already regulated, already participants in networks of power, already constituted within the operations of power- and notions
specific methods and strategies, and how shifts in the disciplining of individuals have taken place. In *Discipline and Punish*, Foucault (1979) argues that modern power operates through surveillance and the assessment of individuals. Bartky (1990: 79) notes,

power now seeks to transform the minds of those individuals who might be tempted to resist it, not merely to punish or imprison their bodies. This requires two things: a finer control of the body's time and its movements—a control that cannot be achieved without ceaseless surveillance and a better understanding of the specific person, of the genesis and nature of 'his' case. The power these new apparatuses seek to exercise requires a new knowledge of the individual: Modern psychology and sociology are born.26

Foucault is particularly interested in the new science of criminology, in the application of systematic knowledge to the administration of the prison (Poster, 1990: 90).

Jeremy Bentham's design for the Panopticon, a model prison, is reflective of the emergence of a disciplinary society.27 Foucault argues that the prison operates through the production of norms that divide prisoners and non-prisoners, and establish the criteria and developmental stages by which prisoners become such as the 'free individual' on whom power descends from above are completely meaningless". The most powerful discourses in our society have a strong institutional base such as the law, medicine, education or the family. An analysis of the particular discursive field that constitutes madness, punishment, sexuality or consumerism must be made to unveil specific regimes of power/knowledge.

26. The procedures that "perfect this move organize the discourse that has taken the form of the human sciences" (de Certeau, 1984: 47).

27. At the center of the Panopticon is a tower with wide windows that opens out onto a periphery divided into cells (Foucault, 1979: 200). Each inmate is constantly visible from the tower and each inmate is aware of this permanent visibility, such that each prisoner undertakes self-surveillance.
non-prisoners (Poster, 1990: 90). In modern society, power is imposed "by the systematic scribblings in discourses, by the continual monitoring of daily life, adjusting and readjusting ad infinitum the norm of individuality" (Poster, 1990). This "microphysics of power" aims to distribute, classify, analyze and spatially individualize the object dealt with (de Certeau, 1984: 46). Discipline is established through an organization of individuals in space: "each individual has his own place; and each place its individual" (Foucault, 1979: 143). Thus, it is not just that there are variations in masculinity and femininity across space, but that notions of masculinity and femininity are actively constituted through distinctions of space and place, public and private, visible and invisible.

While the system of disciplinary micro-practices includes the law, the school, the factory, the prison and the media, a number of newer invasive apparatuses of power have appeared in recent years, which exercise a higher degree of social and psychological control through a more precise array of networks granting access to individuals and their daily routines. Advertising and consumer research provides a clear example of such a network of micro-practices or strategies which attempt to

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28. The principle of one-way surveillance is supplemented by the keeping of systematic records or files of a subject's behaviour. For Foucault, this system is not motivated by the rational humanist intention of reform, but rather by a system of domination.

29. This disciplinary space is designed to be primarily analytical: "its aim was to establish presences and absences, to know where and how to locate individuals, to set up useful communications, to interrupt others, to be able at each moment to supervise the conduct of each individual, to assess it, to judge it, to calculate its qualities or merits" (Foucault, 1979: 143).
target the "consumer-sphinx" and limit the realm of "tactics" (de Certeau, 1984: 31). 30 Advertising forms an important institutional site for power/knowledge and, like the prison, advertising research operates as a "machine of observation", monitoring the consumer's use of commodities. Systems of surveillance form a cybernetic cycle of production and consumption because every consumptive activity will generate information pertinent to the modification of future production (Poster, 1990: 75). Consumers are not manipulated so much as surveyed. Through surveillance, the disciplinary aspects of advertising operate to construct consumer subjects.

The advertising industry with its methods of mediating demand and constructing consumer identities, represents in many ways a characteristically modern conjunction of power/knowledge and spatiality. Foucault (1978: 24) argues that,

our society is not one of spectacle, but of surveillance; under the surface of images, one invests bodies in depth; behind the great abstraction of exchange, there continues the meticulous, concrete training of useful forces; the circuits of communication are the supports of an accumulation and centralization of knowledge; the play of signs defines the anchorages of power. It is not that the beautiful totality of the individual is amputated, repressed, altered by our social order, it is rather that the individual is carefully fabricated in it, according to a whole technique of forces and bodies.

30. de Certeau (1984) draws a distinction between "strategies" and "tactics". A strategy represents "the calculation (or manipulation) of power relationships that becomes possible as soon as a subject with will and power (a business, an army, a city, a scientific institution) can be isolated" (de Certeau, 1984: 36). This subject identifies a place which it uses as a base from which relations with its exterior targets or threats (consumers, competitors, enemies or objects of research) can be managed (de Certeau, 1984: 36). In contrast, a tactic is a calculated action originating from the space of the Other and "thus it must play on and with a terrain imposed on it and organized by the law of a foreign power" (de Certeau, 1984: 37).
Crisis in identity, brought about by new forms of mobility, have necessitated the development of increasingly sophisticated monitoring methods, and advances in advertising research have augmented the attempt to get "inside the mind of the consumer".  

In the current period, the apparatuses of surveillance have evolved from those described by Foucault in the modern period. New computer technologies have increased the amount of information that can be analyzed a hundredfold:

Through routine gathering of information about transactions, consumer preferences, and credit worthiness, a harvest of information about any individual's whereabouts and movements, tastes, desires, contacts, friends, associates, and patterns of work and recreation becomes available in the form of dossiers sold on the tradable information market, or is endlessly convertible into other forms of intelligence through computer matching (Ross, 1991: 126). 

More sophisticated information systems and research techniques have increased the speed and detail with which consumer profiles can be developed (Poynor, 1987: 104). In this way, information forms a new kind of commodity resource that marks a break with past modes of production and becomes central to capitalist accumulation.

Increasingly the spatial and architectural form of discipline, as embodied in the Panopticon, has been replaced by electronic surveillance. For Poster (1990: 97), the consumer,


32. In the advertising industry, an assignment that used to take 12-13 hours to complete and cost $30,000-$35,000 without computers now takes 6 hours and costs $4,200 (U.S. Industrial Outlook, U.S. Department of Commerce, 1992).

33. The physical structure of the prison itself has now been replaced by electronic monitoring (Virilio, 1992: 86). This electronic transponder records the distance, speed and path of an
by sending information to the producer, enters data about themself and participates in the disciplining and surveillance of themselves as consumers and in their "own self constitution as subjects of the normalizing gaze of the Superpanopticon". A consumer's movements through the purchasing landscape are now increasingly monitored through electronic means: electronic funds transfer, electronic point of sale, credit card transactions, and Nielsen ratings are examples.

The advertising industry thus represents a central place from which strategies aimed at managing consumers emanate. The advertising industry constitutes the site where a negotiation between the producers and consumers of meanings of commodities occurs, and is controlled. As a mediator between producer and consumer in economic and cultural crises, the advertising industry attempts to secure the meanings of commodities and to regulate the ways in which these meanings are appropriated and subverted by consumers.

The construction of consumer subjects is intimately bound with questions of gender, because women still form the majority of consumers and moreover, consumption itself is central to notions of femininity. A recent study indicates that women

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offender's movements and transfers this information to a central computer. The computer checks the data against the permitted spatial path and alerts the police if the prisoner goes elsewhere. Poster (1990) argues that the technological conditions of surveillance have progressed from the panopticon as a model of surveillance. In the current period, "circuits of communication and the databases they generate comprise a Superpanopticon", a system of surveillance without walls, towers and guards (Poster, 1990: 93). There has been a qualitative as well as a quantitative change in surveillance.

34. By filling out contest forms and other such schemes, consumers participate in their own surveillance.
continue to be the principal consumers in capitalist society, still doing most of the buying in 95 percent of the 1000 universal product code categories (Neilsen, 1992). Feminist critics share with specialists in the fields of retailing, packaging, product design, and advertising, a common object of enquiry—that of female subjectivity. Despite this shared interest, Bowlby (1990: 18) notes that,

theorists of subjectivity have not been particularly interested in the techniques of advertising or in the debates within marketing's special branch established at the beginning of the century—the psychology of advertising, nor have they turned their attention to models of subjectivity implied by critics or advocates of consumerism.

35. Historically, the female consumer in advertising has been a middle class white Western woman. The notion of a unitary female consumer/spectator obscures the very different relationship to consumption according to class, sexuality, race or place, and needs to be challenged through further research.

36. The reissuing of the novel, The Ladies' Paradise by Emile Zola in 1992, which documents the birth of the department store and commodity culture in Paris, testifies to the intensified interest in feminist criticism in the role of women as consumers of both commodities and symbols of commodities. In her introduction to the 1992 edition, Kristin Ross notes that the only other attempt in this century to keep the book in circulation came from the president of the American consulting firm Management Horizons, Inc. In 1976, Alton Doody argued that, "The principles and techniques described in The Ladies' Paradise are as pertinent to retailing today as they were one hundred years ago. The Ladies' Paradise, therefore, is a pragmatic guide which can be used in our time to increase the merchandising effectiveness of almost any retail store...We predict that it will help you create stores which are more exciting places to shop for your customers, assuring the continued prosperity of your enterprise" (Doody in Kristen, 1992:xxii).

37. Although there is a separation between feminist theories of subjectivity and the more pragmatic approaches of advertisers and marketers, Bowlby argues that models and discourses of marketing have made their way into feminist discussions of subjectivity. Models of identity that have drawn their inspiration from poststructuralism, postulating a subject produced through the operations of multiple heterogeneous discourses pulling individuals in different directions, have tended to emulate the language of marketing. Chris Weedon, for example, argues that discourses act in a similar fashion to that of marketed products: "as with companies' attempts to secure brand loyalty,
Institutional cultures such as advertising are a powerful means of disseminating a gendered identity. Women have been the primary target of an invasive science of consumer research; and the "object" of such research is implicitly feminine since, as Fraser (1992b) points out, to have one's private life probed is to be feminized.38

While Bartky (1990) and Bordo (1989) argue that a "microphysics of power", fragmenting and partitioning the body's time, space and movements, constitutes an unparalleled modern discipline against the female body, many have been critical of feminist appropriations of Foucault's docile bodies and Panopticon theses. Deveaux (1994: 227) for example, argues that this 'first wave' of feminist engagement with Foucault is problematic because it diminishes women's subjectivity and treats women as passive receptacles of culture rather than active agents who are both constituted by and reflective of culture. The they are 'competing' for 'the allegiance of individual agents'" (Weedon, 1987: 20). The consumer, like the subject, is a territory to be subdued. Bowlby concludes, "changed as it is, the discourse of marketing has been taken up as neutral, and used as the framework within which to understand the operation of all discourses and the relations of subjects to them" (Bowlby, 1990: 20). As the languages of marketing and advertising become more prevalent in everyday life, it becomes more essential to interrogate them.

38. The film, How to Get Ahead in Advertising, parodies the vast expansion of commodity culture in the 1980s and the attitudes of advertisers towards female consumers. The main character lectures, "Who are we trying to sell this to? Answer. We are trying to sell this to the archetypal housewife, she who fills her basket... I've lived with 13.5 million housewives for 15 years and I know everything about them. She's 37.5 years old, she has 2.6 children, 1.6 of whom will be girls. She uses 16 feet 6 inches of toilet tissue...She has 7 radiators and is worried about her weight which is why we have her on a diet (How to Get Ahead in Advertising, Written and Directed by Bruce Robinson. Hand Made Films, Britain, 1988).
deployment of modern power and rationality, while it seeks an increasingly insidious form of bodily and spatial domination, is also resisted by women; its disciplinary regimes are never total (McNay, 1991). This has led many feminist theorists to explore the ways in which desire intersects with the construction of the subject (Griggers, 1990).

Others have argued that Foucault's later work marks a break from his previous work undermining the notion of the subject (McNay, 1992, Probyn, 1993). In the last two volumes of The History of Sexuality, Foucault formulates a more dynamic relationship between social structures and individuals; arguing that to conceptualize the self, one needs an understanding of the interaction between techniques of domination and techniques of the self.39 Foucault traces a genealogy of the desiring subject in which individuals fashion their own existence through the adoption of various practices.40 Foucault attributes a degree of agency or autonomy to the individual, who is free to determine, within boundaries, their own style of existence.41

For Foucault (1990) every era is marked by its own practices of the self and forms of domination. The passage from antiquity

39. Techniques of the self refer to how an individual comes to understand herself as a subject.

40. Foucault (1988: 50) does not posit a sovereign subject: "I believe on the contrary, that the subject is constituted through practices of subjection, or, in a more autonomous way, through practices of liberation, of liberty, as in Antiquity, on the basis, of course, of a number of rules, styles, inventions to be found in the cultural environment". Agency is always determined in the last instance by larger cultural constraints (Foucault, 1988: 11).

41. It is interesting to note Foucault's use of a consumerist metaphor to describe the practices of autonomous subjectivity.
to Christianity, for example, saw a transition from a morality based on the search for a personal ethics, to a morality based on obedience to a system of rules where subjects were increasingly held in the grip of disciplinary power.42

Lefebvre (1971) also identifies the inclusion of everyday life as an object for social organization as signalling the "Bureaucratic Society of Controlled Consumption". Everyday life is central to the circuit of production-consumption-production, and thus it has become an object of organization. As Lefebvre writes (1971:73), "if the circuit is not completely closed it is not for want of purpose or strategical intent...".43

Although Foucault depicts the emergence of an intensified and more insidious network of discipline in the late 20th century, in later writings he compares the contemporary period with that of the Classical era in terms of its ability to incorporate an autonomous self-stylization (Foucault, 1988). The current decline of grand narratives has opened a space for the creation of a modern aesthetics of existence:

And if I was interested in Antiquity it was because, for a whole series of reasons, the idea of a morality as obedience to a code of rules is now disappearing, has already

42. McNay (1992) notes that the autonomous ethics and self-stylization of the Ancient Greeks is not addressed to women, however and this presents problems with Foucault's notion of techniques of the self. McNay (1992: 77) also argues that the notion of self-stylization is inadequate in explaining the acquisition of gendered identities because not all practices of the self are an exercise in aesthetics. The notion of aesthetic choice does not make it clear why certain practices oriented toward assuming of subject and object positions are not equally available to men and women (McNay, 1992: 80-82).

43. According to Lefebvre, the Bureaucratic Society of Controlled Consumption is headed for contradiction, as production can be automated but the consumer is elusive and must be tracked down (Lefebvre, 1971: 65).
disappeared. And to this absence of morality, corresponds, must correspond, the search for an aesthetics of existence (Foucault, 1988: 49).

Lash and Urry (1994) take this claim even further in their pronouncement of a transition from an era of simple modernization entailing subjugation to an era of reflexive modernization, involving the empowerment of subjects and a gradual freeing of agency from structure (Lash, 1994: 113). While simple modernization gives us Foucault's scenario of a growing tyranny of disciplinary practices involving atomization, normalization and individuation, reflexive modernization opens up possibilities for autonomous subjectivity. Lash and Urry (1994: 31) view the changes as less damaging and even encouraging. Having been liberated from structures such as class, nation, nuclear family and science, individuals are free to engage in both structural reflexivity and self-reflexivity.

According to Lash (1994: 119), with flexible specialization, "structure affectively forces agency to be free in the sense that structural, capital accumulation is possible only on the condition that agency can free itself from rule-bound 'fordist' structures". Flexible specialization demands more knowledge-intensity which itself requires reflexivity:

44. While Foucault's ethics of the self is primarily a practical rather than a reflective activity, in later writings he identifies reflexivity as the defining attribute of an autonomous subjectivity (see McNay, 1992). This points to some inconsistencies in his work.

45. Structural reflexivity involves agency reflecting on the rules and resources of such structure and self-reflexivity encompasses agency reflecting upon itself. The monitoring of agents is replaced by self-monitoring (Lash, 1994: 115). Both forms of reflexivity can occur through the mediation of expert systems or against the advice of expert systems.
it entails self-reflexivity in that heteronomous monitoring of workers by rules is displaced by self-monitoring. It involves 'structural reflexivity' in that the rules and resources of the shopfloor, no longer controlling workers, become the object of reflection for agency. That is, agents can reformulate and use such rules and resources in a variety of combinations in order chronically to innovate (Lash, 1994: 119).

Not all individuals are free to engage in reflexivity however, and there are reflexivity winners and reflexivity losers. Lash and Urry (1994) address the altered structural conditions of inequality and posit a set of non-social structures which are neither economic, political nor ideological, but encompass a network of information and communications structures. The new power/knowledge complex is tied to a transnational mode of information (Lash, 1994: 135). While, on the one hand, the flows of information and images in sign economies are part of a post-industrial assemblage of power underpinning normalization and individuation, on the other hand, these flows open up spaces for the popularization of aesthetic critique of that power/knowledge complex (Lash, 1994: 135, Lash and Urry, 1994: 314-315). Thus, the same individuals subject to these economies are at the same time reflexive about them.46

However, while it is important to recognize conditions of increased reflexivity in the late 20th century, we need to also ask how reflexivity is being used and what potentials it has for meaningful critique and resistance; for these seem rather narrow and too easily coopted in a consumer culture increasingly geared to rapid response. The heightened surveillance of everyday life

46. Reflexivity in their scheme is a complex dialectic of structure and agency.
at least raises questions about the possibilities for the formation of autonomous subjectivities.

The current period is one of transition offering both dystopic scenarios of increased control of everyday life and liberating scenarios of uniting new communities (See Lash and Urry, 1994: 324-326). Against this backdrop of heightened individual reflexivity and a crisis in subjectivity, it is clear that the advertising industry is in a state of crisis. Attempts to restructure the industry and its practices of operating reveal the dynamics of increased surveillance. My concern with the strategies of advertisers is not in whether or not advertising agencies can accurately capture consumer identities. Rather, I aim to reveal a strategic desire on the part of agencies to control everyday life, a desire which may or may not be realized.

1.4 Reconceptualizing Advertising

An analysis of the advertising industry as an institution, and as a site for the dissemination of a gendered discourse of power, attempts to bring together both feminist/cultural theory and flexibility debates. Advertising's role in fixing the meanings of proliferating commodities is intrinsically connected to the attempt to define potential subject positions through consumer research. There is an increased need for information and design-intensity in flexible production. Monitoring and constructing identity has become the predominant instrument by which institutions of power and knowledge, such as the advertising industry, influence patterns of economic behaviour, and thus regulate the new regime of flexible regulation. I want
to turn now to reconceptualize the economic and cultural roles of advertising in this new regime of flexible, reflexive accumulation.

The role of advertising agencies in a capitalist economy is to research, develop and place advertising campaigns for clients. Agencies act as important mediators in ensuring the profitability and spatial reorganization of capital. The advertising industry interacts with and mediates between three main groups: industry, consumers, and the media (Table 1.7). Through consumer research, agencies interpret and influence changes in consumption for producers. In buying and organizing media space for producer-clients, agencies also interact powerfully with culture industries, whose profits depend largely on advertising revenues. Therefore, while advertising agencies are influenced by wider trends in art and popular culture, they in turn negotiate and mediate changes in the mass media. In a sense then, advertising acts as a circuit that binds consumers, producers and the cultural industries. Flows through this circuit are inherently spatial, involving the exchange of information across spaces of control and consumption.

Attempts to theorize advertising's role are polarized and have failed to capture the complexity of its dynamic mediating

47. The functional compartmentalism of agencies resembles the classification of knowledge into disciplines in the academy. The work of creating advertisements is separated into the creative side (the fine arts and humanities), account management and media planning (business sides), and research (psychology, sociology, geography). A wide range of professionals find their way into the industry. This rational and functional division of labour within the agency is highlighted in a photo art work by Mitra Tabrizan in Screen, 1983.
role. On the one hand, conventional economic theories argue that advertising responds to changes in demand, serving to match consuming units with producing units. On the other hand, Marxist critiques of advertising suggest that advertising creates and controls demand. Rather than consumers seeking out product

48. There are also theories examining the construction of meaning in advertisements themselves (Williams, 1979, Vestergaard and Schroeder, 1985, Jhally, 1987, Goldman, 1991, Williamson, 1978, Baudrillard, 1981). Much of this work has emphasized the construction of gender in advertisements (Williamson, 1986, Barthel, 1988, Pollock, 1990, Derry, 1991, Faurschou, 1987, Miller, 1991, Finklestein, 1991, Haralovich, 1989, Rutherford, 1988, Griggers, 1990, Jackson, 1994, 1991). In this thesis, I am not primarily concerned with the cultural production of meaning in advertising texts. In this way, I am sidestepping the reception of advertising texts and the extent to which consumers are influenced by advertising. Issues surrounding the reception of advertising texts, are the subject of much debate, and do not fall within the purview of this thesis. While more work is needed on the voices of ordinary consumers and their readings of advertising texts, such studies of reception need to be complemented by an examination of the way in which meanings are constructed within the context of the production of advertising messages: the economic structure of the industry itself.

49. Theorists such as Millar, (1972) and Hendon (1975) offer a defense of advertising, arguing that advertising is relatively cheaper method of selling compared to other methods which would have to be used in its absence. By generating economies of scale, advertising lowers the cost of consumer goods. Advertising is essential to maintaining competition between individual producers and also contributes to stimulating new product development (Sinclair, 1987: 18). Those defending the social utility of advertising posit rational consumers actively seeking out information about products. Advertising provides the information they demand, albeit at a cost which is calculated into the price of goods (Leiss et al, 1986). Thus, according to this perspective, advertising does not create aggregate demand: rather, it services existing demand. However, even the advertising industry itself recognizes its ability to shape demand. While advertisers are often hesitant to admit to their influence over consumers, one agency CEO admitted, "Advertising is full of trends. Maybe we spot them more quickly because we help create them". Similarly, Lintas' agency philosophy reveals, "the most effective way to cope with change is to help create it" (Lintas Annual Report, 1990). Part hype, these comments may also express the influence of advertising agencies.

50. According to Marxist theories, advertising plays an important role in mediating between production and consumption, seeking out, as agency founder J. Walter Thompson put it "...the shortest
information, Marxist accounts emphasize imperfect information in the form of advertising, seeking out consumers. I argue that both accounts of the economic role of advertising are inadequate. Sinclair (1987), for example, points out that advertising is one of a number of ways in which products are promoted. Point of-sale promotion, competitions, giveaways and other forms of publicity are important, as are product and package design, and pricing (Sinclair, 1987: 5). As Glennie and Thrift (1992: 433) argue, advertising was just one source of knowledge among many; a route from producer to consumer" (in Mattelart, 1976).

Advertising is unproductive in that it generates no new surplus value, but is necessary for the realization of value created elsewhere (Sinclair, 1987: 20). Advertising performs "circulation labour" which aids in the coordination of complex production systems, and enhances the rate of accumulation and productivity (Walker, 1985: 77). Its growth is a reflection of the growing difficulties of realization in late capitalism (Mandel, 1978, Leiss et. al., 1986, Baran and Sweezy, 1968). For some Marxist theorists, advertising also plays a role in consolidating situations of oligopolistic equilibrium (Baran and Sweezy, 1968). While advertising is only one factor accounting for the success of a firm, high levels of advertising expenditure have become a necessity in competitive struggles. This cost forms a powerful barrier to entry and "a formidable wall protecting monopolistic positions" (Baran and Sweezy, 1968: 119). Baran and Sweezy (1968: 116) argue that price competition has been supplanted by competition based on product differentiation and branding; if successful, advertising, "leads to a condition in which the differentiated products cease, in the view of consumers, to serve as close substitutes for each other... And the stronger the attachment of the public to his (sic) particular brand, the less elastic becomes the demand with which he (sic) has to reckon and the more able he (sic) is to raise his (sic) price without suffering a commensurate loss of revenue". In Marxist conceptualizations, advertising also carries out a central function in capitalism by staving off threats of overproduction. Along with planned obsolescence, model changes, and consumer credit, advertising serves a role in expanding and controlling markets, both socially and geographically (Ewen, 1976, Leiss et. al. 1986). Lefebvre (1971: 81) observes, "Experts are well acquainted with the life-expectancy of objects; three years for a bathroom; five for a living-room; eight for a bedroom; three for a business, a car, etc". In a parallel fashion, advertising stimulates an obsolescence of needs such that "needs must also become outdated and new needs take their place; this is the strategy of desire" (Lefebvre, 1971: 82).
point on a continuum of discourses influencing consumers; not so much a locus of authority as a source of potential values and ascriptions; like the state, the church, and other institutions, a provider of mutable and hence subvertible images.

There is a great deal of competition between different consumer discourses (i.e. retailing and advertising) attempting to fix the meanings of commodities. Advertising agencies themselves were continually analyzing their loss of power over consumers to retailers in the late 1980s (WPP Annual Report, 1993).

Advertisers are clearly limited in their ability to effect change. As Strasser (1989: 288) points out, "many successful products attest to their ability to influence consumer behaviour; many failures attest to their inability to control it". Although it is generally effective in generating sales, advertising does not always increase demand; for example, massive advertising campaigns for Subaru, American Express and Miller failed to revive lagging sales in the early 1990s. The power of advertising as a generator of consumer demand has been consistently overestimated (Glennie and Thrift, 1992: 434). Advertising's effectiveness in shaping and stimulating demand needs to be examined more closely.

By collecting information about consumers, the advertising industry gains a great deal of power to influence patterns of

51. Wieden and Kennedy's ads for Subaru attracted much attention from advertising critics but failed to increase retail sales when they appeared in the first half of 1992. Similarly, despite Chiat/Day/Mojo's innovative ad campaign for American Express, the total number of cards in use fell by 2.7 percent in the first quarter of 1992 (Landler, Business Week, 1992: 74). Leo Burnett's advertising campaign for Miller Lite beer resulted in sales dropping 5 percent in 1991, despite an estimated 33 percent increase in advertising spending (Landler, Business Week, 1992: 75). This illustrates the extent to which advertising is not able to control consumer behaviour.
demand. However, it is not able to control consumption patterns so much as monitor them and mediate them in particular ways. As Strasser writes, "marketers are not Svengalis on Madison Avenue; they achieve influence by perceiving cultural change as much as by attempting to create it" (Strasser, 1989: 288). Advertising agencies gather knowledges about various aspects of change and attempt to channel these changes in ways congruent with the consumption of particular commodities. Rather than conceptualizing advertising as creating demand, I see it as an apparatus of surveillance attempting to monitor, as well as mediate consumption patterns.

More importantly, however, I argue that Marxist accounts can only claim that advertising "creates" demand by ignoring the complex cultural processes through which markets are addressed in advertising. The economic process of creating markets involves by its nature the cultural creation of subject positions. Consumers must be persuaded that the meanings embedded in products will enhance their individual identities. Sinclair (1987: 59) argues,

advertisers and their agents actively engage in the production of markets by constructing negotiated subject positions into which to entice their target audience, offering them through the constructed subject position and the brand name articulated with it, attractive conceptualizations of themselves.

Creating identities becomes a valuable part of the production of markets and client profitability.

Advertising agencies construct "brand identities". One advertising president explains the power of advertising thus, "Factories rust away, packages become obsolete, products lose their relevance, but great brands live forever" (George Patterson
Brands are commodities with an added value of information and image (Davidson, 1992: 23). "Identity" is crucial to this process of adding value because "it is basically what distinguishes branded from unbranded products" (Steven King in Davidson, 1992: 23). These brand identities, while they cannot be assumed to overlap with individual identities, play a role in the construction of identities, particularly gendered identities.

As the agency N W Ayer professes, "We believe in ideas that build a relationship between the customer and a product or service...A powerful brand identity is one that the customer embraces and makes his or her own" (N W Ayer, 1991).

While much of the industry rhetoric is suffused with "hype" designed to attract potential clients, these discourses reveal much about the role of advertising in imparting fantastic and even human meanings on commodities. Advertising discourses emphasize their role in building "brand personality" and "emotional bonding". Lintas Advertising suggests,

We believe that companies manufacture products and deliver services but consumers buy brands. Without the consumer, there is no Brand—merely a product. It's a consumer's perception of the Brand that is the reality. Not the marketer's or the advertising agency's expert opinion (Lintas Annual Report, 1993).

Lintas has developed "Brandscan", a proprietary discipline to determine what a brand represents in the consumer's mind.

The role of advertising in creating "brands" is a valuable one in a capitalist economy:

Virtually every major advertiser in the world agrees on the

52. Another Annual Report states, "The purpose of all WPP Group companies is to add value and worth to clients' businesses through the management of the imagination" (WPP Annual Report, 1990).
The financial rewards of branding are illustrated by the creative
director responsible for advertising Persil laundry soap in
Britain:

I have seen research for a rival brand which showed that
Persil users would go on using Persil even when they were
convinced that another product worked better. Why? Because
they liked it more. Persil advertising has done this,
nothing else. It's done by being about people, not powder,
about love not washing (Wilkins in Davidson, 1992: 24).

Statements such as this suggest that the cultural values
implanted in the product through advertising may often supersede
its functional values.

Advertising serves a dual role: to increase sales of a
product, and to negotiate subject positions conducive to
consumption of the product. Despite the economic focus of this
thesis, a study of the advertising industry is a study of an
economic system in its symbolic forms, and the economic and
ideological effects of advertising cannot be separated (Sinclair,
1987:1).54 Lash and Urry (1994: 8) point to a "de-differentiation

53. A recent survey revealed that Marlboro was the most valuable
brand name in the world (Westcott, Advertising Age, 1993: A13). 
Although an intangible and impossible variable to measure, this
was determined by estimating the net worth of various brand names
in terms of their ability to generate revenues, and their
contribution to the total value of assets of a company.

54. Similarly, Sinclair (1987: 11) argues that studies of
advertising need to preserve "Marx's distinctiveness in pointing
to the dialectical relationship between cultural and economic
factors within society; that is a dynamic relationship in which
each is necessarily and indivisibly related to the other". The
economic and cultural roles of advertising, while indissoluble,
may not be directly related. Indeed, Schudson argues that the
economic and cultural dimensions of advertising may not be in
synch. Consumers buy products in spite of disliking a particular
of culture and economy" in the current period. The growth of industries like advertising reflects the extent to which there is an increasing culturization of the flexible economy (Lash and Urry, 1994: 109). In this thesis I illustrate that the economic role of advertising is simultaneously a cultural role, and has become even more culturized under current conditions of blurred and reflexive identities. Advertisers' focus has shifted from a concern with representing the object for sale in various seductive ways, to a greater interest in the consuming subject (See Chapter 5). I illustrate the ways in which agencies have become more "consumer-led" as a result of the growing crisis of advertising.

While the advertising industry mediates between producers, consumers and the media, more attention is needed to theorize the complexity of this role. The cultural studies literature has been quick to critique the passive model whereby the meanings of products are handed down to consumers by producers and advertisers. In the case of consumption, increasing attention has been paid to the way in which consumers transform the meanings of commodities and media messages (McRobbie, 1989, Morley, 1992, Golgman, 1992, Dyer, 1982). However, as Lash (1994: 147) points out, even the cultural studies literature resembles neoclassical economics "with 'producers' and 'consumers' abstracted from advertising campaign, and pay great attention to the cultural meanings in advertisements, without subsequently purchasing the product (Schudson, 1984: 210).

55. Lash and Urry (1994) note that the advertising industry, a business service, is increasingly involved in producing aesthetic artifacts, while the culture industry becomes more like business services.
shared and embedded practices, and instead operating as rational-choice-making individuals with 'preference schedules', with 'cultural products' to choose from on the marketplace". Lash (1994: 161) goes on to argue that "social actors in a field are as much producers of a cultural product as consumers". While this point can be overstated, it is important to recognize the growing attention to consumer "demand" in the design and advertising of products. When consumers' uses and transformations of the meanings of products are instantly received and processed in advertising research, and incorporated into future advertising, it becomes difficult to see the circuit of advertising as involving distinct sites. Similarly, expert systems or specialist fields, such as advertising and marketing, no longer dominate or liberate the masses:

instead they are the masses. In the U.K. and U.S. probably some 25 percent of the work force is active in expert-systems. The sociologist, previously the objective student of the masses, finds himself or herself in just another expert-system alongside, and in the same world as, the masses now peopling other expert systems. This location, no longer at the margins but at the heart of an increasingly cultural society... means not just that the sociologist is in largely the same world as his or her respondents. It also means there is a growing displacement of the object of the human sciences from the social to the cultural (Lash, 1994: 167).

56. An exception according to Lash (1994) would be Dick Hebdige's work on subcultures. Lash suggests that Bourdieus fields are peopled not by structures, agents, discourses, ideologies, subjects nor objects but by habits.

57. Lash (1994: 161) adds, "the cultural good produced in a given specialist field that we receive in the social field is produced as much by the supporters as by the players". Morris (1988: 214) similarly challenges this distinction arguing that media practices cannot be placed usefully on either side of the production/consumption dichotomy, as production and consumption can no longer be read as parallel or diverging realities.
Thus, we need to examine advertising's role in mediating between increasingly blurry boundaries of producer and consumer. Lash and Urry (1994: 15) argue that advertisers attach images to goods through the process of branding: "this is normally brought about through the 'symbolic violence' not only of producers, but also of business services, but it also occurs through the complicity of producers and consumers. Indeed, the consumer takes on the role of agent of aestheticization or branding". Advertising both forwards strategies and mediates tactics (de Certeau, 1984). While it is increasingly difficult to know where the producer of meanings of commodities ends and the consumer of meanings of commodities begins, it is clear that the two are much closer together in the new regime of flexible accumulation, and that they have come closer together at the site of advertising agencies. One can trace the movement of a product from one dislocated place to another through design, production, packaging, marketing, distribution, to the places where products are adapted and transformed, through the site of advertising.

1.5 Advertising, Spatiality and the "Brandscape".

For advertising is concerned with moving things...moving men and women into stores, moving products into homes (Harrison McCann, 1915 in McCann-Erikson Annual Report, 1993).

While branding is necessary to the cultural construction of consumer identities, it is also associated with place. Commodities are positioned within place (contexts for their consumption) and also serve to construct spaces (such as the meaning of the home) (Sack, 1992). The agency Bloom FCA claims that, "a brand is like a nation. It needs a flag, an anthem, a
territory. A brand cannot live without roots and cannot fly without wings" (Bloom FCA Brochure, 1991). According to agency rhetoric, brands must have a well-defined role in the consumer's life and a territory where they are both consumed and sold (the "Brandscape") (Bloom FCA, 1991). The metaphor of landscape reveals the extent to which advertising seeks to create spaces of consumption. This means that the brand, the cultural identity of a product, itself constitutes a landscape, with its own topography. Brands not only imply consumer identities, but also delineate the spaces of identity. Branding is a simultaneously economic and cultural process, and the creation of markets entails the creation of spaces.

While institutions of economic governance such as advertising are at the same time institutions of spatial governance (Lash and Urry, 1994: 15), theories of advertising have not effectively considered space (but see Clarke and Bradford, 1990, Jackson, 1992, Sack, 1992, Goss, 1993, Burgess and Wood, 1988, Berland, 1992). In their study of the uses of space by advertising agencies in the U.K., Clarke and Bradford (1990) argue that the geographical literature on producer services has ignored the ways in which producer service organizations partition and differentiate space. They note that, "the practices of the advertising agencies both reflect and affect the spatial distributions of particular activities (such as consumption and retailing) and also the overall nature of

58. According to the agency, this identification of brand with place integrates all parts of the marketing team, from manufacturing to agency to dealer and generates a focussed view of how the brand fits into the broader consumer landscape (Bloom FCA, 1991).
space" (Clarke and Bradford, 1990: 140). In other words, parallel to its role as an economic/cultural mediator, advertising plays an important role in mediating spatial change, both responding to the locations of consumers and positioning consumers in space.

Advertising is by its very nature spatial. It involves the practice of locating, appealing to and accessing consumers in space. In the process of tracking consumers down, advertising is involved in the production of space in five major ways. First, advertising is central to the geographic expansion of markets, both nationally and internationally. Second, advertising creates uneven patterns of demand across space. By distributing messages about a product in some regions and not others, and in some regions more than others, advertising generates uneven geographic patterns (Clarke and Bradford, 1990). Third, advertising creates uniform patterns of consumption but uneven meanings of products across space. By selling a product with different images and strategies in different places, advertising creates different product meanings across space. Fourth, advertising produces not only texts, but a sensory and spatial reorganization of social life (McLuhan in Berland, 1992: 43). Advertising occupies spaces in the city such as the home and the car, and in the process transforms these spaces. Each innovation in advertising has "produced a space" to be filled by new capital relations (Lefebvre in Berland, 1992: 43). According to Mattelart (1991) the expansion of advertising also implies a "privatization of public space". Finally, advertising culturally constructs place and space in the images it creates to sell products.

59. I don't explicitly deal with the construction of space within advertisements but see Sack, 1992. However, in the last chapter I
Advertising organizes imaginary spaces around the commodity that imply possible identities that can be assumed through purchasing a product.

Advertising's role in mediating between producers, consumers and the media, however, also involves engagement with the spaces of consumers and the spaces of media. It locates and adapts to the spaces of consumption forged by consumers. By mapping target audiences and directing advertising to areas where these target markets are likely to be found, advertising reinforces given patterns of consumer demand. Similarly, through advertising research, advertisers seek to replicate the positionings of the commodity in the everyday lives of consumers. In this sense, advertising both responds to existing patterns of demand and relocates them. Advertising is one site where producer and consumer meet and where flows between them intersect. Shopping malls and other spaces of consumption also serve as key sites in the relation between producers and consumers. Thus, a consideration of the role of advertising in mediating demand must also conceptualize this process as simultaneously spatial.

Clarke and Bradford (1990) have made the most substantial contribution to analyzing the links between advertising and space in the contemporary period. However, they argue that, agencies tend to think in largely aspatial terms, as evidenced by the process of defining target markets. Target markets are usually defined in terms of socio-economic status, age, gender, lifestyle and other social factors. Surprisingly, space does not tend to be subsumed within these social definitions, and only at a later stage are these target markets "mapped onto" space by considering differences in regional composition (Clarke and Bradford, do deal with images of rurality and the home in trade advertisements for Good Housekeeping and Family Circle.
Contrary to this observation that agencies' traditional view of markets is aspatial, I have found that space is an important axis by which to locate consumers. While socio-economic status may have been the most common means of isolating the lifestyle and identity of consumers in the past, in the current period, the geographic location of consumers is also important. As it becomes increasingly difficult to locate consumers in terms of identity, because of reflexive, blurred and multiple consumer identities, space becomes a primary sphere over which advertisers seek control. I argue that boundary projects have become more complex with the new geographies that are emerging. I identify three new geographies in this thesis.

First, similar consumers may be found across the world in particular cities or neighbourhoods rather than in broader national markets. Therefore, more sophisticated notions of space are needed in order to develop international marketing plans. Brandscapes, the territories in which products are sold, are being reorganized. The evidence presented in this thesis runs contrary to the argument of Clarke and Bradford (1990) that weighting (the practice of placing the same advertisement in some areas more than others) is more common at the national level, while tailoring (changing the advertisement for different regions) is evident at the global level (see Chapter 4). It would seem that the opposite scenario is more prevalent in the current period. Advertisers are using a standardized campaign on a global level, weighting it according to demand, while tailoring different campaigns to different segments within the U.S. (i.e. black market, Hispanic market, youth market). Contrary to
arguments about globalization that suggest that space is no longer important, space is if anything becoming increasingly fundamental to the operation of advertising agencies.

Second, consumers hold multiple identities in different places (at home, work, etc). It becomes necessary to address different identities in the places with which they are associated. This means using particular areas of the city as sites for place-based advertising, or doing place-specific research on consumers, such as ethnographies or on-site focus groups (see Chapter 5). This represents an attempt to map out Brandscapes, or positionings of the product in the context of everyday life. The current period has been marked by increasing monitoring of the spatial movements of consumers. As consumers become more spatially dispersed, they also become more spatially defined. The apparatus of advertising research has located consumers ever more precisely in space and made use of increasingly rationalized methods for identifying the subjectivities of consumers (Berland, 1992: 40). Greater amounts of research are being done on consumers, their personalities, insecurities, spatial movements, and socio-economic characteristics. Advertisements are modified in response to encounters with consumers. As I argued earlier, and as Berland (1992: 40) notes, "this escalation of observational science challenges analytic distinctions between production and consumption".60

60. Greater amounts of research also lead to rising costs, costs which can often be incurred only by larger agencies, leading to a centralization of advertising agencies and media channels. Berland notes, "in locating their 'audiences' in an increasingly wider and more diverse range of dispositions, locations, and contexts, contemporary cultural technologies contribute to and
Third, female consumers are no longer easily accessible in the home where advertisers can reach them via the mass media. Therefore, advertisers seek to target women in a greater array of spaces in the city or alternatively, use their power to culturally reposition women in the home (See Chapter 6). All of these changes suggest that space is not simply incidental to the practice of defining consumers. Although agency executives may not conceptualize space in the same terms as geographers, their actions reveal a growing sensitivity to place.

One example of the relationship between advertising and space is provided by changes in the vehicle for carrying advertising messages. In the current period, it has become more difficult to reach consumers in the home, the traditional site of media advertising. This has resulted in an increased use of media advertising outside the home, or place-based advertising. According to one media researcher, 

We're now more of a de-massified society, with more people working and being active. Attempts are being made to reach these people in different environments, via the video media of some sort, whether it be videotaped programming that gets played over and over again, or whether it be closed-circuit type programming that's transmitted by satellite. There are going to be all kinds of attempts to invade your various out-of-home locations with television and advertising.

While spending on placed-based media is still only a fraction of television advertising ($350-$500 million in 1991 compared to $27 billion for television advertising), it is absorbing a growing amount of interest among advertising agencies (Cortez, seek to legitimize their own spatial and discursive expansion. This is another way of saying that the production of texts cannot be conceived outside the production of spaces (Berland, 1992: 42).
Advertising Age, August 17, 1992: 25). Television sets are being placed throughout the city, anywhere that consumers wait in line: shopping malls, banks, fast food restaurants, medical offices, health clubs and public transportation facilities. The strategy is to "hit them (consumers) where they are" (Cortez, Advertising Age, August 17, 1992: 25). David Verkin of Hal Riney and Partners, a San Francisco based agency, defines a placed-based medium as "one where the demographics of the reader, viewer or listener are controlled by the location in which the message is delivered" (in Cortez, Advertising Age, August 17, 1992: 25).

The proliferation of advertising in these different places throughout the city is related to the fact that each place offers

61. Television has become part of the urban landscape. With the invention of flat panel television, there is a greater harmony of television with the room itself, making the television image blend in with the house to an even greater extent than it already does. In addition, flat panel television will increasingly be established in restaurants, cafeterias and waiting areas (BSB, 1992: 11).

62. Turner Broadcasting has experimented with a "Checkout Channel" which began its operations in August, 1992 and uses 13-inch monitors to broadcast CNN and Headline News, as well as advertisements (NEM News Winter, 1992). An advertisement for the Checkout Channel reads, "With the Checkout Channel, you'll hit the bulls-eye when aiming for the primary household purchaser. You'll talk to this key group in an environment where they're most receptive to your advertising (Advertising Age, August 17, 1992, Levy, New York Times, July 7, 1991: F7). Another form of in-store advertising is found in "videowalls" which are comprised of 20 or more television monitors, and are generally placed in shopping malls (NEM News Winter, 1992). Place-based media are not confined to the retail environment. McTV captures busy families while consuming fast food at McDonald's restaurants. In addition, the Airport Channel, displayed in airports across the U.S., is specifically targetted to upscale consumers. Advertising has also moved into theme parks with television sets strategically placed at rides and eateries (NEM News. Winter, 1992). The other major place-based media company, Whittle Communications, has a medical waiting-room channel playing advertisements for drug companies. Whittle Communications also has Channel One, a news program for schools.
access to a distinct segment of the population: international
business travellers in airports, families in fast food
restaurants, women in supermarkets, youths in schools, and the
health conscious in fitness clubs. Advertisers can reach
segmented audiences through place-based advertising. As one media
researcher noted however,

its huge and amazing- supermarkets, public restrooms,
elevators, taxi cabs, doctor's offices, anywhere. There are
people selling space in elevators. You can't go anywhere
without seeing an ad, so we've got to be a lot more careful
about the ethics of where we advertise. Since people will
sell space anywhere, we need to be sure that we buy space in
places where not only does it not annoy but maybe places
where it might even benefit.63

The new media are tied to new kinds of place sensitivity in the
creation of advertising messages.

The movement of advertising into more and more spaces in the
city coincides with the proliferation of privately controlled,
scientifically planned shopping malls, atrium hotels, airports,
and theme parks.64 These environments have increased security and

63. In order to measure the growing viewership of place-based
media, the global agency, Backer Spielvogel Bates commissioned
Bruskin/Goldring/ Research to do a "Away-From-Home Viewing" Study
1992 (BSB Media Watch 3(4), 1992). The survey found that 32.6
percent of all adults interviewed were exposed to some type of
television outside the home in the four weeks before the survey
(BSB Media Watch 3(4), 1992). Backer Spielvogel notes that
studies documenting out-of-home viewing are likely to be one of
the most important issues confronting advertising in the 1990s;
for, "today, it seems that television monitors are either
installed or about to be installed in every conceivable public
place" (BSB Media Watch 3(4), 1992). Saatchi and Saatchi also has
a Database Media Planning System to analyze traffic patterns for
out-of-home advertising (Saatchi and Saatchi, 1992).

64. Even the automobile strip itself has transformed from the
competitive chaos of the 1950s to the orderly, repetitive, and
modulated "television roads" of the 1980s (Relph in Sack, 1992:
141). For Leiss, the modern marketplace leans towards the "utter
dissolution" of sense of place and its replacement of simulated
environments (Leiss, 1990). Paul Virilio (1992) cites the
hyperreality of cities today, the replacement of geographical
space with the screen interface, the transformation of depth into
surveillance in the city. As secure environments, media advertisers are increasingly taking their message out into these sites. Places of mass consumption have proliferated and landscapes themselves are being designed by targeting the spectator with lifestyle imagery derived from advertising research. While advertising has always been visible on the urban landscape, its presence has grown in this controlled environment. Dialogue and contest still occurs in the city, but there are growing restrictions. As a result, advertisers are

surface, and the transition from face-to-face encounter to the terminal screen. The skylines of cities such as Las Vegas are dominated by signs and advertisements rather than buildings (Sack, 1992: 141). As Venturi (1977: 9) wrote, "The Strip is all signs".

Lefebvre has distinguished between spaces of representation (i.e. retail spaces) and representations of space (advertising) (Lefebvre, 1991). The current period can be seen as one where the line dividing these two has become more blurry.

An advertising executive, Peter Sanford, created "Friends of South Street Seaport" to gentrify and restore the Seaport area in New York City. Here we see the increasingly private nature of the city: "The seaport is really an outdoor advertisement that narrates a story about trade and commodities, and these narratives of adventure and conquest fill out the more intangible nostalgic desires of the consumer" (Boyer, 1992: 197).

Nowhere is the dominance of advertising so visible in the urban landscape, as in Times Square. In recent years, however, the commodity image has imprinted itself more deeply on the city landscape, wrapping itself around the buildings or being constructed right into the postmodern facades of new hotels and office complexes in the area. As Venturi (1977: 13) put it, "the big sign and the little building is the rule of Route 66". This represents the fusion of architecture and Madison Avenue. Similarly, Sony's Video I screen T.V. projects giant commercials across the landscape of Times Square parallel to the space of the living room (NEM News Winter, 1992).

Glennie and Thrift (1992: 438) disagree, arguing that there is much resemblance between the late 18th century city and the contemporary city. They cite "the diversity of fly-posting on contemporary urban walls, with posters for sales, gigs, political meeting, ecological causes, and so on...". Current urban developments such as shopping malls can be seen as an attempt to recompose the city as a dense information network whereby
increasingly able to use this secure urban landscape to convey their messages to female consumers, who no longer spend the bulk of their time in the home. The growth of television and advertising in the city leads to a further confusion of the experience of public and private and a "feminization" of the city.69

This example of place-based advertising illustrates the way in which advertisers "track" consumers in space, as well as the way they occupy and transform space. In this thesis I explore the role of advertising agencies in reshaping global and local consumption patterns, in mediating greater geographic complexity in markets, and in negotiating the growing loss of distinction between public and private spheres.

1.6 Methodology

This thesis is drawn from a number of sources. Statistical evidence for the reorganization and transnationalization of the industry is compiled from the advertising trade journal, Advertising Age. Published weekly by Crain Communications in Chicago, Advertising Age provides the most comprehensive, up-to-

different social groups are provided with information in the same place (Glennie and Thrift, 1992: 438). While this is certainly true, I argue that there is a heightened control in spaces of consumption.

69. Mass culture has always been viewed as feminine. Television threatened men with the status of passive spectator, the disease of femininity (Spigel, 1992). In his discussion of mass culture as woman, Huyssen (1986) posits the fear of mass culture as a fear of woman: of nature beyond control, the unconscious, sexuality, loss of identity, and as a threat to the bourgeois rational order. As Huyssen points out, "the lure of mass culture, after all, has traditionally been described as the threat of losing oneself in dreams and delusions and of merely consuming rather than producing" (Huyssen, 1986: 53).
date and reliable source on changes in the industry. Other statistical information is gathered from government sources such as the U.S. Census of Service Activities, the U.S. Department of Commerce and the U.S. Bureau of Labor Statistics.

A number of other trade journals, particularly Adweek, International Advertiser, International Journal of Advertising, and American Demographics, were also consulted. The vast importance of trade journals like Advertising Age and Adweek to the trade community (most employees read these sources regularly) means that the discourses circulated in these publications not only reflect, but also influence changes in the industry. Advertising Age circulates as an authoritative source and thus provides a window into advertiser's perceptions on the nature of changes. Newspapers, especially the New York Times and the Wall Street Journal are also influential sources in cities like New York. Annual reports and other agency documents provided additional information on agency reorganization, profitability, and discourses about consumers.

Statistical and textual information from trade journals, government sources, and agency documents, is complemented with 55 detailed interviews with advertising executives about various

70. This source is considered to be very reliable. The U.S. Department of Commerce obtains some of its statistics on advertising expenditure from Advertising Age. The journal conducts an annual survey of the advertising industry, gathering statistics on agency revenues, media expenditures, regional revenues and employment change. This information is collected by a team of commentators.

71. Primary materials from trade journals and newspapers will be distinguished from secondary sources by listing the title of the publication, as well as the author. Academic and secondary sources are referenced by author's name only.
aspects of reorganization. These interviews were semi-structured, open-ended and lasted an average of 1-2 hours. Five interviews were done in Vancouver, three in Toronto, and 47 in New York. The interviews were conducted over a period from 1991 to 1992. The first interviews were done in Canada and were more exploratory in nature.72

Overall, respondents from all levels and areas were surveyed, including account management, media buying and planning, research and creative departments, in order to gain access to different perspectives on the reorganization process. 15 interviewees were on the research side, 10 people were in management or headed their own smaller firm, 12 people were on the creative side (4 copywriters, 7 art directors and 1 creative personnel manager), 8 account directors, 2 account directors for Family Circle and Good Housekeeping, 7 people in the media department and three who worked on media research/new technologies. Interviews focussed on different topics; for example researchers were interviewed about changes in research methodology, while creative personnel were questioned about changes in the creative process and the growing use of freelance labour. Employees of small, medium and large agencies were interviewed. Roughly one-third of all respondents were male and two-thirds were female. This compares to an industry-wide average of 51.1 percent female employees (U.S. Bureau of Labor Statistics. Employment and Earnings. January, 1993).73

72. A secondary aim with these interviews was to provide a comparison to the American industry.

73. There is a discrepancy between the gender composition of the sample and overall population. Women were over-represented
Respondents were identified through the *Standard Directory of Advertising Agencies* or through references in trade journal articles, and were contacted by letter. In many cases respondents suggested other potential interviewees. Interviews were taped and transcribed.

In geography, there have been discussions of the value of the corporate interview as a research methodology in interrogating economic change (Schoenberger, 1991, 1992, McDowell, 1992). The interpretations of change offered by those employed in the industry are important to an understanding of the role of the advertising industry in mediating cultural and economic change. As Schoenberger notes, "the respondents, after all, do make concrete decisions on the basis of their interpretations. In a sense, they are business at the same time that they interpret it" (Schoenberger, 1991: 183). The methodology employed in this thesis pays attention not only to so-called "hard facts", but also to perceptions and interpretations forwarded by those in the industry. The argument is made that much of the industry jargon/hype indirectly and directly influences clients' decisions and industrial strategy.

### 1.7 Outline of thesis

The second chapter provides an overview of the restructuring of the advertising industry. The structure and history of the advertising industry, up to the current regime of flexible accumulation, are examined as a backdrop to the current reorganization. The industry has undergone a number of changes because a secondary role of the research was to analyze the position of women in the industry.
from its Fordist organization, through processes of centralization, globalization and vertical integration. The transnationalization of the industry is tied to a growing concentration of advertising services in global cities like New York.

Chapter 3 traces the development of greater flexibility in the advertising industry. First, I outline the expansion of small flexibly specialized agencies and the resulting polarization and competition between large transnational agencies and small agencies. In response to increased competition, global agencies have begun to restructure their internal operations so as to facilitate greater flexibility. This has meant a casualization and feminization of the labour force. In this way, there has been a simultaneous process of transnationalization and flexibility in agencies. Chapters 2 and 3 provide an analysis of the structure and organization of the advertising industry, against which to situate changes in the discourses/knowledges circulated by the industry. The remaining part of the thesis is organized around a series of vignettes which explore the role of the industry in mediating space, identity and consumption. I argue that the reorganization of the advertising industry is related to shifts in the discourses/knowledges forwarded by the industry.

The fourth chapter examines the efforts of advertising agencies to design concepts of global advertising compatible with their transnational expansion. Notions of global advertising and images of globalism have been increasingly deployed by agencies. The advertising industry plays an important role in mediating the internationalization of capital and consumer culture. The current
period is characterized by contradictory strategies however, involving both globalization and localization.

The fifth chapter deals with the relationship between localization and market segmentation in advertising strategies. Advertising research has heightened the web of consumer surveillance. More information is being gathered about the spatial movements of consumers and their purchasing patterns, media preferences, values, emotions, personality, lifestyle, occupation, age, income, gender and neighbourhood. This chapter explores the way in which the social sciences such as anthropology, geography, sociology and psychology are implicated in webs of power/knowledge in advertising. Psychographics, geodemographics, focus groups, projective techniques and ethnography are all part of the expanding network of advertising research.

Chapter Six explores the role of advertising in mediating crises in gender identity and space, as well as the crisis of media advertising. Through an examination of the discourses of trade advertising, I pinpoint the role of advertising in negotiating tensions in femininity and public/private space. Advertising agencies have increasingly forwarded notions of a "new traditionalism" in gender roles. This chapter explores the links between female identity, consumption and the space of the home. The construction of a "new traditionalism" in advertising, as one of a number of significant female consumer identities, attempts to redefine women's roles in line with a nostalgic discourse of familialism and a return to the private sphere of
the home. Space and place are central to the definition of the "new traditionalist" woman.

1.8 Conclusion

For Mort (1989: 166), academics need to, take seriously the industries which fix our experience of buying and selling. Getting to grips with advertising and marketing raises the whole question of the Left's strategy for the service sector in the post-Fordist economy: their functions, forms of knowledge and control, and crucially, their cultural and social effects.

In this thesis I link two of the most important debates in human geography in the last two decades: one on flexible specialization and the other on the construction of identity. Mediating between production and consumption and powerfully intervening in the construction of both consumer and female identities, advertising has taken on a heightened role in the new regime of flexible accumulation. I argue that flexibility entails new geographies of consumption, markets and identities, and that the advertising industry is central to the construction of these new geographies. In this way I tie the changing structure of the advertising industry to its interventions in economic and cultural change. I argue that the economic and cultural roles of advertising cannot be dissociated, and that the economic role has become increasingly cultural. Under conditions of heightened consumer reflexivity, the advertising industry has been in a crisis. As a response to increasingly reflexive, and fluid consumer identities, the industry has heightened its practices of surveillance, monitoring the growing "openings in the walls". I argue that as the industry has become more "consumer-led", the distinction between producer and consumer has become increasingly
blurred, and advertising's mediating role has become increasingly complex.
### Table 1.1

**Annual Receipts in Millions For Advertising and Other Producer Services. United States. 1982-1987**

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1987</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All services</strong></td>
<td>426,981,971</td>
<td>752,474,203</td>
<td>76.2</td>
</tr>
<tr>
<td><strong>Business Services</strong>*</td>
<td>106,866,230</td>
<td>216,807,465</td>
<td>102.9</td>
</tr>
<tr>
<td>Advertising</td>
<td>8,324,978</td>
<td>14,278,172</td>
<td>71.5</td>
</tr>
<tr>
<td>Advertising Agencies</td>
<td>5,919,826</td>
<td>10,213,024</td>
<td>72.5</td>
</tr>
<tr>
<td>Outdoor</td>
<td>940,741</td>
<td>1,483,864</td>
<td>57.7</td>
</tr>
<tr>
<td>Radio, Television, publishers</td>
<td>888,910</td>
<td>1,295,059</td>
<td>45.7</td>
</tr>
<tr>
<td>Advertising representatives advertising, n.e.c.**</td>
<td>575,501</td>
<td>1,286,225</td>
<td>123.5</td>
</tr>
<tr>
<td>Direct Mail Advertising</td>
<td>1,742,417</td>
<td>4,097,739</td>
<td>135.2</td>
</tr>
<tr>
<td>Commercial Art, Photography, Graphics</td>
<td>3,095,499</td>
<td>5,243,998</td>
<td>69.4</td>
</tr>
<tr>
<td><strong>Other services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>34,325,371</td>
<td>66,997,543</td>
<td>95.2</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>27,270,146</td>
<td>41,614,602</td>
<td>52.6</td>
</tr>
<tr>
<td>Architecture</td>
<td>5,914,359</td>
<td>9,854,777</td>
<td>66.6</td>
</tr>
<tr>
<td>Accounting, auditing, bookkeeping</td>
<td>14,596,289</td>
<td>24,482,593</td>
<td>67.7</td>
</tr>
</tbody>
</table>

* Business services include advertising, direct mail, commercial art, repair services, janitorial services as well as other selected producer services. Accounting, architecture, public relations and legal services are also included in this category.

**Advertising n.e.c. advertising services that provide handbill distribution, distribution of samples, transit advertising.

*Source: U.S. 1987 Census of Service Industries*
<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>19,550</td>
</tr>
<tr>
<td>1975</td>
<td>27,900</td>
</tr>
<tr>
<td>1980</td>
<td>53,550</td>
</tr>
<tr>
<td>1985</td>
<td>94,740</td>
</tr>
<tr>
<td>1990</td>
<td>128,640</td>
</tr>
<tr>
<td>1992</td>
<td>132,130</td>
</tr>
</tbody>
</table>

Table 1.3

U.S. National Advertising Expenditure as a Percentage of GNP, 1980-1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1.38</td>
</tr>
<tr>
<td>1988</td>
<td>1.36</td>
</tr>
<tr>
<td>1986</td>
<td>1.29</td>
</tr>
<tr>
<td>1984</td>
<td>1.18</td>
</tr>
<tr>
<td>1982</td>
<td>1.13</td>
</tr>
<tr>
<td>1980</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Note: Approximate Estimates derived from WPP Group, 1990
Table 1.4

Employment in Advertising and Other Producer Services
United States 1982-1987

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>All services*</td>
<td>11,106,144</td>
<td>15,688,243</td>
</tr>
<tr>
<td>Business services**</td>
<td>3,151,651</td>
<td>5,249,679</td>
</tr>
<tr>
<td>Advertising</td>
<td>145,898</td>
<td>181,594</td>
</tr>
<tr>
<td>Advertising Agencies</td>
<td>106,777</td>
<td>133,957</td>
</tr>
<tr>
<td>Outdoor Advertising Services</td>
<td>11,418</td>
<td>13,278</td>
</tr>
<tr>
<td>Radio, Television, Publishing</td>
<td>14,416</td>
<td>17,921</td>
</tr>
<tr>
<td>Advertising Representatives</td>
<td>13,287</td>
<td>16,438</td>
</tr>
<tr>
<td>Direct Mail Advertising</td>
<td>43,679</td>
<td>79,931</td>
</tr>
<tr>
<td>Commercial Art, Photography, Graphics</td>
<td>56,558</td>
<td>70,034</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>569,359</td>
<td>807,599</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>441,190</td>
<td>558,384</td>
</tr>
<tr>
<td>Architectural Services</td>
<td>105,270</td>
<td>136,809</td>
</tr>
<tr>
<td>Accounting, auditing, bookkeeping</td>
<td>330,198</td>
<td>448,143</td>
</tr>
<tr>
<td>Management and public relations services</td>
<td>n.a.</td>
<td>551,842</td>
</tr>
</tbody>
</table>

*except hospitals
**business services includes advertising, commercial art firms, janitorial and repair services as well as other selected producer services. accounting, architecture, public relations, and legal services are not included in this category


Bureau of Census. U.S. Department of Commerce
### Table 1.5

**U.S. Employment by Industry (1000's)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business/repair services</td>
<td>1,403</td>
<td>3,848</td>
<td>5,969</td>
<td>7,409</td>
<td>7,467</td>
<td>6,553</td>
</tr>
<tr>
<td>Advertising</td>
<td>147</td>
<td>191</td>
<td>263</td>
<td>277</td>
<td>255</td>
<td>259</td>
</tr>
</tbody>
</table>

Table 1.6

Largest Occupational Growth, U.S. (1000's). (Selected)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1990</th>
<th>Projected % change</th>
<th>1990-2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Accountants</td>
<td>985</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Lawyers</td>
<td>1,242</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Marketing/ Advertising/</td>
<td>427</td>
<td>36</td>
<td>47</td>
</tr>
<tr>
<td>Public Relations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department</th>
<th>Employees</th>
<th>Mediating Role</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Management</td>
<td>Account Managers</td>
<td>Liaison between client and agency personnel, and btw creatives, researchers and media planners</td>
<td>Ensure integration of all advertising work and prepare budget</td>
</tr>
<tr>
<td></td>
<td>Account planners (in 1980s)</td>
<td>Mediate between creatives and account managers</td>
<td>Take a more historical look at product's brand image</td>
</tr>
<tr>
<td>Research Department</td>
<td>Researchers</td>
<td>Coordinate own research, research suppliers, and client's research dept.</td>
<td>Conduct research on consumers and produce a creative brief including a creative strategy, competitive analysis, product orientation. Conduct research on effectiveness of different approaches and campaigns.</td>
</tr>
<tr>
<td>Creative Department</td>
<td>Creative teams: one art director (visual concept) and one copy-writer (text)</td>
<td>Coordinates hiring of film directors and production staff</td>
<td>Development and execution of creative concept</td>
</tr>
<tr>
<td>Media Department</td>
<td>Planners, buyers and researchers</td>
<td>Coordinates between external media research suppliers, the media and client</td>
<td>Gather information on media viewing/reading patterns, develop a media plan based on a selection of the appropriate media and times, and negotiate rates with the media</td>
</tr>
</tbody>
</table>

Source: Interviews and Saatchi and Saatchi, 1992
Chapter 2.

The Restructuring and Transnationalization of the Advertising Industry

2.1 Introduction

This chapter examines the crisis and reorganization of the advertising industry, focusing on its centralization and globalization in the last few decades through a process of foreign direct investment and acquisition. I argue that in the period from 1840-1970, the advertising industry was nationally-oriented and characterized by fixed client lists, a narrow use of media, a low degree of vertical integration and was geographically dispersed across large regional centers. In the current period the industry has changed dramatically, with the growth of large transnational agencies and the declining importance of nationally-based, medium-sized firms. Transnationalization coincides with a growing localization of advertising agencies in global cities such as New York, London and Tokyo, as well as locational shifts within these cities. Agencies are increasingly characterized by unstable clients lists and a wider use of media. Through acquisitions, the industry has also expanded vertically to include other communications firms such as market research, direct marketing, sales promotion, architecture, spatial design and public relations. The broadening of the advertising industry to encompass other forms of communication represents an attempt to grapple with the declining importance of media advertising and constitutes an important departure from the Fordist era.

The restructuring of the industry is important for two reasons. First, it illuminates the role of service sector
activities in facilitating the restructuring of industry. Advertising agencies' own restructuring is linked to changes in the goods-producing sector, but in turn plays an important role in mediating processes of industrial change. The structure of advertising agencies has consequences for clients' advertising decision-making processes and strategies. Second, changes in the organization of the advertising industry have implications for the process of advertising. New structures and relationships with clients lead to new concepts, strategies and forms of advertising research. Thus, the structure of the industry and its knowledges are very much interconnected. Reorganization relates to the industry's role in monitoring changes in demand, mediating identities and negotiating the geographical segmentation of markets.

This chapter is divided into a number of parts. First, I trace a history of the advertising industry from the 1840s to Fordism to provide a backdrop against which to situate the contemporary restructuring of the industry. In the next section I discuss the transnationalization of agencies through a process of foreign direct investment and acquisition, pinpointing the reasons for takeovers and some of the consequences for the industry. The crisis of media advertising and the vertical integration of agencies is discussed in the next two sections. Geographical shifts in the location of advertising services in New York City are highlighted in the fifth part.
2.2 The Advertising Industry from the 1840s to Fordism.

The organization of the advertising industry has varied historically. Questions of markets, identities and space therefore need to be conceptualized as historically contingent. From its origins in the late 19th century, agencies have acted as space-brokers. Advertising agencies sell fragments of space and time. Advertising has played the role of selling public space (spaces for public dialogue and debate) for private or commercial uses. By nature, the expanding web of advertising has implied a privatization of the spaces of public dialogue, such as newspapers.

The two earliest agencies in North America, Volney B. Palmer of Philadelphia and John Hooper of New York began by representing newspapers and placing orders for advertising in the mid-1840s (Ayer News File, January 28, 1946). In a second phase, the agent became an independent intermediary between the advertiser and the newspaper publisher. Rather than working for publishers on the basis of commission, agencies sold space to advertisers and then bought space from newspapers. By 1865, the advertising industry entered a space wholesaling stage whereby agencies like George P. Rowell in Boston bought large quantities of space in newspapers and resold them in smaller lots. In this way, agencies were able to negotiate discounted rates. Finally, from 1867 on, the wholesaling industry was taken one step further and developed by Carlton and Smith (subsequently J. Walter Thompson) into an advertising concession agency where agents began to contract annually with the publications they represented and took on the entire management of advertising space in newspapers (Ayer News
File, January 28, 1946). One of the oldest advertising agencies of this nature was N W Ayer which was founded in Philadelphia in 1868 and remains one of the largest U.S. agencies today.1

By the 1920s, the advertising industry had expanded its apparatuses greatly and no longer served merely as a media buying house. Agencies began to sell their services as specialists, with access to and control of scientific knowledge about the market (Sinclair, 1987: 100). Advertisers in the 1920s saw themselves as apostles of modernity (Marchand, 1985: 1). The advertising industry was dominated by men, and the advertising "man" was the epitome of the modern flaneur for, "not only did he flourish in the fast-paced modern urban milieu of skyscrapers, taxicabs and pleasure-seeking crowds, but he proclaimed himself an expert on the latest crazes in fashion, contemporary lingo, and popular pastimes. As an exuberant apostle of modernity, he excitedly introduced customers to the newest in popular whims" (Marchand, 1985: 1). Advertisers joined engineers, scientists and industrial designers, playing an important role in modernization. Advertising has been referred to as capitalism's version of socialist realism, in the way that it mythologizes capitalism as a way of life (Schudson, 1984: 214).

In the 1920s, advertisements "were generally perceived by their creators as communications from a rational and therefore putatively masculine elite to the emotional 'feminine' masses" (Marchand, 1985: 1). The modernist aesthetic represented a call

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1. Other agencies began as offshoots of client marketing departments; for example Lintas began in the late 1800s as the Lever International Advertising Service (Lintas Annual Report, 1993).
for an orderly masculinity above a feminized tendency toward kitsch and ornamentalism (Ewen, 1988: 130). Consumers were perceived as an emotional, feminized mass, noted for their mental lethargy, bad taste and ignorance (Marchand, 1985: 69). The American advertising trade journal *Printer's Ink* announced in 1929 that "the proper study of mankind is man but the proper study of the market is woman" (in Wright, 1992: 237). In 1931, 126 women and 5,000 men were listed in the *Who's Who in Advertising* in the United States (Marchand, 1985: 33). Men in advertising were likely to be white, upper class and live in New York City, while women typically occupied lower level positions and were generally typecast as representing "the woman's viewpoint" (Marchand, 1985: 36). Retailers, advertising executives and marketing experts comprised a fraternity, bound together as men, whose primary object was reaping profits from the compliance of female consumers (Reekie, 1993: xii).² For the most part, then, the language of advertising has been framed in terms of discourses of seduction of the female consumer by the male advertising executive.³

² This parallels the situation described by Leidner (1991) in the business of selling insurance. While it might seem that insurance would be gendered as a female occupation due to the construction of women as more congenial, eager to please, persuasive and non-threatening, in fact insurance sales has until more recently been primarily a male occupation. Insurance sales has been defined in terms of determination, aggression and the language of sexual seduction (Leidner, 1991: 166).

³ Despite the sexualization of advertising, a growing number of middle class women began to pursue careers as consumer experts in the 1930s, working in a variety of fields such as retailing, advertising and client marketing departments (Wright, 1992). Christine Frederick, for example, marketed her skills as an "efficiency expert" in her 1929 book about scientific management, *Selling Mrs. Consumer*. During World War II, many women were drawn into the advertising industry. One woman notes, "During the war, many women gave excellent accounts of themselves when they
Beginning in the 1920s and 1930s, the techniques of scientific management were increasingly applied to consumption. The process of industrial development and the implementation of Taylorist and Fordist production techniques necessitated a transformation in the habits of working people. As one research director put it in 1943,

"wage earners make up 40 percent of the population, their chronic distrust of business poses a sizable problem for the postwar world... Most current advertising merely reinforces their conviction that industry is 'kidding' them (Smith in Ayer News File, December 24, 1943).

Advertising was to play an important role in the postwar period in stimulating consumerism.

After the 1930s depression, when two-thirds of all agencies disappeared, Advertising Age noted, "the consumer movement and the anti-advertising legislation which flourished in the 1930s aroused marketing people to the need for documentation of advertising's social usefulness" (in Mattelart, 1991: 147). In 1937, the Advertising Research Foundation was formed by the industry to serve as a research center for agencies and to establish the importance of advertising as a "scientific" endeavor. John Watson, founder of behavioural psychology and Vice President of J. Walter Thompson, argued that the social attitudes which resist consumption could be dampened by advertising (Mattelart, 1991: 147).

stepped into the jobs that were vacated by men who had gone into service. Many of these women proved to be of such value that they were retained by firms that previously would not have employed them" (Hurdy in McBride, 1948: 23). So while the industry remained a male domain in the post-war period, it increasingly became feminized.
According to Stuart Ewen (1976), advertising played an important role in consolidating a correspondence between mass production and mass consumption (see also Baran and Sweezy, 1968, Mandel, 1978). The crisis of overproduction in the 1930s necessitated new attempts to bring consumption in line with production. Credit, mortgaging, advertising, and the provisions of an expanding social welfare net played this role. As one real estate agent put it, "Advertising can open up in the postwar era, a market of 14,000,000 families in this country who have never owned homes" (in Ayer News File, July 10, 1944). The central role of advertising in economic relations is also acknowledged by one copywriter in 1949,

while visiting a client's plant the other day, I was impressed by the sight of hundreds of workers' cars parked in the lot beside the factory. It occurred to me that unless this clients' sales hold up, many of these cars will cease to run and unless our advertising does a job, these workers will not be able to buy cars or tires or gasoline. Or new clothes for their wives and children... Suddenly I saw advertising in a new light. Not as copy or layout, production and schedules, but as a powerful tool to help thousands of people earn a decent living (in Ayer News File, October 25, 1949).4

Mass production required an expanding apparatus of distribution. Pioneering retailer Edward Filene noted, "the changes that we shall be obliged to make in production will lead to a pretty thorough overhauling of our machinery and methods of distribution and in the end, both the quantity and quality of consumption will be dictated by them" (Filene in Ewen, 1976: 24). Addressing the American Association of Advertising Agencies in 1926, Calvin Coolidge noted that the advertising industry now

4. Ewen argues that "it was in the 1950s that the proffered dreams of the captains of consciousness, worked out in the twenties, really began to take concrete form" (Ewen, 1976: 206).
required, "for its maintenance, investments of great capital, the occupation of large areas of floorspace, the employment of an enormous number of people" (in Ewen, 1976: 32).

The efforts of advertising agents contributed to (although did not control) the creation of needs. In order to predict and influence consumer behaviour, the industry aimed to devise useful techniques of predicting consumer behaviour. Firms functionally departmentalized and a stricter division of labour emerged. The industry expanded to include research departments.5 In his pathbreaking work The Hidden Persuaders, Vance Packard (1957) charts the increased role of motivational research in advertising. The techniques of sociology, anthropology and psychology were increasingly being imported into advertising research.6 Motivational research was used to guide creative development in the 1950s.

Audience research also began to be important. For example, N W Ayer developed methods of pre-testing advertisements in 1953: "A new way of testing how the man in the street or the woman in the kitchen reacts to advertising has been developed by the Copy

5. The first market study ever undertaken by an advertising agency was done by N W Ayer in 1887 for Nichols-Shepard's Threshing Machine (Ayer Chronology). It wasn't until the 1920s that market research greatly expanded, however.

6. For example the agency N W Ayer undertook a motivational study which concluded that women associate certain brands of laundry soap with different types of housewives: "One brand, an old favourite and fairly strong cleanser was associated with the hard working housewife whose life is wrapped up in her home. Another soap, a newer entry on the market in flake form, was identified with the modern housewife who has many activities and interests and less time to spend on domestic tasks. What is the value of this? Women tend to buy the brand that fits their picture of themselves" (Ayer News File April 23, 1956).
Research Bureau. It uses elements of several well-known methods of testing audience reactions" (Ayer News File, April 12, 1954).

Creative departments similarly expanded. The utilization of art to sell commodities heralded a new phase in the commodification of the arts. As Ewen (1976: 61-62) notes, "not coincidentally, the enormous growth of the advertising industry and the commercialization of art that it entailed, took place along with the gradual depletion and demise of traditional sources and arenas of artistic expression and localized cultures". In the 1920s both advertising and product design moved further from the technical understanding of the mechanics of the product and more in the direction of aesthetic mystification. The creative side of advertising was increasingly subjected to the imperatives of business, however. As one art director notes,

The time is past when an art director merely took a piece of copy and perhaps embellished it with borders and possibly put an illustration on top. Nowadays the art director has to have a considerable knowledge of the business in general and of the client's problems in particular. He uses many kinds of research, including motivational research and is intensely interested in the results of the ad he produces when it reaches the public (Coiner in Ayer News File May 5, 1958).

In addition to their functional departmental reorganization, American agencies expanded at the national scale during this time period, opening offices across the United States, primarily with the aim of capturing local clients or to follow a client in their national expansion.8 Although there were

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7. Theodore Dreiser's novel The Genius documents the gradual decline of a painter who enters the world of the advertising industry. The conscription of the arts in the service of business was also a prominent theme in Gertrude Stein's writings (Ewen, 1976).

8. For example N W Ayer opened its first branch office in New York City in 1903. It opened branches in Boston in 1905, Chicago
some mergers during this time, a large number of mid-sized, nationally-based agencies dominated the American advertising industry. Although New York was a particularly important centre, advertising agencies were generally scattered across large urban centers, rather than being focussed on world cities.

Advertising played an important role in the consolidation of national mass markets for industrial goods. In his *History and the Development of Advertising*, Frank Presbrey notes,

To national advertising had recently been attributed the growth of national homogeneity in our people, a uniformity of ideas which, despite the mixture of races, is found to be greater here than in European countries whose population is made up almost wholly of people of one race and would seem easier to nationalize in all respects (in Ewen, 1976: 41).

Advertising played a key role in the formation of an "imagined community" of the nation, particularly in the United States (Anderson, 1983).

While nationally focussed, agencies also began to open international offices. McCann-Erikson created international branches when Standard Oil suggested in the 1930s that the agency open offices in South America where the oil companies' affiliates needed advertising assistance (McCann-Erikson, 1993). By the late 1930s, the agency had offices in Argentina, Brazil, Canada, Kenya, South Africa and Australia. Other agencies followed in this process of colonization; for example N W Ayer opened its first international office in London in 1929 and expanded into in 1910, Cleveland in 1911, San Francisco in 1924 and Detroit in 1929 (Ayer Chronology).

9. In the late 1920s, McCann suggested a single brand name, "Esso", for all Standard Oil affiliates in Europe and helped develop this global brand by opening new agency offices in London and Paris in 1927 and Berlin in 1928 (McCann-Erikison, *The Story Behind the Names on the Doors*).
Argentina and Brazil in 1932 (Ayer Chronology, 1992). For the most part however, agencies were national in scope and generally expanded abroad only to meet the needs of particular clients. Until the late 1950s, American agencies were the largest and most influential agencies in the world. In 1958, however, the trade journal Advertising Age began to monitor agencies headquartered in other countries in recognition of their growing role. This signals a shift in the international organization of the industry in the 1960s and 1970s.

During these years, agencies were remunerated for their services by a guaranteed 15 percent commission as a percentage of net cost of media space. They were also given a mark-up on services provided, such as research. Relationships with clients were close and generally long term, often lasting 30 years or more during this period. Agencies were generally conceived of as partners and purveyors of a specialized knowledge.

Thus, in the period up until the 1970s, the advertising industry was characterized by a number of features. First, agencies were primarily nationally-based. Second, client lists tended to be fixed and stable. Third, there was a narrow use of media with particular emphasis on media advertising (print, radio and television). Fourth, agencies tended to be specialized in advertising and not characterized by a high degree of integration with other sectors. Finally, while concentrated in cities like New York, there was more geographical dispersal across centers like Chicago and Philadelphia.

10. This 15 percent commission system seems to have been in place since 1876, when N W Ayer instituted the first advertising contract charging 15 percent (Ayer Chronology).
Since the 1960s, the pattern of medium-sized, nationally-based agencies with secure client lists and profits has begun to disintegrate, as has the functional and geographical division of labour. In the current period, the industry is increasingly globalized, characterized by weak and unstable agency-client relationships, a wider use of media, and an increasing integration with other communications services. There has also been a growing concentration of advertising services within world cities. I argue that in the present period, advertising plays a different role in new regime of flexible accumulation, but also a heightened role. It is my aim to extend Ewen's (1976) argument about the links between the advertising industry and Fordism to explore the dynamic role of advertising in the present period.

2.3 The Centralization and Transnationalization of the Advertising Industry in the 1980s

The growing complexity and scale of mergers, acquisitions and joint ventures among industries, and the increasingly international character of these operations, have led to a heightened demand for specialized service inputs. In particular, the globalization of markets, trade and labour has entailed a globalization of the market for producer services.11 Alongside the internationalization of industry, the advertising industry has undergone a rapid process of change in the 1980s. The internationalization of advertising mirrors, but also facilitates the internationalization of capital.

11. As Saskia Sassen notes, "given customization and specialized markets, profitability may be increasingly linked to the possibility of operating internationally" (Sassen, 1991: 106).
Foremost among these changes is a centralization and globalization of advertising agencies through foreign direct investment and acquisitions. While some producer services tend to centralize production in key locations and export their products, advertising agencies have adopted different strategies. Because advertising relies on detailed local knowledge and face-to-face contact with clients, agencies are more likely to export their services through direct foreign investment, setting up branch offices and affiliates abroad.12

In the 1980s, the greatest proportion of U.S. agency growth came from outside the United States. Percentage increases in total foreign gross income for agencies based in the U.S. consistently outstripped increases within the U.S. The average percentage increase in gross income of agencies operating within the U.S. was 5.8 percent per annum during 1985-1993, but for the same period it was 18 percent per annum for American agencies operating outside the U.S. (Advertising Age, April 14, 1993) (Table 3.1). Foreign direct investment is especially common among American agencies, although British, Japanese and other European firms also engage in high levels of investment.13

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12. For example, Susan Cornish argues that computer services, Management Consulting, and Engineering tend to be high export sectors, while advertising, marketing, accounting, market research and legal services are low export services, more likely to expand through foreign direct investment (Cornish, 1994). For these services it is important to "be there".

13. However, Japanese and French firms, while domestically strong, (in Japan the two largest advertising agencies control 40 percent of the domestic market) have tended to be weaker in terms of the international advertising, and are often unable to serve their countries' largest firms as they move into foreign markets (Noyelle and Dutka, 1988: 105).
The growth of foreign direct investment in advertising parallels that of other business services. By the mid-1980s, about 40 percent of the world's total direct foreign investment was in services, compared to just 25 percent in the early 1970s (Sassen, 1991: 35) (Table 3.2). As Sassen points out, the massive increases in direct foreign investment by developed countries in the 1960s and 1970s have been overtaken by even more massive international financial investments in the 1980s. In addition, in the 1990s the flow of direct foreign investment in services has grown more rapidly than manufacturing or extractive industries (Sassen, 1991: 35).

With market saturation in advanced industrialized countries, most advertising agencies have compensated for declining profitability at home by expanding abroad. In the case of both accounting and advertising, foreign sales account for over half of all revenues (Sassen, 1991: 63). In 1980, the top 10 agencies in the U.S. received 51.7 percent of all revenues abroad (Economic Consulting Services, 1981: 85). That share continued to climb so that by 1991, 60 percent of total revenues for the top ten agencies came from foreign operations (Derived from Advertising Age, April 13, 1991) (Table 3.3). The largest agencies now have offices in at least 50 countries. Agencies continue to expand geographically, with McCann-Erikson being the largest global agency system in the industry, and with the most agencies majority-owned (Interpublic Annual Report, 1992). In 1993, McCann-Erikson had 207 agencies in 95 countries (McCann-Erikson Annual Report, 1993) (Table 3.4).14 Foreign direct

14. A map of Saatchi and Saatchi's owned offices and affiliate offices charts all the countries of the world, pinpointing those
investment has been particularly focused on the fast growing consumer markets of South East Asia and Continental Europe (WPP Annual Report, 1990).

In addition to direct foreign investment, many agencies expanded their global orbits through acquisitions and mergers. This parallels changes on the client side through the 1980s in which transnational conglomerates expanded their sphere of influence: examples include Proctor and Gamble merging with Richardson-Vicks; Philip Morris with General Foods; and R.J. Reynolds with Nabisco (Mattlelart, 1991: 50). Client acquisitions seemed to escalate further in the late 1980s and early 1990s with Ford acquiring Jaguar, Pepsico acquiring Smiths and Walkers, Grand Metropolitan acquiring Pillsbury, Philip Morris acquiring Kraft, Nestle gaining Rowntree, and Seagram's acquiring Tropicana, among others (WPP Annual Report, 1992). 15 David
countries that have yet to be colonized. In a list of 75 countries, only three are not serviced through Saatchi's owned or affiliate offices. Not only has Saatchi sought to expand its own offices around the world, but it has also attempted to forge other international agency brands, such as Backer Spielvogel Bates which services 53 of these 75 countries, and CME.KHBB Advertising which has owned or affiliate branches in 10 of the 75 (Saatchi and Saatchi Annual Report, 1992: 10-11). Rather than converting all acquisitions into Saatchi affiliates, the company maintains other agency brands in order to avoid client conflicts which become immensely complicated when articulated on a global scale.

Learner president of MRCA Information Services notes that "When a Philip Morris absorbs a General Foods and then a Kraft, or when an R.J. Reynolds acquires Nabisco, there's only a certain number of service companies and a certain amount of services those (conglomerates) are going to use" (in Hume, Advertising Age, June 3, 1991: 31). Concentration in the advertising industry is also related to concentration in the media. Cross-ownership of the media now enables media owners to offer advertisers a complete media schedule, but also cross-promotion. WPP concludes,

Taking all these trends into account, it seems inevitable that the marketing services industry will eventually be dominated by four or five major multinational companies and that there will continue to be further consolidations (WPP Annual Report, 1990: 24).

Similarly, control in the advertising industry has steadily fallen into a smaller number of hands through both domestic and international acquisitions. In 1986, Saatchi and Saatchi estimated that the eight largest advertising agencies controlled 20 percent of billings worldwide, compared to 12 percent by the 12 largest in 1976 (Saatchi and Saatchi Annual Report, 1986). During Fordism, the advertising industry was characterized by medium-sized agencies and a national focus. In contrast, the current period seems to point to the growth of large global

16. Not only have advertising industries undergone a process of international centralization, but also marketing/advertising/public opinion research companies have seen an unprecedented wave of mergers and acquisitions. There is now a concentrations of ownership in the research industry with the largest 25 worldwide research organizations having revenues encompassing 54.6 percent of the world total (Honomichi, Advertising Age, December 5, 1988: S1). The largest company is the Dun and Bradstreet Corporation in New York which has about 22.6 percent of the world market for advertising research through its acquisition of A.C. Neilsen and IMS International (Honomichi, Advertising Age, December 5, 1988: S1).
agencies.17 As one small agency owner put it, "the small independent agency is a disappearing breed because there are only a few of us left and how long we stay as an independent organization remains to be seen because there is a tendency to fewer and bigger companies". By 1991, WPP concluded that there "are now only 13 or 14 major agencies able to service the major multinational clients" (WPP Annual Report, 1991: 33).

While acquisitions and mergers began as early as the 1930s with the merger of McCann and Erikson, and continued through the 1960s and 1970s, these periods do not compare with the intensity of acquisition activity in the 1980s. A survey of mergers and acquisitions among large agencies in Advertising Age (April 13, 1994) cited 8 in the 1960s, 12 in the 1970s and 19 in the 1980s (Table 3.5). In 1986 alone, 26 of the top 100 agencies in the U.S. changed ownership (U.S. Department of Commerce, 1988). The 1980s witnessed a series of mergers and acquisitions that changed the face of the industry completely. Although by comparison merger activity in the 1990s has been pale, the process continues, with Omnicom buying TBWA in 1993 and Foote Cone and Belding acquiring Mojo Advertising in 1992 (Advertising Age, April 14, 1993).18 In their 1990 Annual Report WPP suggests, "The trend to consolidation seems to show little signs of abating, largely because of continuing client rationalization and the

17. Citing Advertising Age data, the market share of the top 10 agencies in the U.S. increased from 45 percent in 1983 to a high of 59 percent in 1990 and then fell slightly to 54 percent in 1993 (WPP Annual Report, 1993).

18. It is Omnicom's plan to expand TBWA internationally through acquisitions in Asia/Pacific (Sloan, Advertising Age, 1992: 1).
increased pressure on agency compensation that results" (WPP Annual Report, 1990: 24).

The majority of large agencies are owned by larger umbrella holding companies, owning a host of other agencies (Tables 3.6 and 3.7). The largest conglomerates in the world are WPP Group of Britain, the Interpublic Group based in the U.S., Omnicom, an American holding company, Saatchi and Saatchi of Britain, and Dentsu of Japan. Although agencies under these groupings are often run separately in terms of their role in producing advertisements, they come under common financial management.

Until 1991, the trade publication Advertising Age ranked only agencies in its yearly statistical summary of agency performance, as only agencies were "operating companies" in the sense that they produced advertisements. However, changes in the late 1980s blurred the distinctions between agencies and holding companies. The holding company Euro RSCG handles accounts such as France Telecom at the holding company level (Advertising Age, April 13, 1992: S20). Similarly, the FCA Group and BDDP Worldwide are both agencies and holding companies. For the most part however, holding companies are involved only in the financial management of agencies and are not involved in the creation of advertising.

Mapping the largest advertising conglomerates in the world obscures the increasing interconnections between these large holding companies. Companies in the top advertising conglomerates holding minority equity in each other are numerous; for example, Foote, Cone and Belding Communications owns 49 percent of Publicis-FCB Communications. Omnicom owns 46.67 percent of Clemenger/BBDO, and Dai-Ichi Kikaku owns 10.69 percent of FCA
(Advertising Age, April 13, 1992). The interconnections between agencies, often from different countries, points to the increasingly transnational character of the advertising industry. Similarly, the majority of large agencies are publicly traded companies. A map of the shareholders of these companies further reveals the transnational character of advertising services; for example, WPP's shareholders are spread throughout the world with 64 percent coming from the U.K., 30 percent from the United States and Canada, 5 percent from Europe and 1 percent from other countries (WPP Annual Report, 1990).

During the 1980s the ten largest advertising conglomerates experienced annual rates of growth in gross income in double digit figures (Advertising Age, April 14, 1993). Saatchi and Saatchi, along with Harvard Business Professor Theodore Levitt, triumphed the virtues of the global agency, and led the path of acquisitions, becoming the largest advertising company in the world in 1986 after just 18 years in business (Morgan, 1991).19 The pace of growth and acquisition was so rapid that several years later Saatchi lost its position as largest agency in the world to WPP Group, a holding company which only entered the advertising business in 1986.

While the goods producing sector was the scene of a number of hostile takeovers in the 1980s, it was assumed that this would be unlikely in the service sector. Unlike manufacturing, service businesses have no tangible material assets and are completely dependent on the creativity and loyalty of their employees. Services such as advertising risk losing their employees in the 19. None of Saatchi's acquisitions were hostile.
event of a hostile takeover, employees who could start a new shop and draw away all of its clients. This would leave the aggressor with only a shell of an agency (Morgan, 1991: 223).

In 1987, however, J. Walter Thompson was the target of a hostile takeover by Martin Sorrell's WPP Group, signaling that even one of the largest, oldest and most "American" of advertising agencies was not immune to an unwanted takeover. Martin Sorrell, who had previously worked at Saatchi and Saatchi as financial chief, helping them acquire numerous agencies, began his empire by buying up a company manufacturing plastic coated wire (Wire and Plastic Products Limited). He then started buying communications industries, mostly in the advertising/public relations category. When WPP announced its bid to buy J. Walter Thompson in 1987, the agency was already facing hard times, and had lost several large clients in recent years.

In the end, Sorrell was successful, buying the agency for $566 million (Morgan, 1991: 9). After just one and a half years in business, Sorrell took over a 123 year old agency which had played a major role in the historical development of advertising, both in the United States and throughout the world. On hearing of the proposed takeover by WPP, many clients threatened to leave J.

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20. WPP Group and Saatchi and Saatchi are both a British-based holding companies (although Saatchi and Saatchi is jointly headquartered in New York and London). Their takeover of large American agencies represents a reversal of the general history of American acquisitions of British agencies.

21. Many top level people were fired prior to the takeover. Its stock values had also fallen. Many have suggested that the takeover was possible because Thompson's financial performance was so poor and its management so divided (Rothenberg, New York Times, 1989).
Walter Thompson. However, despite predictions that many employees and clients would leave, interviews suggest that the agency actually remained quite stable after the buyout.

In 1989, Sorrell acquired the global agency, Oglivy and Mather (based in New York), through another hostile takeover, making WPP the largest advertising organization in the world (Morgan, 1991: 249). WPP operated these two acquisitions as separate agency "brands", utilizing an arm's length relationship. For the most part, agencies like J. Walter Thompson and Ogilvy reported to their holding company on financial issues such as meeting their annual targets. Campaign development remained each agency's responsibility and holding companies like WPP rarely get involved in creative issues.

One woman in a medium-sized agency in New York summed up the complexity of merger activity when she described the recent history of the agency she worked for:

We have been bought by a European Group called Eurocom RSCG. It's a French group and they own a number of agencies around the world, but it's almost a joke. It is almost a burlesque

22. In order to avoid the takeover by WPP, J. Walter Thompson considered other takeover bids from several organizations including the Paris-based BDDP, a joint Hoyne (of Ted Bates Worldwide)/ Rockefeller Group deal. It also considered an offer from Robert Pittman of Quantum Media (50 percent backed by MCA).


24. Hostile takeovers continued in the industry, for example Boase Massimi Politit, a highly regarded British agency struggled against a takeover bid from Boulet Dru Dupuy Petit in 1989 (Rothenberg, 1989).
acquisition. The ownership of this company has changed hands four times in the past four years. This agency was first bought by an English agency called WRCS which also bought numerous other agencies worldwide. Then in a complicated deal, WRSC sold its ownership in the advertising business to a French advertising holding company called Eurocom and then recently Eurocom, this past year, six months ago merged with another French advertising company called RSCG and so that in a very simple way is how the structure is now.

Although able to joke about the sense of confusion generated by acquisitions, one gets a sense of the instability caused by constant changes of ownership.

Acquisitions are common in the industry because they constitute one avenue to increased profits in an intangible service industry. The ability to achieve economies of scale in research and development is also a reason for mergers and acquisitions. With heightened competition for accounts and limits to cost cutting initiatives, acquisitions have been a major route to increasing profitability (WPP Annual Report, 1992: 7). At Omnicom, 2 of the 5 percent growth in domestic revenues in 1990 and 5 of the 11 percent growth in 1989 was due to acquisitions (Omnicom Annual Report, 1991). Internationally, acquisitions accounted for 4 of the 11 percent growth in international revenues in 1991, 14 of the 38 percent increase in 1990 and 12 percent of a 22 percent increase in 1989 (Omnicom Annual Report, 1991: 7).

As one advertising executive explained, "with respect to why agencies went on a buying spree to buy agencies, there was one factor and that was money. Somebody figured out that they could make a lot of money buying businesses and making them more profitable, changing the way they operated, building these conglomerates... the driving force was financial". The U.S. Department of Commerce (1988) notes that while part of the
impetus for acquisitions in advertising lies in the desire to establish and coordinate pan-regional and global advertising campaigns, more important is the aim of providing better returns for stockholders.25

Financial considerations also motivated the owners of small and mid-sized agencies to sell. As one executive noted, "the dream of an entrepreneur is to become so successful that you get bought out. When you have an advertising agency you do not have assets, you simply have your business. The only time you're ever going to get immediate wealth is to be bought out".26

Another reason for acquisitions was competition. One executive pointed out that one way of competing with other agencies was to provide better service. Another way was to buy the other agency. This was especially attractive if the other agency had a client that you wanted. Mergers and acquisitions were also a way to eliminate competitors. In the 1980s, many clients faced slagging or declining sales of their products, and many targetted their advertising as the source of weak sales.

25. According to one interviewee, acquisitions were not always good financial investments for the buyer, however: "it didn't always work because they didn't always keep the clients they thought they were buying, they didn't always keep the management they thought they were buying and the companies. It's not an easy business to make money. The majority of your costs are people". In some cases, clients shift their business elsewhere if their agency has been subject to a takeover.

26. At a small agency recently bought up by a global shop, one employee speculated, "you work here for 15 years. You want to cash in so you sell out for millions and millions of dollars". Agencies have long offered themselves on the stock market, including J. Walter Thompson, Oglivy and Mather, McCann Erikson and Poote, Cone and Belding. However, as one art director put it, "it doesn't make any sense at all, it's not a thing, it's a service to a manufacturer so I don't understand why anyone would want to buy stock in an advertising agency".
This led many clients to change agencies, leading to weaker relationships between agencies and clients. The level of competition in the advertising industry has increased dramatically.

One characteristic of the post-war period was the more solid and long term partnership between a client and an agency, with some relationships lasting over 30 years; for example, Standard Oil Company has maintained its ties with the agency McCann Erikson since 1911 and De Beers has been a client of N W Ayer since 1938. Since the 1980s, this rigid bond has broken down and clients now switch agencies on a regular basis, generating more competition between agencies.27 Clients are only required to give 90 days notice of termination of their contract with agencies, making turnaround relatively quick (U.S. Department of Commerce, 1988). This upheaval was evident in car industry accounts, for example, where 12 major car accounts changed hands between 1990 and 1992 (Landler, Business Week, November, 1992b: 102) 28. The 1980s saw higher turnover in advertising accounts than ever before; this was also the case in other business services such as accounting (Noyelle, 1991: 188). Where agencies used to see themselves as partners with clients, many argue that the power

27. In 1987, for example, Burger King shifted its agency assignments, becoming the largest account ever to change agencies in advertising history to that point (Ayer Chronology). Burger King had been a client of J. Walter Thompson for 11 years (Vamos, Business Week, October 12, 1987: 42). Similarly, in 1993, Lintas lost the Diet Coke account after 11 years of service (Elliott, New York Times, October 6, 1993d: D1).

28. Auto manufacturers were once loyal clientele, often staying with agencies for decades.
balance has shifted in favour of clients (Viney, Advertising Age, May 24, 1993: 20). One woman notes the effects of this,

We used to be able to experiment a lot but clients are a lot less willing to pay for things unless they know what the outcome will be... it used to be that if you worked for an agency, it was assumed that you knew what was best for the product. Not now.

Agency executives claim that while in the past, clients were willing to give a certain amount of autonomy and judgment to agencies, clients now approach agencies' advice with skepticism. In a 1992 survey of Agency-Client relations, polling 200 of the top U.S. advertisers and 99 of the top U.S. agencies, 43 percent of all advertisers replied that they were more likely to ask for assistance from other agencies than they were in the past, and 40 percent of all agencies confirmed that their clients were more impatient with the quality of their creative work (Elliot, New York Times, June 1, 1992c). The survey revealed that advertising agencies perceive that advertising has become more of a "commodity", with agencies relegated to the status of vendors or suppliers, rather than partners (Salz in Elliott, New York Times, June 1, 1992c). As one agency owner that I interviewed noted, "there are very few partnerships now. It seems that agencies just want what's best for them, the clients just want what's best for them and that is why relationships are so fragile now compared to how they used to be". Thus, although agencies have gradually become involved earlier in their clients' product planning process and have had access to more strategic and confidential information, this has not discouraged clients from dropping long-standing advertising suppliers when they are dissatisfied. Heightened competition has also forced large global agencies to
pursue smaller and medium-sized clients that they would not have even considered 10 years ago. This has made the competition between large agencies and smaller agencies even more intense *(U.S. Department of Commerce, 1993).*

Changes in the fee system between clients and agencies also provide testimony to a growing uncertainty about the value of agencies' work.²⁹ A lack of faith in advertising agencies combined with financial pressures has led clients to reorganize the entire fee structure, with remuneration now tied to advertising performance rather than media spending.³⁰ As one advertising executive noted,

Agency compensation used to be 15 percent of billings. 15 percent of $100 million is a lot of money so these executives at the corporations said that is more than they were making so they said you can have 12 percent, or 10 percent. We'll match your compensation to the performance of the advertising. If sales go up 20 percent then you get 20 percent of billings. If they are below 5 percent you get that. To stay profitable a lot of agencies are acquiescing to demands like that. They are trying to trim their fat.

The shift from agency remuneration based on pure commission to fees based on productivity constitutes a more flexible remuneration structure, where a higher percentage of compensation is related to performance. This has had a negative impact on the

²⁹ As I discussed earlier, traditionally agencies were remunerated by a standard commission which was 15 percent of media expenditure, a fee system relating to the specific services provided by the agency (i.e. research) and sometimes a performance-based remuneration tied to sales or brand awareness.

³⁰ There are a number of ways to measure the performance of advertising agencies. One of the most traditional means has been by comparing billings or the amount of the client's money which the agency spends on media space and time. The trade journal *Advertising Age,* however uses gross income as a means of ranking agencies. Gross income is equal to revenue and includes the sum of commissions on media billings, the markup on materials and services (usually 17.65 percent) and fee income *(Advertising Age, April 13, 1992: S20).*
industry (Saatchi and Saatchi Annual Report, 1991). Instead of getting the standard 15 percent, agencies for clients such as Kraft General Foods, Nestle and Unilever have settled on levels equivalent to 13 percent, with further bonuses of up to three percent depending on performance (WPP Annual Report, 1992). While in 1976, 68 percent of the top 282 advertisers used the 15 percent commission formula, in 1983 only 52 percent used the 15 percent commission and by 1985, only 43 percent were using this form of remuneration for their agencies (U.S. Department of Commerce, 1988). 25 percent of all advertisers made some form of change in their compensation method between 1983 and 1985 (U.S. Department of Commerce, 1988). This has exerted greater pressures on agencies and heightened the level of competition.

Many agency employees complained that their relationship with clients was strained more than usual in the recession because clients were particularly conservative and cautious. One creative director noted,

people get nervous. We're all afraid of losing our job and want to do work that will impress our boss and that's good. On the other hand, our clients are also afraid of losing their job. Most of our clients work in huge corporations. If you have a guy in a shoe store he may be willing to take liberties. The guys we work with are not the presidents of these corporations as a rule. They chose careers in which they would be a small cog in a large wheel. They chose careers in which they would not be the ultimate decision maker. Why? Because they are afraid of making big decisions. They would rather have somebody else make decisions and be one of many... So people who work there want to blend in because if you've taken out a second mortgage on the belief that you're going to get that bonus, you don't want the president sitting in bed with his wife saying, who did that advertising? Fire them.

While making clients cut back and act more conservatively, economic crisis has also made them restructure in ways that
affect the advertising business. Corporations are consolidating and streamlining their internal operations, cutting back on marketing and advertising and in some cases, shifting their advertising budgets to cooperative forms of advertising shared with other products and more "direct-response" vehicles. Companies are also adopting shorter term planning and are moving toward greater flexibility of advertising funds. The recession has also caused many companies to abandon some of the higher cost media. Some are making reductions in particular locales and concentrating more on key markets. Advertising has also become much more targeted and commercial times are often shorter. All of these changes have resulted in declining revenues for agencies and a heightened tension between clients and their agencies.

Agencies have also been in conflict with retailers. As I argued earlier, both retailing and advertising constitute discursive fields circulating discourses of consumerism. While advertising discourses often reinforce those generated in retailing, in other cases advertising may exist in competition with the messages provided by retailing. In recent years, retailers have expanded their power over sales by offering more in-store advertising and by distributing their own brands. Increased competition from store brands and private label

31. The saturation of markets in the West and low rates of population growth in major consumer markets have combined to exert pressure on industry. Economic pressures motivated firms to target their advertising budgets for cutbacks in the 1990s. Advertising agency executives are quick to point out that it is easier for companies to blame their advertising agencies for reduced sales than to take a look at the products they produce.

32. A growing number of commercials today are 15 seconds rather than 30 seconds (Interviews).
products has led some premium brand manufacturers to cut their prices. 33 This has been a source of great concern to both manufacturers and agencies. Reductions in brand-name advertising pose a major threat to advertising agencies' main source of profit (Elliott, New York Times, April 22, 1993: D24). Retailers have many advantages over agencies since they control the selling environment and can evaluate the success of a product within hours rather than weeks (Davidson, 1993: 41). The growing power of retailers is one of the most frequently discussed topics in the advertising trade press. 34 All of these trends have produced a softening of advertising revenues and have fuelled the wave of acquisitions. 35

33. For example Marlboro announced on April 2, 1993 that it would begin discounting its cigarettes in the face of surging sales of cheaper brands (Elliott, New York Times, April 22, 1993: D24). The advertising industry refers to this as "Marlboro Monday".

34. At one time, advertising took over the sales pitch given by the store employee, but in the 1980s retailers' power grew due to increasing concentration of ownership and their expansion into the selling of private label brands. At first retailers started competing with brand name goods on the basis of price, but increasingly they are also competing in terms of quality. The electronic UPC scanner system with its ability to generate instant scanner data on sales is another factor accounting for the growth of power in the hands of retailers. Retail buyers are often more knowledgeable about the product profitability and customer demographics than manufacturers (Shergill, International Journal of Advertising, 12, 1993: 106).

35. In response to recession and softening revenues, the industry has taken to a global campaign of self-promotion (Elliott, New York Times, September 18, 1992b: D7). The campaign is being run in 120 countries with some modifications (Elliott, New York Times, September 28, 1992b: D7). The American Association of Advertising Agencies also ran a campaign in 1991 in the New York Times on March 18, 1991 reading, "in a recession the best defense is a good offense. It's those with the courage to maintain or increase advertising in a recession who reap a major sales advantage over their competitors who panic and fall back on a defensive posture. And this advantage continues to expand long after the recession is over". 
2.4 The Geography of Centralization

Many mergers and acquisitions are related to geographic expansion. According to a study of its clients, WPP illustrates that companies have increased the proportion of their non-domestic sales (Table 3.8). Agencies often expand geographically at the request of their clients, but increasingly they are doing so on their own accord. WPP explains its motivations for globalization,

Although there were some encouraging signs in the last quarter of 1993 in the United States and Europe, continued recession and the possibility of the 1990s representing a decade of slow growth have made traditional markets more difficult. In these circumstances, it is easy to see why significant investments are being made in new less mature markets.

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36. Some have argued that European and Japanese firms are more active in global marketing (Coates, *Mediaweek*, June 1, 1992). Coates notes that for much of the Post-War period, American companies were plagued by an isolationist mindset, with the result that U.S. companies lost market share to competitors from abroad. With increased competition and recession at home, an increasing number of U.S. firms are looking beyond their borders and developing global strategic marketing, media and advertising plans (Coates, *Mediaweek*, June 1, 1992: 12). American companies have been increasingly successful as global marketers, with the U.S. surpassing Germany in 1991 as the leading exporter of goods in the world (in "Europe: The Uncommon Market: 3). Export growth in the United States in 1991 was five times the world average, and from 1986 to 1991, the value of U.S. merchandise exports grew by an average of over 13 percent per year (BSB "Europe the Uncommon Market": 3).

37. Companies with a large proportion of overseas sales include Proctor and Gamble, Johnson and Johnson, Grand Metropolitan and Philip Morris. In terms of spending, the Anglo-Dutch company Unilever is the top advertiser outside the U.S. (Gigges, *Advertising Age*, December 19, 1988: 21).

38. In many cases, this expansion takes place through acquisition of a local agency or through a minority shareholding or partnership with a local or national agency. This latter strategy has the advantage of lowering the "foreign" visibility of the agency, while at the same time gathering access to local knowledge of markets. In other cases, branch offices are set up by the agency itself, as in foreign direct investment.
markets with large or rapidly rising populations (WPP Annual Report, 1993). 39

The origins of geographic expansion lie in changing revenue geographies. The U.S. constitutes the largest advertising market in terms of expenditure, accounting for 37.7 percent of total world advertising (Saatchi and Saatchi Annual Report, 1992: 6). The United States also spends more than any other country in the world on advertising, measured as a percentage of GNP (WPP Annual Report, 1990). At the same time, national advertising expenditures in the United States increased throughout the 1980s. 40

By 1990, however, this rate of growth began to slow down and between 1990 and 1992, advertising expenditure in the U.S. dropped slightly, while expenditures grew 7.1 percent in Europe and 11.2 percent in Asia over these years (Saatchi and Saatchi Annual Report, 1992: 6). In 1990 for example, the growth rate in the U.S. was 3.8 percent, versus 8 percent in 1988 (Coen, 1991: 1). 41 This decline is matched by other "mature" markets such as Canada, United Kingdom, Japan and Australia.

39. In a similar vein, Saatchi and Saatchi cites the importance of spatial extension, "clients are continually looking for opportunities to expand into new markets. The speed of changes in Europe, the pace of economic development in Asia and the development of the North American Free Trade Agreement have provided such openings. It is important for their agencies to expand their geographic coverage accordingly" (Saatchi and Saatchi Annual Report, 1992: 13).

40. Total expenditure across the three major regions of North America, Europe and Asia Pacific, which collectively account for 94 percent of world advertising expenditures, were US $90,914 million in 1982. By 1992, expenditures had more than doubled to US $205,773 million, providing for a compound annual growth rate of 8.6 percent per year (Saatchi and Saatchi Annual Report, 1992: 6). Japan is the second largest world market, followed by Germany and the United Kingdom.

41. Geographically, notes WPP, conditions in the United States, United Kingdom, Japan, Canada, Brazil, Scandinavia, Australia and
As a result, profitability is increasingly linked to seeking out new advertising markets across the globe. Carl Spielvogel, founder of the agency Backer Spielvogel Bates, expressed the view that companies must consider globalization much more explicitly in the design and advertising of their products:

to be a global marketing leader today, you must fill a need that exists in other markets. You must be a multinational marketer- not just a company that ships excess goods to other countries. This is especially true in the United States, where major companies can no longer rely on the domestic market for unlimited growth (in "Europe: The Uncommon Market" BSB, 1992 : 3).

New markets are beginning to emerge in the so-called periphery of Latin America, Asia and Africa (WPP Annual Report, 1991). These markets are the key areas of agency expansion in recent years. In particular, agencies draw attention to S.E. Asia and Latin America: "in both sub-continents, political attitudes, population size, and particularly in S.E. Asia- a capitalist work ethic, support growth" (WPP Annual Report, 1991).43

New Zealand continue to be difficult, while Continental Europe and South East Asia offer more opportunities (WPP Annual Report, 1990). In part, this stems from economic crisis in the United States. Increased competition in domestic markets, low rates of population growth, the growing power of retailers and the ease of technology transfer have served to limit the potential for expansion in domestic markets. As a consequence, less mature markets, with growing populations and significant inward investments, offer more opportunities for advertising agencies (WPP Annual Report, 1992).

42. Almost 56 percent of J. Walter Thompson's new business gains in 1988 came from outside the U.S. (Levin, Advertising Age, July 22, 1989: 4). Robert Cohen, senior VP director of forecasting at McCann-Erikson notes, "in the U.S., economists are modifying the economic picture. Instead of the gradual improvement we were due for, we're not going to be able to count on that. It's now apparent that the country is moving a lot slower than it had been thought" (in Skur Hill, 1990: 81).

43. Advertisers note that by the year 2000, six of the ten largest cities in the world will be in Asia (Oglivy and Mather's Asian Viewpoint, 1992).
In addition to these developing markets, Europe has been the focus of much expansion; in particular, Spain and Italy have grown rapidly since 1981, with compound annual ad spending growth of 27.4% and 17.4% respectively (Levin and Walley, Advertising Age, July 23, 1990). Transnational agencies have also been in a race to establish agencies in Russia, the Czech Republic, Slovakia, Slovenia, Hungary, and other Eastern European countries. These markets are considered vast and untapped in their potential. Agency rhetoric regards all political events as mere opportunities for market expansion:

The recent and welcome political changes in South Africa, with its population of 40 million, may herald the opening up of another new market— not only there but as a gateway to Africa as a whole with 600 million. Similarly, the signing of an agreement between Israel and the Palestinian Liberation Organization could initiate not so much the opening up of the Israeli market with its relatively small (though highly educated) population of 5 million people, but the use of Israel as an entry point to the Middle Eastern market of 150 million people (WPP Annual Report, 1993).

An aggressive geographic expansion of markets has been key to the profitability of agencies. In this way, the profit geographies of most agencies have been increasingly located outside the markets of advanced industrialized nations.

While the tide of international acquisitions has slowed in the 1990s, they still play a central role in maintaining

44. From 1990 to 1992, Dentsu has also expanded its reach in Europe through minority and majority acquisitions of local agencies in Amsterdam, Milan, Germany, Belgium, Russia, and Britain (Kilburn, 1992). The agency also acquired CDP Europe with 10 offices in 7 countries including Britain, the Netherlands, Turkey, Spain, Belgium, France and Ireland (Dentsu Annual Report, 1991-1992: 9). In 1992, Dentsu announced its acquisition of a minority stake in Publi-Graphics— a $70 million agency network operating in 10 countries in the Middle East (Kilburn, 1992).
profitability. WPP's Annual Report in 1990 notes that while the company continues its path of strategic acquisitions, these have not been major, but "in-fill" acquisitions addressing functional or geographic weaknesses.

For some, the wave of mergers and takeovers is evidence that creative talent and individuals are less important in the advertising industry than global reach. Robert Reich, Harvard professor and President Clinton's Labor Secretary, notes,

"in this new era of communications, advertising conglomerates are necessary as a way of taking advantage of centralization of media and the explosion of decentralized programming options...In the era of global clients, the real creativity lies in the ability to place advertising globally and tailor ads for specific clients, rather than in the individual creative artist who can come up with the "Man in the Hathaway Shirt" (in Rothenberg, New York Times, May 5, 1989).

Reich further notes, "A large client is buying a global network of efficiencies and wants the safety, security and low cost of a large institution, rather than the idiosyncrasies of particular creative individuals" (in Rothenberg, New York Times, May 5, 1989).

As agencies have grown, they have become less distinctive in terms of the service they offer. As one art director put it,

45. In its Annual Report, the Interpublic Group of Companies notes, "once again, acquisitions played a strategic role in the growth of our company in 1991. Such additions as Ronnberg & Co. in Sweden (for McCann-Erikson), the MPM Group in Brazil and Long, Haymes and Carr in the U.S. (for Lintas) improved our agencies' penetration in key markets and provided better service for major clients; raising our ownership of Fremantk International to 80 percent increased our earnings from the growing European television market. We will continue this program of strategic and synergistic acquisitions with our three agency systems as we proceed through 1992".

46. This trend was interrupted in 1993, when for the first time in decades when U.S. performance was better than non-U.S. performance. (Endicott, Advertising Age, April 13, 1994).
"Saatchi and Saatchi was quite a good agency until it started getting bigger and bigger and buying anything. It ballooned into this amorphous thing that was rather unresponsive". Similarly, Backer Spielvogel Bates plays little more than lip service to its "Unique Selling Proposition" or to their particular creative philosophy (Rothenberg, New York Times, May 5, 1989).

Global agencies tend to attract multinational package-goods companies, known for their conservative approach to creative work. One executive at J. Walter Thompson, a large global agency, notes,

Thompson has a distinct style. We are very disciplined. We don't do ads frivolously. We put forward a strategy and we develop the creative to fit that strategy... We work in a very disciplined way and we tend to attract large multinational clients that like that discipline. We're not what I would call a retail advertising agency where we do quick turnaround ads designed to sell a product tomorrow. We sort of pride ourselves on building brands over a period of time and again that's the clients we tend to attract. We have the reputation of being a packaged goods agency and that comes from the work we have done around the world for multinational clients like Kraft, Warner Brothers, Lever.47

Thus, the emphasis today is on geographic scope.

2.5 The limits to mergers and acquisitions

Many analysts have been wary of the expansion of global agencies, suggesting that client conflicts impose strict limits on centralization and transnationalization.48 In advertising,

47. Some of the more traditional package goods companies with products enjoying high market shares inherited from the past, have proved to be more stable clients and have tended to maintain their long term relationships with agencies relative to car manufacturers for example which tend to shift accounts around frequently as they face declining sales.

48. Conflicts are rarely a problem in other producer services such as management consultancy, investment banking and auditing. Client conflicts are less important in Japan, where agencies often specialize in clients in one category.
unlike other producer services, it has been the general rule that agencies do not take on competing clients because of conflict of interest and issues of confidentiality. Theoretically, this rule meant that the existence of twenty competing multinational food companies would guarantee the preservation of twenty competing multinational advertising firms (Noyelle and Dutka, 1988: 101). Examples of client conflicts and fallouts as a result of mergers and acquisitions were common throughout the 1980s; for example, Tatham/RSCG, for example, ran into difficulty with Proctor and Gamble when its parent company RSCG merged with the French agency Eurocom in 1991, because Eurocom held the account for a competitor product. Several of Proctor and Gamble's agencies lost millions of dollars due to this and other client conflicts during the 1980s (Kirk, Adweek, October 21, 1991: 1).

The issue of client conflicts has been made even more complicated by the growth of strategic alliances on the client side; for example, Pepsi Cola is working with Unilever in tea, Coca-Cola with Nestle in coffee, and Nestle with General Mills in cereals (WPP Annual Report, 1992). All have chosen to make agency appointments which have caused previous conflict arrangements to be redrawn. This suggests that older client conflict guidelines may have to be modified (WPP Annual Report, 1992).

To some extent, agency conglomerates have been able to circumvent client conflicts by operating separate independent agency identities; for example the Omnicom holding company has a number of international agency brands such as BBDO, DDB Needham and Tracy-Locke and the Interpublic Group of Companies runs
McCann-Erikson, Lintas and the Lowe Group. Maintaining these agencies as separate entities allows the company to serve competitor clients. According to WPP, "the recent trend towards joint ventures... means that both clients and agency groups increasingly need multi-network organization to service these conflicts" (WPP Annual Report, 1991: 34).

Clearly, however, there are limits to the concentration of the advertising industry. Both Saatchi and Saatchi and WPP have faced hard times in recent years, indicating that they expanded too quickly. Although WPP showed some improvement in profitability in 1992 (WPP Annual Report, 1992), the evidence suggests that these large conglomerates are somewhat unstable. As one agency head notes,

The pressure is on now. The bottom line, make money. The shareholders want to see that. What we now see is some of the corporate umbrellas divesting themselves of some of their affiliates as a way of making money and building the cash flow again and paying off some of the debt. Martin Sorrell with Scali, McCabe and Sloves. He's under pressure to sell off Scali for example, in order to service the debt. So I think we've come through a period where the bigger agencies were gobbling up smaller agencies, but it seems to me that the recession is causing a lull in that and I don't know whether it's going to continue when things pick up again.49

Despite the recession, stock market values remain high, particularly in the United States, making acquisitions expensive and less attractive (WPP Annual Report, 1992: 7).

Many note that in particular, Saatchi and WPP expanded too rapidly.50 When Saatchi and Saatchi bought Ted Bates Advertising

49. Because of its debt problems, in 1993, WPP sold Scali McCabe Sloves to the Interpublic Group of Companies which merged the agency with the Lowe Group (Lowe Annual Report, 1993).

50. J. Patterson, executive vice president at Veronis, Suhler & Associates, a communications consulting firm in New York notes that tightening financial markets, client dissension and culture
in 1986, its stock prices fell. Bates lost several major clients, taking $240 million in annual billings away, including accounts like Colgate-Palmolive, Warner-Lambert and General Foods (Dugas and Melcher, 1986). Although Saatchi has generally been successful at making its acquisitions more efficient, Bates already had exceptional profit margins. Critics wondered how Saatchi would be able to improve profitability. Furthermore, many argued that the $450 million that Saatchi and Saatchi paid for Bates was inflated (Dugas and Melcher, 1986). Burdened with a high debt, Saatchi has had to sell off a number of its interests in the 1990s. Charles Saatchi, one of the largest purveyors of contemporary pop art in New York in the early 1990s, has been selling his collection of pop art work by Warhol, Lichtenstein and Rauschenberg to raise money for the agency (Vogel, New York Times, November 18, 1992: C19).

Despite these limitations however, acquisitions continue. In the 1990s transnationalization seems to have slowed, but not halted. Clients are increasingly reevaluating their position on client conflicts because there are relatively few conflict-free multinational advertising agencies to choose from (WPP Annual Report, 1990). In many cases they are relaxing former rules about client conflicts. This points to a loosening of the traditional client conflict guidelines that characterized the industry during Fordism.

2.6 Alternatives to mergers

Many argue that while the 1980s were characterized by acquisitions and mergers, the 1990s may see the growth of equity affiliation among agencies in different countries (Rothenberg, New York Times, April 18, 1990). Increasingly, agencies are "melding" or forming strategic alliances with other agencies (Patterson in Rothenberg, New York Times, April 18, 1990). In 1990, the U.S.-based Wells Rich and Greene melded with the BDDP Group, a French advertising company that is also privately owned. Wells sold 40 percent of its shares to BDDP, and Wells managers took a minority interest in the French company (Rothenberg, New York Times, April 18, 1990). Similarly, in 1989, Foote, Cone and Belding in Chicago completed an exchange of equity shares with the French Company Publicis S.A.

Charles Peebler, chief executive of Bozell notes, "You're seeing agencies that for whatever reason don't want to sell, but still need the benefits that would come from a sale, in terms of a resource base and capabilities. The alternative to a sale is strategic alliance" (in Rothenberg, New York Times, April 18, 1990). Bozell has pursued an aggressive international expansion and most of its deals have involved minority acquisitions in other agencies, which are also allowed to buy shares in Bozell. This allows a more flexible and "trial" partnership. Strategic alliances become increasingly common as it is increasingly

51. Melding is defined as "something short of a merger". It includes partial ownership or exchange of shares or joint ventures rather than acquisitions/mergers.
difficult for agencies to access the financial resources necessary for agency acquisitions.52

In addition to acquiring minority shares, agencies are also creating third agencies out of strategic alliances; for example, Young and Rubicam and Dentsu both own 50 percent of Dentsu/Young and Rubicam partnerships (Advertising Age, April 13, 1992). This partnership operates separately from the two agencies, building upon Y&R's U.S. resources and Dentsu's Asian strength. This amalgamated group has offices in Asia, the United States, Australia, and New Zealand. Its network totals 28 offices in 12 countries (Dentsu Annual Report, 1991-1992: 9).

Strategic alliances may increasingly involve other business and communications services; for example, the Interpublic Group is currently evaluating the possibilities of generating outside strategic alliances with other services to encourage new solutions and new approaches (Interpublic Group of Companies Annual Report, 1992). The decline of media advertising is one reason for the desire to integrate with other communications sectors. It is also a major motivation behind many of the acquisitions of holding companies in the 1980s.

52. When BBDO entered Europe in the late 1960s and 1970s, it lacked the resources necessary to make acquisitions, and thus began by making minority acquisitions of agencies across Europe. This strategy allowed BBDO to claim an international reach when it went public in 1973, an act which then gave it access to the capital necessary to take majority stakes in its agencies and make full acquisitions (Rothenberg, New York Times, April 18, 1990).
2.7 The Decline of Media Advertising

Both the transnationalization of advertising agencies, and the wave of mergers and acquisitions are linked to a decline in media advertising. Media advertising, including television, print and radio, has traditionally been the dominant form of advertising. It constitutes the most reliable means of reaching mass markets at the greatest speed and at the lowest cost. Agencies argue that it forms the best way of building and maintaining "brand identity".

The United States makes up approximately 49 percent of the worldwide market for media advertising, and the U.S., United Kingdom, Japan and Australia combined account for 70 percent of worldwide media advertising expenditure (WPP Annual Report, 1991). While media advertising grew in double digit increments throughout the 1980s, this growth slowed in the late 1980s and 1990s, with only 5 percent growth in 1990 (WPP Annual Report, 1990). Furthermore, media advertising is currently growing at a faster rate outside the United States (WPP Annual Report, 1990). This is due to the fact that prior media advertising levels were low in these countries. Media deregulation has also stimulated primary demand for TV advertising (WPP Annual Report, 1990). This has been reflected by particularly high rates of growth in Europe.

While U.S. media advertising expenditures have grown in absolute terms, in relative terms, the share of media advertising has been declining since 1976 (Shergill, International Journal of Advertising, 1993: 95). In the 1970s, media advertising in the U.S. accounted for 42 percent of all advertising spending, while
in 1991 it accounted for only 25 percent (Shergill, 1993: 95, See also Lipman, Wall Street Journal, December 9, 1991: B1). At the same time, consumer and trade promotions, direct mail, telemarketing, point-of-sale advertising, event sponsorships and public relations have all grown in importance.

Non-media advertising grew faster than media advertising throughout the world during the 1980s (WPP Annual Report, 1992). Clients now rely on a mix of media and non-media advertising, with a greater emphasis on more targeted approaches such as direct mail and sales promotion (Spethmann, Adweek, April 5, 1993: 9). As one agency owner notes,

Agencies are going through a big change now in how they work. One big trend is the move away from big budgets and media advertising to do a lot of lower budget sales promotions, direct response. I think that part is the expense thing, that radio and television are so expensive and the other part of it is measurability. It is easier to measure direct sales effects. To go back to media advertising, the role is to set the umbrella for the brand. It is not the work-horse anymore (See Table 3.9).

In the United States, annual receipts for advertising agencies grew 72.5 percent from 1982 to 1987, a significantly higher rate than for other business services (Census of Service Industries, 1987). On the other hand, direct mail advertising grew 135.2 percent and specialty advertising services, including handbill distribution, samples distribution and transit advertising grew 123.5 percent (Census of Service Industries, 1987).  

53. Advertising executives warn that the shift away from media advertising has long term affects on a brand's image and equity (Shergill, International Journal of Advertising, 12, 1993: 96).

54. The development of computer technology, and mailing and telemarketing techniques aided in the growth of non-media advertising. This tendency away from media advertising is felt more in non-package goods sectors. Package goods companies
Network television has historically focused on selling space to large national brands who could afford the high-cost and high-reach medium. With the proliferation of television channels, this selling strategy has reached its limits. Many advertisers are attempting to buy more targeted media advertising or other forms of promotion. In addition, the growth of niche brands and line extensions demand new marketing avenues. Niche brands have a smaller and often more locally concentrated markets. They do not sell uniformly across the nation. Sales for specialty items may be more concentrated in particular urban areas or regions. In addition, in the 1970s, two-thirds of all successful brands were line extensions, and since 1987, 70 percent of all new brands were line extensions (Shergill, *International Journal of Advertising*, 12, 1993: 104). Line extensions do not require the same intensity of advertising that new products do.

Another reason for the decline of spending on media advertising relates to the fact that brand images, like products, have life cycles. Large scale television or newspaper advertisements are particularly important at the introduction of increased their overall media spending by approximately 12.5 percent from 1989 to 1990, against a much lower market average (WPP Annual Report, 1990).

55. There have also been changes within the media landscape. Two-thirds of all U.S. households now subscribe to cable, leaving the network stations with smaller audiences. The three network's share of total viewing in the United States fell from 65 percent in 1985 to approximately 52 percent in 1992, while cable increased their share in the same period from 10 to 25 percent. Fox grew from 0 to 10 percent (WPP Annual Report, 1993). With viewer fragmentation, companies have been forced to place advertising on a wider array of channels. There has been a parallel expansion in the number of magazines and consumer publications (WPP Annual Report, 1993).
a product's brand image. Media advertising, especially television, is particularly suited to building awareness and an identity for a brand. The massive media advertising investments made by U.S. companies in the 1960s and 1970s have lent some products mature brand images (Shergill, *International Journal of Advertising*, 12, 1993: 113). Once consumers are familiar with a brand's identity, they frequently only need a quick reminder that the brand is still available. This can be accomplished through less sophisticated non-media advertising such as flyers or in-store promotion. In the 1980s, many brands no longer require extensive media advertising, but demand a wider promotional mix.

The decline of media advertising has affected agencies dramatically; WPP, for instance notes that its media advertising and public relations firms have been most affected by the recession. In contrast, its strategic marketing services, market research firms, design services, sales promotion, audio-visual companies and specialist communications companies (such as direct marketing and healthcare marketing) continue to perform well (WPP Annual Report, 1990, 1991).

Agencies have responded to the decline of traditional forms of advertising in two ways. The first is to attempt to convince clients to increase their media expenditures. An emphasis on quality and the construction of an image of quality through

56. WPP maintains that, "the need to add value has been reinforced by clients' espousal during the 1980s of 'low-cost producer' strategies, reducing headcounts and generally forcing themselves to become lean and mean. However, there is a limit to how much cost can be cut before product quality is jeopardized. On the other hand, in theory at least, revenues and margins can be increased indefinitely by adding value. As a result, we expect to see increased spending on brand development" (WPP Annual Report, 1990).
branding is seen as the best way to compete with other producers. Agencies have also argued that media advertising is the best "weapon" in client's struggle against retailers. Because media advertising is seen as the most "creative" form of advertising, imparting visual and/or textual messages in a powerful and emotional medium, it is seen as the best way to build "brand loyalty". 57 Kenneth Rogers, President and CEO of Backer Spielvogel Bates notes, "The manufacturer tries to design something into the product to convince you that you shouldn't be switched by the activity of retailing. But the retailer is the last one you hear from" (in BSB, "The Challenge of Managing Brand Equity", 1992). WPP argues that this needs to be addressed through increased spending on marketing services, particularly media advertising. 58 Clearly, the advertising industry sees cause for concern in the fact that the main terrain of their reaching consumers: the home, is being increasingly supplanted by the influence of retailers. 59 Media advertising is seen as one way to

57. In contrast, promotional, direct mail or point-of-sale advertising is viewed as mundane and factual. Within advertising there is a hierarchy and creatives accustomed to working on media advertising such as television or print, see themselves as above these other forms of publicity.

58. WPP notes "The consumer is visiting stores more frequently and making more impulse or unplanned purchases. Retail stores, such as supermarkets, are growing in size, stocking more goods, installing scanning equipment, increasing opening hours, and larger stores are increasingly dominating the market. In the background, network television audiences continue to decline and the proportion of women working has steadily risen" (WPP Annual Report, 1990: 20-21).

59. The combination of scanning technology and computerized distribution systems have resulted in 'slotting allowances' where retailers ask fees from manufacturers for stocking their products. Scanning technology also enables retailers to build a database of its customers, lending them some degree of power. In addition, retailers are creating their own more profitable private label brands and discounting national brands (WPP Annual
convince consumers of the merits of a particular product, so that they won't be persuaded differently by the retail environment. A second response to the decline of media advertising has been for agencies to expand their offerings to include non-media forms of advertising, and develop concepts such as "integrated communications" to persuade clients that they need to purchase all forms of advertising under one roof.

2.8 Integrated Communications Conglomerates

As a response to the decline of media advertising, agencies have increased their acquisitions of non-advertising services, in the hope of expanding their communications range. Along with mergers and acquisitions of other agencies, advertising agencies have annexed a wide range of other communications companies, public relations firms, "identity management firms", architectural firms, design services, and research companies.60

The advertising industry has become more vertically integrated with the design and communications sectors in an effort to offer a more integrated image management. As one WPP executive puts it,

the consumer does not differentiate between advertising and sales promotion, between direct marketing and PR. To the

Report, 1990). All of these changes pose significant difficulties for the industry and have made it restructure its operations, placing a greater emphasis on in-store operations, promotions, and event advertising.

60. This parallels the experience of other business services in the 1980s. Large business service firms in the relatively slower growing areas of auditing and advertising, sought to diversify their holdings into faster growing producer service areas such as public relations, direct marketing, specialty advertising services, management consulting and computer software services (Noyelle, 1991: 180).
consumer, they are all advertising, and we should always bear this in mind whenever we are communicating with consumers, or indeed the trade (Bantick in WPP Annual Report, 1993).

Kouichi Segawa, director of overseas operations Planning Division of Dentsu, Japan recently argued,

Our concept of a communications service company outside Japan is a little different from the usual pattern of Western-style agency. (Services) could include sports events, designing restaurants, showrooms, space planning, corporate identity, packaging and product design and so on (in Kilburn, Advertising Age, September 7, 1992. Emphasis mine).

Dentsu advertises itself as "Total Communications" company (Dentsu Annual Report 1991-1992). A recent trade advertisement for the agency reads, "Ad agencies make ads, right? Well yes. But at Dentsu, advertising is just one of the many hues that a client's marketing mix can take here in Japan" (in Variety November 22, 1993). Dentsu has been involved in organizing sponsorships for the Olympics in Barcelona, for Festival Japan in Britain, the Universal Exposition Seville, as well as several art exhibitions and symphony concerts (Dentsu Annual Report, 1991-1992).

In 1991, Dentsu implemented major structural revisions in order to increase the share of total sales from sales promotions, which the agency believes are of comparable importance as the mass media (Dentsu Annual Report, 1991). To reach this goal, Dentsu established the U.S. Nova Promotion Group, a wholly-owned sales promotion firm. This company supplies clients with a unique

61. Dentsu's vertical integration parallels other Japanese service companies which have diversified. A key example of a Japanese service conglomerate is the Japanese trading company. The sogo shosho encompasses shipping, real estate, hotels, restaurant management, plant construction, engineering and finance (UN, 1989: 3).

Dentsu also operates the Dentsu Global Environmental Project which collects and analyzes information concerning the environmental movement and "green marketing".63 Dentsu has also diversified its operations into visual software and is involved in planning and producing software for films. In addition, Dentsu PROX Inc. is Japan's oldest film and video production company, whose current production services include large scale audio-visuals for large scale expositions, theme parks and resort facilities, TV programs, commercials, computer graphics, game software, concerts, museums and theaters. The agency also owns a handful of specialized design firms, outdoor advertising firms, direct marketing and market research companies. Dentsu Eye Inc. in Tokyo is a specialty advertising company staffed almost entirely with female communications professionals (Dentsu Annual Report, 1991-1992). This agency was established out of the recognition that advertising needs to be more sensitive to female consumers and that female advertising professionals may be better suited to accomplish this task. The agency also has its hands in real estate, insurance and property management (Dentsu Kosan Co.) and a think tank monitoring changes in social values (Dentsu

62. The agency advertises, "Dentsu has continued to reach beyond advertising into corporate communications needs and sports business, developing a global network of support services" (Dentsu Annual Report, 1991-1992).

Institute for Human Studies. The case of Dentsu exemplifies the growing links between the advertising, the entertainment industry and other producer service firms.

It is clear that U.S. and European agencies have moved toward this model of integrated communications provision. Grey Advertising, for instance, owns Grey Entertainment and Media, which does entertainment and communications advertising for major motion pictures, radio stations, TV networks, cable companies, publishers, and sports networks. The Beaumont Group is a full-service sales promotion company, including strategic promotional planning, refund offers, sweepstakes premiums, point-of-purchase advertising, catalogues, trade advertising, incentive programs and exhibitions (Grey at 75 in Advertising Age, 1992). Grey's Annual Report notes,

The power of partnership at Grey begins with a fundamental commitment to helping our clients' brands grow. A decade ago, as the rising of competing messages began to impede that effort, we turned to integrated communications - the synergy of all the communications disciplines speaking with one voice - for added fire power (Grey Annual Report, 1991).

Similarly, Saatchi and Saatchi owns an array of public relations companies, management consulting firms, a pan-European media buying company (Zenith Media), direct marketing services, an in-store marketing company, a Hispanic advertising firm, a corporate identity company, two market research companies (National Research Group and Yankelovich Clancy Shulman) and a survey research company for the movie and television industries (Saatchi and Saatchi Annual Report, 1991, 1992). Hudson Street

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64. A joint venture with General Electric Co. is aimed at providing a range of information services within a global telecommunications network (Dentsu Annual Report, 1991-1992).
Partners, a unit of Saatchi and Saatchi, specializes the production of longer forms of television advertising, including "infomercials" (Saatchi and Saatchi, 1992). One employee described Saatchi as a "one stop shopping empire".

Young and Rubicam, based in New York, operates five main divisions: Young and Rubicam Advertising, Wunderman Cato Johnson (action marketing, direct marketing and sales promotion), Landor Associates (design, corporate and product identity management), Sudler & Hennessey (healthcare communications) and Burson-Marsteller (public relations) (Young and Rubicam Facts and Figures, 1992: 1). These networks are global in their scope of influence; for example, Burson-Marsteller, headquartered in New York, is the largest PR firm in the world with 64 offices in 29 countries (Young and Rubicam Facts and Figures, 1992) 65. The role of Burson-Marsteller in Young and Rubicam's overall ranking has been dramatic. In 1989, for example, it raised the agency's overall ranking from 4 to 1 (Table 3.10).

The Interpublic Group of Companies is currently evaluating new ways of assisting clients in sales promotion and event marketing through outside alliances, as well as internal resources, in order to facilitate more "integrated programs" projecting a "unified creative theme and image across the full range of communications outlets" (Interpublic Annual Report, 1992: 3). Interpublic also owns a company called Quest and

65. The PR firm, Burson Marsteller, has gained much attention for its work for transnational corporations from Brazil to British Columbia. Burson-Marsteller has had clients such as The British Columbia Forest Industry (in its conflict in Clayoquot Sound), Union Carbide in Bhopal, Babcock and Wilcox at Three Mile Island, and the Mexican Government in the North America Free Trade Negotiations (Nelson, 1993: 1).
Associates which is a futures think tank formed in 1989 "to explore trends and developments, develop new marketing and communications paradigms, assess consumer values, attitudes and behavior..." (Interpublic Annual Report, 1992: 10). In 1993, Interpublic's EC Television division acquired a minority shareholding in Atlantis Films of Toronto, a distributor and producer of television programming, and entered into a joint venture with Brockway Direct Response Television to produce and distribute infomercials (Interpublic Annual Report, 1993: 2).

It is clear that all global agencies have been moving towards vertical integration. However, integration is not limited to large agencies. Even smaller and mid-sized agencies have become integrated communications companies or formed partnerships with other service companies (Miller and Leonard Brochure, 1991, Palmer Jarvis Brochure, 1991). As one small agency owner in Canada indicated,

the word advertising is a bit of a misnomer. We should be called a communications company of which advertising is just a part. There should be advertising, public relations, sales

66. As evidence of the agencies diversification, Interpublic acquired the rights from CBS to produce local programs based on the sitcom, The Honeymooners (Interpublic Annual Report, 1993). The first production was in Portugal and was a ratings success. The expansion of advertising agencies into television programming illustrates that the links between advertising and programming/culture are becoming ever tighter.

67. For example, Omnicom has a Diversified Agency Services unit incorporating numerous direct marketing, design companies, healthcare agencies, sales promotion and point-of-sale companies, package design, corporate identity and recruitment and other specialty advertising and marketing services. This unit operates in both the United States and internationally (Omnicom Annual Report, 1991). Ogilvy and Mather calls its integrated approach "Orchestration", Young and Rubicam advocates the "Whole Egg" approach, Leo Burnett has the Integrated Planning and Communications (IPAC) concept and DDB Needham refers to its system as "clustering" (Medcalf, Marketing, 1993: 16).
promotions and general communications consulting. We get into the strangest things at times, everything from plant site selection to speech writing, to crisis management to things like... for instance we had recently a company that was closing a plant here and it was keeping a plant open in another part of the province. The plant here was union. The other plant was non-union and how do you deal with the media? How do you keep the thing from blowing up in everyone's face? But we did that. We kept it very low profile, kept everything subdued and it went off without a hitch (Source: 1991 Interview).

With the convergence of the telecommunications, entertainment and computer industries, agencies are seeking to broaden their offerings. Even small and medium-sized agencies have expanded their range. The advertising industry is involved in a plethora of image management functions and has greatly expanded its role in mediating economic and cultural crises. Another executive in a mid-sized Canadian agency notes,

The realities of the business as you probably know are that the proportion of marketing revenues going into advertising in the traditional sense are declining. Therefore we've expanded to a lot of peripheral services. Within this building we have a pharmaceutical specialty advertising agency, we have a print production studio, we have a yellow pages and recruitment advertising service, we have a direct marketing firm, a public relations company, a promotions company...(Source: Interviews).

Perhaps the most integrated company, WPP Group, has holdings which range from ethnic marketing companies to an architectural firm specializing in the design of shopping malls.68 The companies' holdings can be divided into six service categories (Table 3.11). Among some of the companies it has acquired are firms specializing in Futures Research, pan-European marketing, corporate identity, video production, sales promotion, retail architecture, retail graphics, international architecture, design

68. WPP also owns a company which manufactures plastic coated wire products, cookware and tableware, laboratory equipment, and shop-fitting equipment.
firms, computing and database products, and telemarketing. In addition to its manufacturing and service activities, the Group also operates "Group initiatives" or strategic alliances between its companies, in the areas of media buying and healthcare marketing (WPP Annual Report, 1992).69

The ultimate aim of persuading advertising clients to purchase and integrate the full range of communications services is still a long way off. Nevertheless, by 1990, WPP had 830 clients using two or more of its services sectors. This opportunity for cross-referral among services has grown rapidly (Table 3.12). Cross-referrals accounted for 18 percent of all new business revenues and thus constitute an important means of increasing revenues in a time of recession (WPP Annual Report, 1990).70 WPP believes that clients will increasingly look for some form of integration of the marketing services they use (WPP Annual Report, 1991).71

69. The CommonHealth is a strategic alliance between WPP Group companies, launched in 1992 to offer clients a comprehensive range of specialist skills in healthcare marketing. The Media Partnership was created to enable agencies within the WPP Group and the Omnicom Group to combine their media buying powers and offer clients the joint benefits of volume negotiations, strategic media planning and research (WPP Annual Report, 1992). The Media Partnership is the largest media buying company in Europe under advertising ownership (WPP Annual Report, 1992). This indicates that the role of holding companies is increasingly becoming more than just financial.

70. In 1992, Saatchi and Saatchi worked with 220 clients in three or more of its service lines, including clients such as British Airways, Gillette and Johnson and Johnson (Saatchi and Saatchi, 1992). Young and Rubicam has also been very successful at generating cross-referrals from one discipline to another, with 220 accounts using more than one service (Luaire, International Advertiser, May-June, 1989: 18).

71. However, there are limits to cross-referrals as the 1992 data indicates.
Although there is evidence that global agencies are becoming more vertically integrated, there are differences in approach. Leo Burnett has restructured its operations so that global clients work with one account director who coordinates all aspects of the communications package. This has not been successful in all cases, however, especially when the client's own structure does not accommodate this level of coordination (Medcalf, Marketing, September 20, 1993: 16). If the client's advertising is the responsibility of the director of marketing, and sales promotion is left to brand managers, it can be difficult to facilitate integration.

In contrast to Leo Burnett's integrated planning system, DDB Needham, while convincing clients to use a range of its services, sees these as operating separately. Its approach is referred to as "clustering". Clients are encouraged to create their own customized cluster from a range of its service "pods". The agency merely oversees the operations of these pods to ensure consistency. According to DDB Needham's CEO, in the past "it was really the client's job to organize themselves to fit the agency's way of doing business. We now approach it the other way. Our job is to continually reorganize to fit the client" (in Medcalf, Marketing, September 20, 1993: 18). This poses may questions for the advertising industry of how to organize, maintain and structure this total communications system.

72. There has however been some resistance to this organization. Agency cultures tend to view advertising vehicles in a social order with media advertising at the top as the most creative. They are reluctant to see greater integration between these vehicles.
One response to the decline of media advertising and the crisis of the advertising industry has been to expand the range of services offered by agencies. The growing control and coordination of messages in all mediums raises important questions about the growing power and influence of agencies. The integration of advertising with other communications services also signals a blurring between advertising and other forms of publicity.

2.9 Geographic Agglomeration in Global Cities: the Case of New York

The restructuring and internationalization of agencies is related to new geographical patterns. Like other producer services, the reorganization of advertising has been accompanied by a spatial concentration in global cities. Alongside the internationalization of the economy and the decline of the nation state as an economic unit, global cities such as New York, London and Tokyo, boomed in the 1980s as centres of management and servicing functions (Sassen, 1991). The combination of spatial dispersal and global integration has created a new strategic role for cities serving as control nodes, as prime locations for finance and specialized service firms (Sassen, 1991: 1). Lash and Urry (1994), for example, illustrate how the globalization of finance rests upon particular localizations, with London acting as a setting for localized innovation and interaction in financial services (Lash and Urry, 1994).

Within this frame, a few large cities have become quaternary control points for information pertaining to the global economy
and a new category of professionals has emerged, including international lawyers, multinational tax accountants and global advertising executives. As these activities multiply, the traditional regional urban hierarchy based on manufacturing and personal services, is increasingly being replaced by a global hierarchy heavily determined by the location of circulation and producer services (Albertsen, 1990).

In terms of advertising, New York dominates the world advertising industry. 454 Manhattan-based headquarters are on the U.S. stock exchanges, or about one-thirteenth of publicly owned corporations in the U.S. (Castells, 1991: 341). Despite the fact that New York City continued to lose corporate headquarters throughout the 1980s, the number and employment in firms servicing such headquarters kept growing rapidly (Sassen, 1991: 104). This indicates that there are other important reasons for agencies to agglomerate in New York such as concentrations of telecommunications facilities. In 1984, New York had one-third of all fiber optic networks in the United States. New York's teleport is one of the most advanced, along with Tokyo's (Sassen, 1991: 190, Castells, 1991). Intelligent buildings with built-in

73. Large firms and large cities are likely to be the beneficiaries of market expansion in Europe, leading to increased uneven development. In terms of financial services, Lash and Urry (1994: 291) argue that London will sustain its position as the premier financial center for Europe, followed by Paris, Frankfurt, Amsterdam, Milan, Madrid and Brussels. The erosion of trade barriers and the nature of Europe-wide corporate and business service agendas will potentially increase regional inequalities. The case of advertising services seems to point in a similar direction as revealed by the tendency to coordinate pan-European strategies from London, Brussels and Paris.

74. In terms of shipping data by Federal Express, New York sends out 14 percent of all overnight packages in the U.S., more double the number sent out by the next largest information city, Los Angeles (Wheeler and Mitchelson, 1991: 40).
telecommunications facilities also lead to the concentration in global cities such as New York (Castells, 1991). 75

New York is highly dependent on producer services. Half of the gross city product originates from its advanced corporate service firms (Mollenkopf and Castells, 1991: 6). 76 Advertising is very important to the New York economy. Although exaggerated, Jack Avrett head of the advertising agency Avrett, Free and Ginsberg claims "We're the third largest employer in the city if you include all the related communications fields, the media and the suppliers as well as the agencies, all interdepending on each other" (in Savan, Village Voice, 1994: 52). 77

There is an interchange among professional occupations in New York. A large number of those employed in the advertising industry (roughly half of those whom I interviewed in 1992) have previously been employed in New York on the client side, in fields such as publishing, public relations, accounting, or in

75. New York is thus a nerve center for global capitalism, but it is also a "dual city" with high levels of polarization and poverty (Mollenkopf and Castells, 1991).

76. Between 1978 and 1986, New York gained about 118,000 new jobs in financial services, accounting for about one-third of all new jobs in the city (Castells, 1991: 342). Of all upper professionals in New York, approximately 34.4 percent work in financial and business services with the remaining professionals employed in the corporate sector, communications and culture, civic and human capital services (Brint, 1991: 15). According to Brint, 5.6 percent of those working in financial and business services are employed in advertising (Brint, 1991: 159).

77. Six of the largest eight accounting firms, 6 of the world's 10 largest advertising agencies are headquartered in New York. In addition, a third of all U.S. law firms with over 100 members are located in New York. While only one-fifth of these have foreign offices, half of these are headquartered in New York. One-third of U.S. banking assets are in New York and a quarter of all U.S. securities firms employing more than 50 people were located in the city (Mollenkopf and Castells, 1991: 7).
cultural industries such as theatre and design. Of the 47 people interviewed in New York, five had backgrounds in publishing, three had worked on the client side, three in theatre, three in market research companies, two in design firms, and two had been employed in some aspect of marketing for department stores in the city. Two had been academics prior to working in the industry, while one had worked for an international public relations firm and one had worked for an accounting firm. The remaining 26 had always worked in advertising. Interviews with employees suggest that a considerable number of executives, particularly men, left advertising in the 1980s to join stockbroking and securities firms where the financial rewards seemed more promising. In this sense, producer services firms appear to constitute a single, porous labour market.

There are other types of interaction between producer service firms. The literature on the advertising industry has tended to focus on goods-producing clients. However, service firms are increasingly becoming important clients for agencies. Many of the account managers interviewed listed large financial service companies, stockbroking firms, temporary help agencies, banks, and accounting firms as their principal clients. These types of service firms tend to be headquartered in New York.

Globally, New York and Tokyo are the international centers of advertising. In 1991, Tokyo overtook New York as the largest center of advertising in terms of billings, but by 1992 Madison Avenue regained its edge (Advertising Age April 14, 1993: 1)\(^{78}\)

\(^{78}\) The recession in Japan is one factor accounting for the decline of Tokyo's advertising billings. In 1992, Tokyo agencies faced negligible rates of growth of only 0.7 percent, due to the intensifying recession in Japan. Agency activity was also flat in
(Table 3.13). In light of the fact that the United States is still the home of the majority of global agencies, and a large proportion of world advertising spending, it is likely that global advertising campaigns, concepts and strategies will continue to be orchestrated from New York (Noyelle and Dutka, 1988: 100). 79 In fact, it has been suggested that the New York figures underrepresent the degree of advertising activity in the New York area, as they do not include agencies in Northern New Jersey and Coastal Connecticut which are important advertising regions, ranking 11th and 13th in the United States in terms of advertising billings if viewed as single cities (Advertising Age, April 14, 1993: 1). British and Japanese firms continue to be significant on a world scale, however, making London and Tokyo important centers. 80 Measured in terms of billings, other international centers of advertising include Paris, Madrid, Milan, Frankfurt, Duesseldorf, Sydney, Toronto and Amsterdam (Table 3.14).

In the United States, 43 percent of all agency activity measured by billings accrues to New York agencies, far

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79. The U.S. still remains the world's largest advertising market, although the profit geographies of global advertising agencies have been shifting away from centers such as New York and London towards South East Asia and other markets (Banerjee, 1994: 111).

80. British and Japanese national advertising industries are highly concentrated in London and Tokyo, compared to the United States where there are important secondary centers of advertising such as Chicago and L.A. Chicago as a major agro-industrial complex, was an important advertising center, although its fate is now highly tied to the profitability of one agency: Leo Burnett.
outweighing the next largest centers of advertising, Chicago and Los Angeles (*Advertising Age*, April 14, 1993: 1)\(^81\) (Table 3.14). While there has been some growth of agencies on the West Coast, New York's national dominance has grown in recent years (*Advertising Age*, April 14, 1993: 1). Smaller regional centers in the U.S. suffered in the 1980s as a result of the increasing concentration of the industry, and the tendency to cut back at regional offices. One art director who left Los Angeles to come to New York commented, "in the early 1980s there were no jobs and in New York there were lots of jobs. There are much bigger companies here. It's a very tough market because of its size. New York can take a beating because of its size. Also branch offices are scaling down". By comparison, the L.A. advertising industry is far more focussed around a few commodities such as automobiles and sportswear, and therefore more vulnerable. New York is a key center of advertising not only because of the location of headquarters, but also because of the size, diversity and importance of its consumer market.

Like other producer services, the advertising industry has always depended on a high degree of concentration. Sharing of key inputs and services is crucial, as is face-to-face contact with clients and competitors. The highly competitive nature of the industry has made geographic proximity important. John Rindlaub, Senior Vice president at Young and Rubicam, New York argues, "I

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\(^81\) Historically, advertising agencies were more decentralized in terms of their headquarters. Chicago was at one time an important center of advertising, but agencies such as Dancer Fitzgerald Sample (later to merge with Saatchi and Saatchi in 1987), moved to New York in the 1940s to be closer to the burgeoning television industry (Saatchi and Saatchi, 1992).
think we lose something larger when an industry loses its physical locus in a city. You lose something when you're not surrounded by your competitors" (in Rothenberg, New York Times, February 2, 1989: D1).\textsuperscript{82} Advertising is also characterized by an extremely high level of employee movement between agencies, generating a competitive local labour market. Approximately two-thirds of those interviewed in advertising had worked at two or more agencies.

It is often important that clients be in the same city as their lead agency. In one case, a respondent noted "the client bugs us everyday. They are constantly arranging meetings and that's good and bad. It's good because we have a good relationship with them. It's bad because we are always so busy". Face-to-face contact is not only essential with clients, but also with the media. Advertising requires daily person-to-person contacts with publishers, television and radio studios. The media have to sell themselves to advertising agencies in the same way that agencies sell their agency "brand" to clients. Media representatives make regular visits to agencies' media planning departments, attempting to persuade them to buy advertising space. One media planner notes,

\begin{quote}
It's very lively. We're in and out all day because we're the people dealing with the sales reps (from the media) on a day-to-day basis. I mean we're in and out and they're always coming over to give you gifts. You get little kites and stuff. They take you out for lunches. They try to become your friends. You become friends. It's all a political game you have to play.
\end{quote}

\textsuperscript{82} Another executive reiterates this view, "It's probably the most free enterprise of all industries. I wear a bullet proof vest and then go out and chase their business. It's a highly competitive business".
These dealings between the media and agencies require by their very nature personal contacts.83

Proximity also enables joint production of certain service offerings (Sassen, 1991: 11). Agencies need to be close to production facilities, design, print and graphics shops, the mass media and other cultural industries. Global cities like New York, London and Tokyo, are not only major financial centers, but also important nodes of information, knowledge and culture. Proximity to other cultural and design industries is extremely important in the case of advertising, which requires much research on artistic and social trends.

Not only is the industry spatially concentrated in global cities, but within these cities, it is also highly focussed on a few city blocks.84 Just as the stock market in New York is synonymous with the geographically compressed area of Wall Street, so too "Madison Avenue" is used to signify the entire American advertising industry.85 Since the turn of the century, advertising agencies have been concentrated in Midtown Manhattan.86 By the 1950s the association between advertising and

83. This is particularly the case when there are a range of similar vehicles (magazines or television programs) that deliver similar audiences of comparable size. In these cases, personal relationships might be the determining factor in the choice of a media outlet.

84. Like law firms and other producer services, advertising displays an extremely high degree of spatial agglomeration.

85. The term "Madison Avenue" as a reference to the U.S. advertising industry originated around 1923 and by the late 1920s the term was prevalent in trade discourse (Rothenberg, New York Times, February 2, 1989: D1). By the late 1920s the industry was spatially concentrated in this area.

86. With respect to the clustering of financial services in London, Lash and Urry (1994: 287) note, "it was spatial proximity which helped to sustain trust. Everyone was within walking
Madison Avenue was so strong that one advertising executive recalls that the move of the Erwin Wasey agency from Madison Avenue to Third Avenue "was considered a daring move, a landmark" (Spielvogel in Rothenberg, New York Times, February 2, 1989: D1). Shifts west of Fifth Avenue (the dividing line between East and West in Manhattan) had a negative impact on client relations and employees. When Ted Bates Worldwide moved to 49th and Broadway (on the West Side) about 20 years ago, they lost business and when N W Ayer moved to 6th Avenue in 1967, "No one wanted to work there" (Louis Hagopion, Chairperson of Ayer in Rothenberg, New York Times, February 2, 1989: D1). A prestigious location is important not only to clients, but also to employees in an ephemeral image-based industry like advertising. The techniques, methods and styles of American advertising have been internationally hegemonic and are replicated throughout the world. It is interesting to note that the process of creating advertisements themselves has become synonymous with place (Madison Avenue). While few agencies are actually on Madison distance and this was not just convenient but ensured control. It was also a place with a very strong conception of time, with enormously powerful 'invented traditions'. These were traditions of a financial aristocracy, of Englishness and of male clubbiness. What had developed since the coffee houses of the eighteenth century was a unique space suffused with power and tradition". Because it was a unique place, London became the location for financial markets in the 1980s. Paradoxically however, the growth of these markets began to dissolve this sense of place as the spatial form of the city began to change with the development of Canary Wharf.

87. Global cities are themselves sites for global advertising. In Times Square, New York, U.S. marketers such as Pepsi, display their logos alongside Asian manufacturers such as Samsung in this international advertising space. Companies argue that to have one's name or image on a Times Square Billboard is tantamount to advertising to local, national and international audiences simultaneously. For Valerie De Witt, V.P. media director at
Avenue today, most are clustered in a very dense area in Midtown Manhattan between 34th Street and 58th Street (Figure 3.1).88 While the downtown area of Manhattan is the main financial center, Midtown is the home of the majority of corporate headquarters, as well as the fashion industry and the media, including publishing, television, theatre and music.

Despite this tendency towards concentration, the location of business services is subject to certain pressures (Daniels, 1993). The growth of professional occupations in New York in the 1980s contributed to rising real estate costs and gentrification.89 As a result, the advertising industry has faced increased operating costs. Numerous respondents noted that agencies are subletting several floors of their buildings or portions of their rental spaces to other producer service firms in order to show higher profits and increase cash flow. In 1992, WPP saved $1.2 million through the sublet of two floors in its DeWitt Media.

DeWitt Media, Times Square is "like an axis on a globe" with a potential to reach diverse audiences from around the world. An estimated 750,000 people pass through Times Square every day and advertisers gain additional exposure through images of Times Square replicated in film, TV or postcards (Davis, Advertising Age, December 14, 1992: 12). Times Square is viewed more as an international space than as a New York market, according to Jason Perline, chairperson at Van Wagner Outdoor Advertising which owns a majority of outdoor space in the Square.

88. In 1989, only two of the nation's 16 largest agencies were located on Madison Avenue (Young and Rubicam and DDB Needham) (Rothenberg, New York Times, February 2, 1989: D1). Over time, there has been a tendency to move off Madison Avenue where rents are very high. A significant number of agencies are still on Madison Avenue, however, as evidenced by the map.

89. The development of Battery Park City, in a relatively unfashionable part of Manhattan, but offering competitive rents, is a response to rising office rents in the City and is indicative of a wider process of locational change in New York.

Spiralling office rents in the 1980s caused many agencies to move to Manhattan's West Side or "downtown" to cheaper locations, such as the gentrifying areas of SoHo, Greenwich Village and the Flat Iron District. Smaller creative agencies (often referred to as "boutiques") were the first to make the move, but they were soon followed by larger agencies. New creative boutiques desire a more alternative/artistic reputation so they moved to SoHo. One agency owner noted,

We were the first small agency to move to SoHo but we knew it had to keep moving further downtown and that this was a trendy place and that it was just a question of time. It was because of cost but also because we all lived down here and this was our neighbourhood. So we felt more comfortable here and we are more downtown people. We are not corporate folk. For the kind of accounts we have, this is perfect. If we had more package goods accounts, more mainstream, it would be difficult.

90. The Flat Iron District around 23rd Street, is also the centre of the photography industry, which may explain the growing concentration of advertising services and publishing in the area. Advertising agencies are attracted to SoHo for similar reasons, because of the proximity to the art world, as well as graphics and design firms. This location has lent agencies an aura of heightened "creativity". There is a cluster of eight agencies within a couple of blocks of each other on Hudson Street in SoHo, indicating that when agencies move to new areas such as SoHo, they stay very close together.

91. Some agencies are more directly involved in the process of gentrification. The head of an agency specializing in real estate notes her role in selling loft living in New York: "we got 2000 people into the sales office in the depths and battles of Brooklyn, in a black militant neighbourhood in Brooklyn that was not gentrified. It was in a building called the Exlax Building in Brooklyn and it was in Brooklyn Heights, (near the) Brooklyn Academy of Music. It was Atlantic Avenue and now that's gentrified but back then there was nothing there. It wasn't Atlantic Avenue with all kinds of Middle Eastern restaurants. It was Atlantic Avenue in the pits".
She went on to note however, that even larger more "mainstream" agencies like Saatchi and Saatchi and Della Femina McNamee have moved to SoHo. As one employee in a medium sized agency in Greenwich Village noted, "The move downtown started several years ago. Chiat Day was one of the first when they came to New York and Saatchi and Saatchi is now down even further on Hudson Street, so there are quite a number here now".92 For larger more conservative agencies, moving to a new area was one way to signal that despite their global structures, they were still innovative.

In addition to SoHo and Greenwich Village, two of the largest agencies, Oglivy and Mather and N W Ayer moved to the rundown Times Square area, to a new complex that they share with an international law firm. Sharon Zukin (1992) notes that city government subsidies and zoning changes have been used to pull developers away from the overdeveloped East Side of Manhattan to the West Side. Building owner William Zeckendorf Jr. used special facilities, rent reductions, buildout allowances for tenant improvements and a share of equity to attract Oglivy and Mather, N W Ayer and Wall Street law firm Cravath Swain and Moore to the newly built Worldwide Plaza which combines housing and office space (Zukin, 1992: 205).93 Times Square is one of the largest gentrification/ renewal programs ever undertaken, and one of the


93. Together these four agencies occupy 1.5 million square feet (Rothenberg, New York Times, 1989: D1). On the west side, these agencies joined BBDO which moved to the West Side to 6th Avenue and 51st Street in 1987 and D'Arcy Masius Benton and Bowles which moved to Broadway and 52nd street in 1989.
goals of renewal is to transform the area into an office space complex for communications/arts/advertising.

Locational change within Manhattan is linked to the acquisitions and transnationalization of agencies in several ways. First, the increased financial pressures exerted by takeovers by larger holding companies have led to increased pressures to cut costs. Real estate and personnel are the two major expenses in the advertising business (Rothenberg, *New York Times*, February 2, 1989: D1). Rents on the East Side of Manhattan average about $40 a square foot; for example, Oglivy and Mather paid $42 per square foot for their Fifth Avenue and 48th Street address but only $32 per square foot at their new West Side location (Rothenberg, *New York Times*, February 2, 1989: D1).

Second, it has been argued that agencies moved into the Times Square area in order to cluster together with other communications businesses (which it was already integrating with). As Roy Benstock, president of D'Arcy Masius, Benton and Bowles notes, the West Side "embraces the big agencies that are and will be there, the television networks, publishing companies like Time Inc. and McGraw-Hill and the studios and production houses that have been there for some time". He goes on to note that "these moves clearly establish the West Side as the communications center of New York. Maybe the world" (in Rothenberg, *New York Times*, February 2, 1989: D1).

Finally, a third incentive for geographical relocation relates to the transnationalization of agencies and their increasing global communications technology needs. Buildings on the East Side of Manhattan are older and often contain asbestos
which makes them difficult to modify. In contrast, buildings on
the West Side or other gentrifying areas are often newly
constructed with all of the most up-to-date technologies. As one
real estate president notes,

> the large agencies have wanted to move anyway to accommodate
communications and computer equipment necessary to
coordinate their operations with those of their
multinational clients. The West Side and downtown buildings
are brand new, so they can fill almost any electrical or
technological need (Rosenbloom in Rothenberg, *New York
Times*, February 2, 1989: D1).

Not only do agencies play a role in transforming the urban
landscapes of global cities, but as cultural intermediaries,
advertisers themselves are implicated in the globalization and
localization of markets and culture. The growing concentration of
advertising and other producer services in New York City alters
the relationships between global and local. The new professional-
managerial class colonizes exclusive spaces that connect with one
another across the city, nation or globe and isolates itself from
fragments of local societies (Castells, 1991: 348). In many
ways, the interaction between New York, London and Tokyo in terms
of financial and business services evokes a unified system. These
flows of information and capital have generated "third cultures"
which are transnational and mediate between national cultures.

94. Like employees of other producer services, advertising
executives themselves are gentrifiers, colonizing inner city
areas of Manhattan. The majority of people interviewed lived in
Manhattan (Greenwich Village, Upper West Side or Upper East Side)
or on Long Island. Thus, a new form of globalization and
centralization is emerging premised on agglomerations of
specialized services and finance in global cities. Geographic
concentration in large cities leads advertising executives to
display a great deal of disdain for the rest of the country. Many
executives spoke in harsh terms about suburbia/ Peoria. It is
often speculated that so much of advertising is mundane and
boring because advertising executives have little respect for the
consumer in middle America.
Professionals who work in these occupations work outside the nation state, negotiating problems of inter-cultural communication. As King points (1990: 409) out, architects and designers move more easily between New York, London and Bombay, than between Bombay and the villages of Maharashtra. These are members of a transnational business and professional elite, which includes academics, which occupy the borderlands of the new global economy (Gupta and Ferguson, 1992: 7). The growth of a global professional elite and its separation from other local cultures signals a new configuration of global/local relationships. Crossing borders regularly, this elite subscribes to an ideology of globalism, attempting to manipulate and channel the cultural boundaries of others with varying degrees of success (Featherstone, 1990: 7).

2.10 Conclusion

In the end, even democracies become powerless confronted with the ability of capital to circulate globally, of information to be transferred secretly, of markets to be penetrated or neglected, of planetary strategies of political-military power to be decided without the knowledge of nations, and of cultural messages to be marketed, packaged, recorded, and beamed in and out of people's minds (Castells, 1991: 349).

The restructuring of the advertising industry in the 1980s points to fundamental changes in the provision of advertising services. In the 1950s the industry was dominated by medium-sized, nationally-based industries, expanding abroad only to meet the needs of particular clients. There was a hierarchical and functional division of labour within the agency and for the most part, relationships between clients and agencies were long-term and stable partnerships.
Partly related to a massive transnationalization of capital, as well as saturated domestic markets, the declining importance of media advertising, the globalization of markets and heightened competition for accounts, agencies underwent a rapid globalization in the 1980s, putting control over the industry into fewer hands worldwide. The centralization of agencies also has implications for the location of advertising services, including their localization and shifts within New York City. Changes in the industry are important because they are related to new concepts/knowledges forwarded by the industry. Agency reorganization affects agency relationships with clients and their role in negotiating changes in production, consumption, identity and space. The changing structure and location of the industry also has implications for the kinds of strategies and knowledges produced by the industry. There are many links between the transnationalization of agencies and experiments in "global advertising".
Table 2.1

U.S. Agency Gross Income 1984-1993

<table>
<thead>
<tr>
<th>Year</th>
<th>Worldwide</th>
<th>%change</th>
<th>U.S.</th>
<th>%change</th>
<th>Foreign</th>
<th>%change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>7,130.0</td>
<td>17.1</td>
<td>5,280.0</td>
<td>18.4</td>
<td>1,850.0</td>
<td>13.6</td>
</tr>
<tr>
<td>1985</td>
<td>8,174.6</td>
<td>14.7</td>
<td>6,262.2</td>
<td>18.7</td>
<td>1,912.4</td>
<td>3.2</td>
</tr>
<tr>
<td>1986</td>
<td>8,648.9</td>
<td>5.8</td>
<td>6,502.2</td>
<td>3.8</td>
<td>2,146.7</td>
<td>12.3</td>
</tr>
<tr>
<td>1987</td>
<td>9,613.1</td>
<td>11.1</td>
<td>6,217.7</td>
<td>-4.4</td>
<td>3,395.4</td>
<td>58.2</td>
</tr>
<tr>
<td>1988</td>
<td>11,238.3</td>
<td>16.9</td>
<td>6,827.5</td>
<td>9.8</td>
<td>4,410.8</td>
<td>29.9</td>
</tr>
<tr>
<td>1989</td>
<td>11,429.0</td>
<td>1.7</td>
<td>6,998.5</td>
<td>2.5</td>
<td>4,430.5</td>
<td>0.4</td>
</tr>
<tr>
<td>1990</td>
<td>12,964.8</td>
<td>13.4</td>
<td>7,431.6</td>
<td>6.2</td>
<td>5,533.2</td>
<td>24.9</td>
</tr>
<tr>
<td>1991</td>
<td>13,567.7</td>
<td>4.7</td>
<td>7,648.9</td>
<td>2.9</td>
<td>5,918.8</td>
<td>7.0</td>
</tr>
<tr>
<td>1992</td>
<td>14,538.1</td>
<td>7.2</td>
<td>8,171.0</td>
<td>6.8</td>
<td>6,367.1</td>
<td>7.6</td>
</tr>
<tr>
<td>1993</td>
<td>14,480.0</td>
<td>-0.4</td>
<td>8,480.0</td>
<td>3.8</td>
<td>6,000.0</td>
<td>-5.7</td>
</tr>
</tbody>
</table>

* Dollars are in millions. Figures reflect top 500 U.S. based agencies in the year given.

Source: Advertising Age, April 13, 1992, April 14, 1993, April 13, 1994
Table 2.2

U.S. Direct Foreign Investment Abroad, millions of U.S. Dollars

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1985</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>All industries</td>
<td>207,752</td>
<td>230,250</td>
<td>326,900</td>
</tr>
<tr>
<td>All Services</td>
<td>66,483</td>
<td>77,856</td>
<td>133,423</td>
</tr>
<tr>
<td>Business services</td>
<td>2,191</td>
<td>2,882</td>
<td>3,069</td>
</tr>
<tr>
<td>Advertising</td>
<td>322</td>
<td>361</td>
<td>482</td>
</tr>
</tbody>
</table>

Source: Sassen, 1991: 57
Table 2.3

U.S. Agencies - Percent of Total Consolidated Gross Income Earned Abroad

Agencies Ranked by worldwide gross income, 1991

<table>
<thead>
<tr>
<th>Agency</th>
<th>Percentage Non-U.S. Gross Income, 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Young and Rubicam</td>
<td>59.9</td>
</tr>
<tr>
<td>2. Saatchi and Saatchi</td>
<td>55.1</td>
</tr>
<tr>
<td>3. McCann-Erikson Worldwide</td>
<td>72.4</td>
</tr>
<tr>
<td>4. Oglivy and Mather Worldwide</td>
<td>59.4</td>
</tr>
<tr>
<td>5. BBDO Worldwide</td>
<td>52.0</td>
</tr>
<tr>
<td>6. Lintas Worldwide</td>
<td>65.0</td>
</tr>
<tr>
<td>7. J. Walter Thompson Co.</td>
<td>62.5</td>
</tr>
<tr>
<td>8. DDB Needham Worldwide</td>
<td>56.1</td>
</tr>
<tr>
<td>9. Backer Spielvogel Bates</td>
<td>67.1</td>
</tr>
<tr>
<td>10. Foote, Cone and Belding</td>
<td>51.3</td>
</tr>
<tr>
<td>11. Grey Advertising</td>
<td>56.1</td>
</tr>
<tr>
<td>12. Leo Burnett Co.</td>
<td>48.1</td>
</tr>
<tr>
<td>13. D'Arcy Masius Benton &amp; Bowles</td>
<td>48.2</td>
</tr>
<tr>
<td>14. Bozell</td>
<td>25.4</td>
</tr>
<tr>
<td>15. Lowe Group</td>
<td>64.0</td>
</tr>
<tr>
<td>16. N W Ayer</td>
<td>53.1</td>
</tr>
<tr>
<td>17. TBWA Advertising</td>
<td>68.5</td>
</tr>
<tr>
<td>18. Chiat/Day/Mojo</td>
<td>33.0</td>
</tr>
<tr>
<td>19. Ketchum Communications</td>
<td>11.7</td>
</tr>
<tr>
<td>20. Campbell-Mithum Esty</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Average Percentage of Earnings Abroad for Top Twenty U.S. Companies, 1991: 50.4%. For Top Ten Agencies: 60%

Source: Derived From Advertising Age, April, 13, 1992
### Table 2.4

**Global Branches, McCann-Erikson***

<table>
<thead>
<tr>
<th></th>
<th>Agencies</th>
<th>Cities</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>160</td>
<td>na</td>
<td>72</td>
</tr>
<tr>
<td>1991</td>
<td>166</td>
<td>na</td>
<td>73</td>
</tr>
<tr>
<td>1992</td>
<td>na</td>
<td>na</td>
<td>84</td>
</tr>
<tr>
<td>1993</td>
<td>207</td>
<td>160</td>
<td>95</td>
</tr>
</tbody>
</table>

Table 2.5

Chronology of Major Acquisitions/Mergers in the Advertising Industry

1930s

- 1930 Erikson Company merges with H.K. McCann Company

1940s

1950s

- 1954 McCann Erikson acquires Marschalk and Pratt Agency
- 1955 J. Walter Thompson buys Philippine Advertising Associates
- 1957 Ruthrauff and Ryan merges with Erwin, Wasey and Co
  (largest merger in advertising history at that date)

1960s

- 1960 McCann forms Interpublic Group
- 1963 Interpublic acquires Fletcher, Richards, Calkins Holden
- 1960 65 Interpublic acquires 38 agencies
- 1965 Erwin Wasey Ruthrauff and Ryan merges with Doherty, Clifford Steers
- 1967 Burnett acquires D.P Brother and Co. Detroit
- 1968 Ayer acquires Fred Baker, a Seattle agency
- 1969 Hyon and Jorgenson merges with Ayer

1970s

- 1970 D'Arcy merges with MacManus, John and Adams
- 1970 Oglivy buys Carson/Roberts
- 1970 SSC&B buys Lintas
- 1972 Interpublic buys Campbell Ewald Co.
- 1974 Saatchi buys Notley Advertising
- 1975 Saatchi merges with Garland-Compton
- 1973 Ayer purchases Pritkin and Gibbons, a San Francisco agency
- 1976 Oglivy buys Scali, McCabe Sloves
- 1976 Oglivy buys Cole and Weber
- 1977 Ayer purchases Wiley-Kierman, a financial advertising agency
- 1978 Bates acquires Campbell-Mithum
- 1978 Interpublic buys SSC&B

1980s
-1980 Bates acquires William Esty Co
-1981 Saatchi buys Dorland Advertising
-1982 Saatchi and Saatchi acquires Compton Advertising
-1984 Eurocom buys 51 percent Y&R subsidiary Marsteller merging it with Paris Agency Havas Conseil
-1984 Saatchi and Saatchi's subsidiary Dorland Advertising buys Dancer-Fitzgerald-Sample's ownership in 13 European agencies
-1984 TV production company Lorimar acquires K&E Advertising
-1985 D'Arcy, MacManus, Masius and Benton/Bowles merge
-1985 Lorimar purchases Bozell and Jacobs merging it with K&E
-1986 Omnicom formed to hold BBDO, DDB and Needham Harper Worldwide
-1986 DDB and Needham Harper merge
-1986 Saatchi buys Ted Bates Worldwide
-1986 Saatchi buys Backer Spielvogel
-1986 Saatchi buys DFS (Dancer Fitzgerald Sample)
-1986 WCRS, London buys Della Femina and Travisano and Partners
-1986 FCB buys Leber Katz Partners
-1986 Cunningham and Walsh merge with Ayer
-1987 WPP hostile takeover J. Walter Thompson
-1989 WPP hostile takeover Oglivy Group
-1989 Ayer Chicago merges with Zwiren, Collins, Karo and Trusk

1990s

-1992 Omnicom acquires TBWA
-1992 Foote Cone and Belding acquires Mojo Advertising
-1992 Dentsu acquires Publi-Graphics and CDP Europe

* Note: This chronology reflects major mergers only. The list was compiled from the histories of several agencies, as well as a history of advertising found in Advertising Age April 13, 1994. Information about other mergers was culled from trade journal/newspaper articles.
| Table 2.6 |
| Holdings of Largest Advertising Conglomerates |

1. **WPP Group, London**
   - **Ogilvy and Mather Worldwide**: Thomson-Leeds; Cole & Weber; Ogilvy and Mather Direct; Ogilvy and Mather Yellow Pages; A. Aicoff & Co.
   - **J. Walter Thompson Co**: J. Walter Thompson Direct; J. Walter Thompson Healthcare; Thompson Recruitment; Brouillard Communications
   - **Scali, McCabe and Sloves**: Fallon McElligott; Morton Golberg Associates; The Martin Agency; Stenrich Group

2. **Interpublic Group, New York**
   - **McCann-Erikson Worldwide**: McCann Direct; McCann Healthcare
   - **Lintas Worldwide**: Lintas Marketing Communications; Dailey & Associates; Fahlgren Martin; GS&B Lintas; Long, Haymes & Carr
   - **Lowe Group**: Lowe and Partners, Lawrence, Charles, Free and Lawson

3. **Omnicon Group, New York**
   - **BBDO Worldwide**: Baxter, Gurian & Mazzei; Frank J. Corbett Inc.; Doremus & Co.; Lavey/Wolf/Swift; Tracy-Locke
   - **DDB Needham Worldwide**: Bernard Hodes Group; Kallir, Philips, Ross; Rainoldi Kerner Radcliffe; Rapp Collins Marcoa

4. **Saatchi and Saatchi, New York/London**
   - **Saatchi and Saatchi Advertising Worldwide**: Cadwell Davis Partners; Conill Advertising; Cliff Freeman & Partners; Klemmner Advertising; Rumrill-Hoyt; Team One
   - **Backer Spielvogel Bates Worldwide**: AC&R Advertising; Kobs & Draft
   - **Campbell-Mithum-Esty**

5. **Dentsu, Tokyo**
   - Dentsu America

6. **Young and Rubicam, New York**
   - Young and Rubicam
   - Cato Johnson Worldwide
   - Chapman Direct
   - Sudler and Hennessey
   - Wunderman Worldwide

7. **Euro RSCG, Paris**
   - Della Femina McNamee
   - Lally, McFarland and Pantello,
8. **Grey Advertising, New York**

Grey Advertising, Gross
Townsend Frank Hoffman

9. **Foote, Cone and Belding Communications, Chicago**

Foote Cone and Belding Communications
FCB Direct/ U.S.
IMPACT
VICOM/FCB
Wahlstrom &Co.

10. **Hakuhodo, Tokyo**

Hakuhodo Advertising America

---

Note: Companies in boldface represent multi-tiered holding companies.
### Table 2.7

**Largest Advertising Conglomerates By Worldwide Gross Income**

<table>
<thead>
<tr>
<th>Advertising Organization</th>
<th>Worldwide Gross Income, millions, U.S. dollars</th>
<th>% change 90-91</th>
<th>% change 91-92</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1990</td>
<td>1991</td>
<td>1992</td>
</tr>
<tr>
<td>1. WPP Group</td>
<td>2,715.0</td>
<td>2,661.8</td>
<td>2,813.5</td>
</tr>
<tr>
<td>2. Interpublic Group</td>
<td>1,735.6</td>
<td>1,798.9</td>
<td>1,989.2</td>
</tr>
<tr>
<td>3. Omnicom Group</td>
<td>1,349.0</td>
<td>1,471.2</td>
<td>1,806.7</td>
</tr>
<tr>
<td>4. Saatchi and Saatchi</td>
<td>1,700.5</td>
<td>1,705.5</td>
<td>1,696.5</td>
</tr>
<tr>
<td>5. Dentsu</td>
<td>1,254.8</td>
<td>1,451.0</td>
<td>1,387.6</td>
</tr>
<tr>
<td>6. Young and Rubicam</td>
<td>1,073.6</td>
<td>1,057.1</td>
<td>1,072.3</td>
</tr>
<tr>
<td>7. Euro RSCG</td>
<td>1,071.4</td>
<td>1,016.3</td>
<td>951.2</td>
</tr>
<tr>
<td>8. Grey Advertising</td>
<td>617.0</td>
<td>659.3</td>
<td>735.4</td>
</tr>
<tr>
<td>9. Foote, Cone and Belding Communications</td>
<td>543.4</td>
<td>616.0</td>
<td>682.7</td>
</tr>
<tr>
<td>10. Hakuhodo</td>
<td>536.3</td>
<td>655.6</td>
<td>661.1</td>
</tr>
</tbody>
</table>


Note: Percentage Change figures reflect adjustments to the previous year's figures to allow for agency's current composition.
Table 2.8

Top U.S. and European Advertisers,
Proportion of Non-domestic Sales

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1992</th>
<th>CAGR non-Dom Sales, 82-92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proctor and Gamble</td>
<td>30.3</td>
<td>48.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Unilever 1.</td>
<td>40.9</td>
<td>41.2</td>
<td>6.5</td>
</tr>
<tr>
<td>Nestle 1.</td>
<td>59.6</td>
<td>51.8*</td>
<td>4.7</td>
</tr>
<tr>
<td>Philip Morris</td>
<td>22.2</td>
<td>40.3</td>
<td>24.8</td>
</tr>
<tr>
<td>General Motors 2.</td>
<td>23.9</td>
<td>32.4</td>
<td>10.3</td>
</tr>
<tr>
<td>Sears</td>
<td>2.1</td>
<td>7.1</td>
<td>19.3</td>
</tr>
<tr>
<td>Pepsi</td>
<td>19.3</td>
<td>24.7</td>
<td>14.1</td>
</tr>
<tr>
<td>Grand Metropolitan</td>
<td>31.7</td>
<td>76.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>42.6</td>
<td>49.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Peugeot/Citroen</td>
<td>35.1</td>
<td>45.1*</td>
<td>10.6</td>
</tr>
</tbody>
</table>

1. Domestic Sales include EEC countries
2. Excludes GMAC and other income
3. Compound annual growth rate
* 1991

Source: Company accounts, cited in WPP Annual Report, 1992
# Table 2.9

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Media advertising</td>
<td>136.2</td>
<td>13.8</td>
<td>36.0</td>
<td>283.9</td>
</tr>
<tr>
<td>Public Relations</td>
<td>12.6</td>
<td>2.0</td>
<td>3.3</td>
<td>21.4</td>
</tr>
<tr>
<td>Market research</td>
<td>2.8</td>
<td>1.1</td>
<td>0.7</td>
<td>8.1</td>
</tr>
<tr>
<td><strong>Non-Media advertising:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graphics &amp; design</td>
<td>16.2</td>
<td>4.7</td>
<td>7.3</td>
<td>34.3</td>
</tr>
<tr>
<td>Incentive &amp; motivation</td>
<td>2.7</td>
<td>0.7</td>
<td>0.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>154.3</td>
<td>16.7</td>
<td>40.2</td>
<td>298.7</td>
</tr>
<tr>
<td>Audio/visual comm.</td>
<td>3.5</td>
<td>0.7</td>
<td>0.8</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>Specialist Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>1.1</td>
<td>0.2</td>
<td>0.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Financial Comm.</td>
<td>1.4</td>
<td>0.5</td>
<td>0.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Ethnic</td>
<td>1.6</td>
<td>0.2</td>
<td>0.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>5.8</td>
<td>1.4</td>
<td>1.4</td>
<td>10.3</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>26.4</td>
<td>4.9</td>
<td>8.0</td>
<td>56.2</td>
</tr>
<tr>
<td>Recruitment</td>
<td>4.0</td>
<td>0.5</td>
<td>0.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Healthcare</td>
<td>4.5</td>
<td>0.8</td>
<td>1.3</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>373.0</td>
<td>48.3</td>
<td>102.5</td>
<td>752.6</td>
</tr>
</tbody>
</table>

*Source: WPP Estimates, 1992*
Table 2.10

Public Relations Influence on Top 5 agencies in 1989

<table>
<thead>
<tr>
<th>Agency</th>
<th>Rank Without PR</th>
<th>Rank With PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saatchi and Saatchi</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Backer Spielvogel Bates</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>McCann-Erikson</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Young and Rubicam</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>FCB-Publicis</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Advertising Age, March 29, 1989
Table 2.11

WPP's Six Service Sectors:

1. **Strategic Marketing Services:**
   Social, economic and market forecasting; development of corporate strategy; economic modelling; environmental changes tracked through regular surveys
   Companies: The Futures Group, The Henley Centre

2. **Media Advertising:**
   The planning, production and placing of advertising for multinational and national advertisers in all categories
   Companies: J. Walter Thompson, Oglivy and Mather Worldwide, Cole and Weber, Conquest Europe, Lansdown Conquest, Scali, McCabe, Sloves

3. **Public Relations:**
   National and international corporate, financial and marketing communications; crisis management; public affairs and management counselling.
   Companies: Hill and Knowlton, Carl Byoir and Associates, Oglivy Adams and Rinehart, Timmons and Company

4. **Market Research:**
   Consumer, media, corporate communication and policy research; advertising research; pre-testing; tracking and evaluation; design and management of international market studies; new product development and testing
   Companies: Milward Brown International, MRB Group, Research International

5. **Non-Media Advertising**

   **Identity, Design and Architecture:** Architectural services; exhibitions; furniture, industrial product, environmental and retail design; packaging; corporate identity; marketing and corporate literature.

   **Incentive and Motivation:** Business seminars and entertainment; incentive strategies and programmes; conference and travel management
   Companies: P&L International Vacationers

   **Sales Promotion:** Consumer and trade promotions; point-of-sale; coupon redemption, self-liquidators; on-pack offers.
   Companies: Einson Freeman, Mando Marketing, The Marketing Consultancy, Promotional Campaigns Worldwide

   **Audio Visual Communications:** Corporate and training videos; exhibitions and conferences; equipment installation, servicing and hire; presentations, product launches and trade shows; production, editing and transfer.
   Companies: MetroVideo,
6. Specialist Communications

Ethnic, business-to-business, corporate, entertainment, pharmaceutical, travel, recruitment, retail and flotation advertising; annual reports, direct mail and direct marketing; investor communications; corporate identity. Companies: Brouillard Communications, A.Eicoff & Company, EWA, Ferguson Communications Group, HLS CORP, J. Walter Thompson Healthcare Group, Mendoza, Dillon and Asociados, Oglivy and Mather Direct, Pace Communications Group, Primary Contact, The RTC Group, Thompson Recruitment Advertising

Table 2.12

WPP Cross-Sector Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Clients Using Two or More WPP Service Sectors</th>
<th>Clients Using Three or More WPP Service Sectors</th>
<th>Clients Using Five or More WPP Service Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>868</td>
<td>330</td>
<td>155</td>
</tr>
<tr>
<td>1991</td>
<td>868</td>
<td>330</td>
<td>155</td>
</tr>
<tr>
<td>1990</td>
<td>830</td>
<td>311</td>
<td>149</td>
</tr>
<tr>
<td>1989</td>
<td>690</td>
<td>255</td>
<td>129</td>
</tr>
<tr>
<td>1988</td>
<td>325</td>
<td>125</td>
<td>60</td>
</tr>
<tr>
<td>1987</td>
<td>78</td>
<td>41</td>
<td>37</td>
</tr>
<tr>
<td>1986</td>
<td>23</td>
<td>4</td>
<td>na</td>
</tr>
</tbody>
</table>

Table 2.13

Top 10 U.S. Cities by Billings

<table>
<thead>
<tr>
<th>Rank/ Market</th>
<th>Total Billings</th>
<th>% change</th>
<th>Reported Shops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1991</td>
<td>1992</td>
<td>90-91</td>
</tr>
<tr>
<td>1. New York</td>
<td>24,145.9</td>
<td>25,479.5</td>
<td>3.2</td>
</tr>
<tr>
<td>2. Chicago</td>
<td>7,128.7</td>
<td>7,143.5</td>
<td>1.5</td>
</tr>
<tr>
<td>3. Los Angeles</td>
<td>3,949.5</td>
<td>4,739.6</td>
<td>-3.2</td>
</tr>
<tr>
<td>4. Detroit</td>
<td>3,635.5</td>
<td>4,101.0</td>
<td>-0.4</td>
</tr>
<tr>
<td>5. San Francisco</td>
<td>1,853.9</td>
<td>2,324.8</td>
<td>11.8</td>
</tr>
<tr>
<td>6. Dallas</td>
<td>1,314.4</td>
<td>1,431.9</td>
<td>11.6</td>
</tr>
<tr>
<td>7. Boston</td>
<td>931.5</td>
<td>1,369.3</td>
<td>15.0</td>
</tr>
<tr>
<td>8. Minneapolis</td>
<td>1,211.1</td>
<td>1,255.4</td>
<td>10.6</td>
</tr>
<tr>
<td>8. Atlanta</td>
<td>937.2</td>
<td>1,009.2</td>
<td>4.6</td>
</tr>
<tr>
<td>10. Philadelphia</td>
<td>919.5</td>
<td>1,006.5</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

Top 5 Non-U.S. Cities by Billings

<table>
<thead>
<tr>
<th>Rank/ Market</th>
<th>Total Billings</th>
<th>% Change</th>
<th>Reported Shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tokyo</td>
<td>24,501.2</td>
<td>24,094.5</td>
<td>8.4</td>
</tr>
<tr>
<td>2. London</td>
<td>12,074.5</td>
<td>11,013.7</td>
<td>3.4</td>
</tr>
<tr>
<td>3. Paris</td>
<td>9,718.9</td>
<td>8,679.5</td>
<td>-7.0</td>
</tr>
<tr>
<td>4. Milan</td>
<td>4,013.1</td>
<td>4,036.5</td>
<td>5.7</td>
</tr>
<tr>
<td>5. Madrid</td>
<td>3,491.8</td>
<td>3,985.7</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Note: Billings are in millions of U.S. dollars. Totals are based on reporting from 722 offices of 532 U.S. agencies and 1,110 non-U.S. agencies.

Source: Advertising Age. April 13, 1992, April 14, 1993
Table 2.14

U.S.-Based Consolidated Agencies
Agencies Ranked By Worldwide Gross Income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Young and Rubicam, New York</td>
<td>1,001.4</td>
<td>980.8</td>
<td>994.0</td>
<td>-2.1</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>2. McCann-Erikson, New York</td>
<td>757.0</td>
<td>811.6</td>
<td>935.8</td>
<td>7.2</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>3. BBDO Worldwide, New York</td>
<td>772.8</td>
<td>723.8</td>
<td>835.8</td>
<td>-6.8</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>4. J. Walter Thompson, New York</td>
<td>727.0</td>
<td>690.7</td>
<td>815.4</td>
<td>-5.3</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>5. Oglivy and Mather, New York</td>
<td>775.3</td>
<td>794.9</td>
<td>789.1</td>
<td>2.5</td>
<td>-4.2</td>
<td></td>
</tr>
<tr>
<td>6. Saatchi and Saatchi, New York</td>
<td>814.6</td>
<td>829.2</td>
<td>783.6</td>
<td>1.8</td>
<td>-3.4</td>
<td></td>
</tr>
<tr>
<td>7. DDB Needham New York</td>
<td>625.2</td>
<td>698.4</td>
<td>777.1</td>
<td>11.7</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>8. Lintas Worldwide, New York</td>
<td>736.2</td>
<td>729.7</td>
<td>763.0</td>
<td>-0.9</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>9. Foote Cone and Belding Comm. Chicago</td>
<td>543.4</td>
<td>616.0</td>
<td>682.7</td>
<td>13.4</td>
<td>10.2</td>
<td></td>
</tr>
<tr>
<td>10. Grey Advertising, New York</td>
<td>583.3</td>
<td>615.1</td>
<td>673.8</td>
<td>5.5</td>
<td>9.6</td>
<td></td>
</tr>
<tr>
<td>11. Backer Spielvogel Bates, New York</td>
<td>618.9</td>
<td>630.4</td>
<td>656.0</td>
<td>1.9</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>12. Leo Burnett Co, Chicago</td>
<td>531.8</td>
<td>576.6</td>
<td>643.8</td>
<td>8.4</td>
<td>11.7</td>
<td></td>
</tr>
<tr>
<td>13. D'Arcy Masius Benton &amp; Bowles,</td>
<td>532.5</td>
<td>534.6</td>
<td>558.4</td>
<td>0.4</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>----------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>14.</td>
<td>Lowe Group, New York</td>
<td>196.5</td>
<td>220.4</td>
<td>248.3</td>
<td>12.2</td>
<td>12.7</td>
</tr>
<tr>
<td>15.</td>
<td>Bozell, New York</td>
<td>213.4</td>
<td>221.0</td>
<td>231.0</td>
<td>3.6</td>
<td>4.5</td>
</tr>
<tr>
<td>16.</td>
<td>N. W. Ayer, New York</td>
<td>185.9</td>
<td>171.3</td>
<td>175.0</td>
<td>-7.9</td>
<td>0.2</td>
</tr>
<tr>
<td>17.</td>
<td>TBWA Advertising, New York</td>
<td>132.6</td>
<td>144.8</td>
<td>158.7</td>
<td>9.2</td>
<td>8.5</td>
</tr>
<tr>
<td>18.</td>
<td>Campbell-Mithun-Esty, MN</td>
<td>120.3</td>
<td>122.2</td>
<td>157.1</td>
<td>1.6</td>
<td>28.6</td>
</tr>
<tr>
<td>19.</td>
<td>Ketchum Comm., Pittsburgh</td>
<td>134.2</td>
<td>127.2</td>
<td>132.8</td>
<td>-5.2</td>
<td>4.4</td>
</tr>
<tr>
<td>20.</td>
<td>Chiat/Day/Mojo, Venice, CA</td>
<td>137.0</td>
<td>137.7</td>
<td>120.8</td>
<td>0.5</td>
<td>-12.3</td>
</tr>
</tbody>
</table>

Source: Advertising Age, April 13, 1992, April 14, 1993
Note: Campbell-Mithun-Esty merged with KHBB in 1992, and 1990 and 1991 figures do not include KHBB figures. 1991-92 percentage change figures do reflect this merger. Percentage change figures reflect adjustments to previous year's figures based on current year's composition.

The ranking of the top U.S. based agencies on a consolidated basis allows multitiered agencies to include all their subsidiaries and specialty units such as direct marketing firms, public relations and design services.
Location of Largest Advertising Agencies in New York City

Note: Each dot represents one agency.
Chapter 3

Flexibility in the Advertising Industry

3.1 Introduction

While agencies have undergone a process of transnationalization, they have also become more flexible. This chapter explores the growing flexibility within the industry. In particular I argue that the previous dominance of medium-sized, nationally-based industries has given rise to a more polarized agency structure, with a growing importance of both large and smaller shops. Under conditions of heightened reflexivity, smaller, more innovative agencies have thrived. This has led to much competition between large and small agencies, and to an internal restructuring at transnational agencies aimed at making them more flexible. Competition with flexible smaller shops, as well as the pressures brought on by acquisitions, have exerted financial pressures on the large agency and have had a profound effect on the division of labour in agencies. There has been a greater emphasis on labour force flexibility through a process of casualization, layoffs and a feminization of the labour force.

This chapter is organized around seven sections. First I chart the expansion of a more flexibly specialized agency. In particular, I look at the various forms and specialties of small agencies, the flexibility of these agencies and the growing tendency for large clients to shift accounts to small agencies. I present a critique of previous accounts of flexible specialization in the advertising industry. Next, I document the impact of small agency competition on larger agencies. Financial pressures brought on by the crisis of the advertising industry,
the high cost of acquisitions and increased competition with creative boutiques, have forced an internal restructuring in agencies. In the remaining sections I highlight five forms of flexibility that are emerging in large agencies: the tendency to create spin-off shops, the recent wave of layoffs, the increased use of freelance creative labour, intensification of the work process and feminization of the labour force.

3.2 Flexible Specialization and the Advertising Industry

Recent years have seen a growth of small agencies alongside the growing dominance of large transnational holding companies. Lee (1993), for example, argues that the British advertising industry has restructured itself in line with "a new age of capital". He cites a transformation not just in the industry but in the form of advertising. Lee (1993: 150) argues that prior to 1980, advertising was more utilitarian and dealt more with the functionality of the product. In the 1980s, however, we have seen a new aesthetic in the advertising industry. This new aesthetic stems from the rise of a new breed of advertising agency known as "second-wave" advertising (Lee, 1993: 151). The growth of small independent London-based agencies is taken as evidence of a new agency form. These agencies are known for their innovative creative approach and mark a radical break from the "first wave" of American multinational agencies famous for their conservative and increasingly ineffectual campaigns (Lee, 1993: 151).

In contrast, second-wave advertising seeks to confront the growing opposition, skepticism and resistance on the part of consumers towards advertising, and has initiated a creative
revolution based upon unusual visual presentation, irony, and self-reflexivity. The goal, according to Lee (1993: 152) is for advertising to "lose some of the stigma that it had attracted as crude consumer propaganda, and also become a genuine artifact of popular culture, or, in a pinch, a work of art". Lee notes, "making full use of the new psychographic, lifestyle and other market segmentation techniques that had been developed in the 1970s, the second-wave agencies were able to identify and reproduce certain distinctive cultural sensibilities and visual literacies that were shared by the various members of a given target group" (Lee, 1993: 152). These agencies generally sell upscale or niche-oriented products targeted at the new middle class. From my interviews with smaller agencies, it would seem that small creative shops do tend to serve clients marketing upscale or specialty products, although some have also attracted larger mass-oriented producers. Lee argues that by the mid-1980s, the second wave of advertising had begun to affect the larger agencies' own creative departments, as they began to restructure along similar lines to facilitate heightened creativity.

Also drawing upon the British experience, is the recent work of Lash and Urry on the reorganization of cultural industries. Lash and Urry (1994:141) argue that advertising is becoming more like a cultural or entertainment-oriented industry under an era of reflexive modernization. They too cite a "second wave" of British advertising pointing to the greater emphasis on the creative side of the business, and the tendency to hire account planners which they compare to "creative judges". The large British agencies have begun to integrate the second-wave
techniques within their old Fordist structures. Finally, Lash and Urry (1994: 141) also point in passing to a "third-wave of advertising" characterized by declining concentration in the advertising industry and the growth of smaller agencies.

These characterizations of change in the British advertising industry suggest a tendency toward flexible specialization in the industry. Both point to the growth of small agencies, a growing specialization of agencies, and to a heightened emphasis on creativity in advertising. These short descriptions of changes within the British advertising industry and British advertisements demand further examination.

I argue that Lash and Urry and Lee's emphasis on the wave of creative innovation in advertising obscures the continuing conservative approach adopted by many agencies. Furthermore, there are multiple reasons for the growth of small agencies, of which the emphasis on creativity is only one. While their work grapples with changes in the British advertising industry, it is important to examine whether the same processes are occurring in the United States. My research indicates that while there has certainly been an expansion of small creative boutiques and more flexible agencies in the United States, the trend is perhaps not quite as pronounced as it is in Britain. Finally, the emphasis on "second-wave" agencies underestimates the continuing importance, and indeed international expansion of large global agencies, and the more polarized agency structure that is emerging.
3.3 The Growth of the Flexible Small Agency with Specialty or Creative Emphasis

While large global conglomerates have increased their market share and medium-sized or "salad" agencies have gradually disappeared from the advertising landscape, smaller creative shops flourished in the 1980s. The growth of small agencies suggests some of the limitations to transnational expansion. One creative director notes, "there sort of seems to be a disappearing middle because those guys really aren't big enough to handle global concerns and don't necessarily have the resources of a global agency, and yet they can be as bogged down by red tape as the big agencies are. Little agencies have a lot more freedom". Similarly, the 1992 Saatchi and Saatchi Annual Report states, there are a limited number of advertising groups that can offer clients a credible worldwide service. With the increasing worldwide focus of nearly all industries we believe that the advertising market is becoming polarized between the few worldwide players and the specialist niche operators.

In recognition of this growing polarization, the trade journal Advertising Age refers to Madison Avenue as "a battleground for a war between smaller independents and major agency networks" (Wells, Advertising Age, April 13, 1994: 2).

There are a number of reasons for the growth of small agencies. The growth of small boutiques is partly a result of increasing client frustration with the large bureaucracy that accompanies a big agency. Smaller agencies are more cost efficient and flexible. As one owner of a small agency put it,

1. While some smaller agencies are owned by larger conglomerates, the vast majority are independently owned.
another advantage of dealing with a company like ours is the fact that the independent company has the ability to make decisions very very quickly. We probably have greater flexibility than the bigger companies and we can adapt to a situation within ten minutes. That has helped in a number of occasions where we have been able to grab an opportunity for ourselves or our client.

He noted that a smaller size allowed the agency to adjust quickly to the economic climate by laying off staff or shifting direction. At one small agency, Messner Vetere Berger Carey Schmettetet, which prospered in the 1980s, there are very few clerical workers. Staffers are linked by computer and even the partners share offices. The agency also has an in-house editing facility to cut costs on television production (Lafayette, 1991). This flexibility is reiterated by another small agency owner in New York:

big agencies take a long time to be able to do anything. They have structure and politics and hierarchies. It's going to take years. Meanwhile we have nothing. We have no hierarchy, we have no enormous structure... and the clients are going to find out about that. I think clients that are using smaller agencies to do something are experiencing a greater level of efficiency and cost. Most of our clients are small. (But) we are trying to crack the big clients with the small niche products.

The vast majority of small agencies I visited make extensive use of freelance labour and thus have very low overhead costs. The change in the way agencies are remunerated, from the traditional 15 percent commission to negotiated fees is also helping smaller agencies, which have lower overhead costs and can charge less (Advertising Age, April 6, 1992). This is particularly important as clients increasingly differentiate between agencies on the basis of cost. Even when the costs are equal between small and

2. The use of freelance labour among larger agencies will be discussed in section 3.5.
large firms, the perception is that more of the clients' money is going toward overhead costs at larger agencies (Interview).

Another owner of a small shop argued,

I think that it has become more acceptable to hire a smaller agency ever since the mergers and acquisitions because that is when they realized big agencies are just in business for the money and they really have no higher calling.

He went on to note that "the actual work declines when agencies are focused on the global. That becomes the end, as opposed to the best work possible". As one art director at a small agency noted that, at the large agency he used to work for,

they (the client) had their layers of management, we had our layers of management. The layers all get together and figure out what's going on. They are nervous about who will be at risk should anything go wrong. No one is willing to display their own judgment. They can't look at something and say let's go with that... More and more advertisers are inviting small shops to pitch and as that happens more disgruntled people in big agencies will start their own shops. All you have to do is win one account.

A large bureaucracy tended to discourage risk-taking in adopting an innovative campaign. William M. Weilbacher, president of Bismark Corporation, an advertising and marketing consulting firm notes, "More large companies now think that big agencies have simply become too bureaucratic to give them the high level of service a smaller agency can offer" (in Foltz, New York Times, 1992). Clients know who will be working on their accounts in a smaller agency.

The trend away from media advertising also works to the advantage of smaller agencies who are able to specialize in more direct forms of advertising such as sales promotion. A recent Adweek panel of agency heads was devoted to discussing the question of whether clients need "traditional" advertising anymore. Marketers are turning increasingly to shops specializing
in sales promotion, direct marketing, and other non-traditional forms of marketing communications (Elliott, *New York Times*, October 15, 1992d: D18). Smaller agencies find it easier to coordinate integrated service offerings such as advertising, direct marketing and promotions. Because there is less separation between these areas in a small agency, it is easier to integrate different types of advertising and publicity, and negotiate a common theme or approach.

Small agencies tend to specialize along four lines: type of advertising or product, race/ethnicity of consumer target group, gender of consumer, and level of creativity. First, some smaller agencies specialize in environmental or healthcare advertising. Although it is not common in the advertising industry, others are oriented toward particular product categories. Generally, because agencies tend not to take on the accounts of competing products, they do not specialize by product category. However, in the case of small agencies, and in certain product categories not characterized by a high degree of product similarity or direct competition between products, there is a tendency to specialize. The agency, Great Scott Advertising, in New York, for example, focuses on motion picture/theatrical advertising and real estate advertising (Great Scott Brochure, 1991). Other agencies I visited specialized in luxury or upscale products. One emphasized high fashion footwear and clothing.

A second specialization for small agencies is by the race/ethnicity of consumer group. Burrell Advertising in Chicago, for example, specializes in advertising to black consumers and handles black consumer marketing for Coca-Cola, McDonald's,
Proctor and Gamble and Ford (Leiss et al., 1986: 130).3 Similarly, there are an exploding number of small firms specializing in marketing/advertising to Hispanic consumers.4

A third trend includes the proliferation of companies specializing in advertising to women. The growth of these small agencies is related to two factors. First, the expansion of "female" agencies stems from the limited avenues for advancement available to women in the larger agencies. Many women end up opening their own agencies, rather than fighting for advancement at larger agencies.5 One woman who founded her own advertising agency in the early 1970s noted,

I'm a product of the 1950s. I'm a lot different than a lot of the women around who are products of the 1960s and 1970s and the only reason I got involved in my own business, the advertising business, is because nobody would hire me cause I was female and I was smart, and nobody would hire me as a secretary because they figured I wasn't going to last as a secretary.

These agencies both tend to market to women and be staffed by women. Second, the growth of these agencies reflects a feeling on the part of female advertising executives that women have not

3. Caroline Jones Advertising in New York also specializes in black advertising.

4. An example here would be Mendoza, Dillon and Asociados in Newport Beach, California.

5. Even the larger global agencies have attempted to tap into the trend toward specialty advertising agencies. Although the vast bulk of all advertising is directed toward women, there seems to be a growing recognition in the industry that much advertising to women is inappropriate. In recognition of the changes in marketing to women in today's economic and cultural climate, the Japanese global agency, Dentsu, has created an advertising company in Tokyo specializing in creative, marketing, public relations and event services, staffed almost entirely by female communications professionals (Dentsu Annual Report 1991-1992).
been spoken to in appropriate ways through the advertising campaigns produced by the larger advertising agencies.

The agency Direct Dialogue opened in 1992 in New York with the slogan, "What most companies know about today's woman could fit on the head of a pin" (Direct Dialogue Brochure, 1992). The agency is comprised of five women from advertising, communications and feminist activist backgrounds. Emphasis is placed on one-on-one dialogue with panels of women around the country: "Direct Dialogue taps into the emerging mindset of today's woman and pinpoints the ideas she wants to associate with, the products she wants to use, in the language she wants to hear" (Direct Dialogue Brochure, 1992).6

Two more recently established female agencies include Anda, Bokuniewicz and Scotti, and Lotas, Minard, Patton, McIver. Anda Bokuniewicz Scotti hires mostly women and is located in Soho, New York. The agency has a stronger creative focus and more recently the agency has decided to emphasize its "feminist" cast in new business presentations. Elena Scotti notes, "We point out that we have the added advantage of knowing why women want these products" (in Rigg, Crains 6(51), 1990). Lotas Minard Patton McIver was formed by four women working in the advertising industry who were somewhat frustrated with their experiences, decided to set up their own shop in 1986.7 They did not explicitly intend to focus on female markets but like Anda

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6. Although the agency did not have any clients at the time of my interview with them in 1992, they expected to attract female magazines (for trade advertising), clothing manufacturers and other clients selling products aimed at women.

7. By 1992, the agency had 40 employees and $90 million in billings (LMPM Brochure, 1992).
Bokuniewicz and Scotti, they found themselves cast as a "female agency" (Kanner, New York, July 1, 1990). The growth of these smaller agencies reflects both the difficulties that women face in the industry and the need to be more sensitive in terms of speaking to female consumer segments.

Finally, in other cases, the expansion of small agencies relates to the demand for a more creative approach. Smaller agencies are more likely to take chances and produce innovative work. Heightened creativity is becoming increasingly important as consumers become more skeptical of the claims in advertising and bored with the traditional formats of advertising. The increase in "zapping" compounded with videotape editing of commercials have placed a greater importance on creativity and entertainment. In addition, greater sophistication becomes crucial with the growth of a more educated new middle class. Many small agencies are known for their ironic and parodic images and novel approaches designed to appeal to increasingly reflexive consumers.

Many producers are looking to innovative creative approaches to gain a competitive edge in the current economic crisis or to revive lagging sales. An informal survey of agency reviews by Advertising Age found that 72 percent of the agencies participating in 1992 reviews were small to mid-size shops, up from 56 percent in 1991 (Advertising Age April 6, 1992).  

8. When a client is dissatisfied or has questions about an agency's performance, it puts the account up for "review", inviting several other agencies to pitch the account, in addition to the agency already holding that account. Although the survey documents an increase in small and medium-sized agencies participating in reviews, most cases of firms switching accounts involve smaller shops. Although there are no fixed definitions, within the U.S., large agencies can be defined as those in the
According to Advertising Age's 1992 Agency Report, small agencies have weathered the recession better than the larger ones.

At the same time that clients are integrating their operations on a global level under one or two agencies, a process of "unbundling" has also been occurring where companies assign media or creative work to a different agency (Advertising Age, April 6, 1992). Unbundling works to the advantage of smaller agencies which tend to lack the media or research depth of large agencies, but often have a strong creative focus. From the client's perspective, it is easier to move the creative portion of an account (Advertising Age, April 6, 1992).

While small agencies typically served niche or locally oriented producers, increasingly, smaller agencies are competing directly with large agencies for big accounts. The growth in the numbers of large multinational clients turning to small creative agencies represents a significant shift in the industry. For example, Goodby, Berlin and Silverstein, San Francisco recently won the American Isuzu Motors account (Advertising Age April 6, 1992). In a recent move, Coca Cola chose two small agencies known for their risk-taking, creative approach: Fallon McElligott, and Wieden and Kennedy, to work on several projects (Elliott, New York Times, October 11, 1993e: D7). Wieden and Kennedy are famous for their innovative advertisements for Nike running shoes that depict female empowerment and escape from past codes of femininity. In the 1980s and 1990s, many small agencies such as top 20, with U.S. billings in excess of $700 million. Mid-sized agencies are generally in the $100-400 million billings range. (There are no agencies between $400 and $700 million). Finally, small agencies are those with billings less than $100 million (Advertising Age, April 13, 1992, Interviews).
Goldsmith/Jeffrey, Kirshenbaum & Bond, and Burkhardt & Christy have opened and won large client lists with companies, including Sony (Foltz, New York Times, 1992). Burtch Drake, executive vice president of the American Association of Advertising Agencies, notes that it is a lot easier for small agencies to prosper than it was in the past (in Foltz, New York Times, 1992). Three executives from Madison Avenue started one agency, Angotti, Thomas and Henge in 1987 in a small lower Manhattan office. By 1992, the agency had billings of about $70 million, 50 employees and clients like Dow Jones & Company, Kirin Beer and Saab-Scania America (Foltz, New York Times, 1992). For many clients, struggling with declining profitability, the need for a new creative approach is often incentive to switch to a small creative boutique. Richard Kirshenbaum of Kirshenbaum and Bond notes, "When people come to us, they know they're not going to get the norm" (in Foltz, New York Times, 1992). The agency now has large clients as well as smaller ones, including Revlon, the New York Times and Chase Manhattan (Kirshenbaum and Bond Brochure, 1991). Kirshenbaum and Bond's advertisements stress controversial and innovative creative strategies. The Family Circle trade ads discussed in chapter 6 were done by Kirshenbaum and Bond.

For the last few years, the conservative advertising trade journal, Advertising Age, which rarely gives out its "Agency of the Year" award on the basis of creative merit alone, has recognized the achievements of smaller agencies. From 1980 to 1993, no awards were given out to what would be considered a mid-sized agency, while 6 were given out to large agency networks,
and 10 to smaller ones. In 1988, the award went to Chiat/Day a small agency headquartered in Venice Beach, California and known for its Apple computer ads and collaborations with the art world. Again in 1989, the award went to a West Coast agency, Goodby, Berlin and Silverstein.

In 1990, no award was given out for the first time ever, partly in recognition of a general state of crisis in the industry. In 1991, this award went to the small Portland agency, Wieden and Kennedy: for "its artistry and creative momentum during a recession" (Advertising Age, April 13, 1992). Wieden and Kennedy is known for its anti-establishment image and innovative work for Nike, Subaru and Anne Klein. Wieden recognizes a general crisis in the industry itself when he notes,

> To me, it seems like the industry, and I don't exclude us from this criticism is just kind of stuck...But I'm not sure what we're doing is convincing anybody of anything except that it's an advertising industry and people are paying us to turn out ads. I don't know how long that game can go on. The ability to manipulate the consumer is about over (in Advertising Age, April 14, 1993).

In 1992, the award for "Agency of the Year" similarly went to Hal Riney and Partners, also a small San Francisco-based agency known for its creative approach for clients such as Saturn. Hal Riney advocates the concept of integrated communications. The breadth of the agency's involvement in image management is evidenced in

9. In 1993, a recent art piece by Jay Chiat appeared alongside artists such as Cindi Sherman, in a multimedia show in SoHo.

10. As evidence of its more creative philosophy, the agency went outside the advertising business and started recruiting agency executives from art schools in Europe. Dan Wieden notes, "We're trying to look for creative people in less conventional channels outside the advertising business" (in Brown, Adweek, June 11992: 4).
their work for Saturn.11 The agency reaches into many aspects of Saturn's business, including media advertising, making small films for car rental outlets, in-store props, tags and the car owner's manual (Advertising Age, April 14, 1993). Small agencies are often better able to coordinate such diverse mediums and forms of communication.

It is interesting to note the regional bias in awards toward the West Coast in small agencies. One possible explanation for the explosion of creative-based small agencies on the West Coast could be that it is easier for agencies to innovate away from the establishment of advertising. Being on the West Coast was one way to immediately signal to the advertising community that your agency was outside the mainstream. Focussing on the creative is also one way to compete with New York-based agencies. Many small agencies are also located in New York, but they have generally opted for a location outside of Midtown Manhattan, particularly in SoHo or Greenwich Village.

The shift to smaller agencies and the instability of relationships with clients is reflected in an unprecedented gesture where Coca Cola moved a significant proportion of its creative business from McCann-Erikson, which had been its agency since 1948, to a Hollywood-based talent agency, Creative Artists of America in 1993 (Tryer and McCarthy, Adweek, February 15, 1993: 2).12 The move sent shock waves throughout the industry and

11. The agency was chosen by a panel at Saturn which included UAW representation.

12. CAA is a talent agency, not an advertising firm. The agency includes Hollywood actors, writers, directors, and production staff.
has dramatically heightened the level of competition within the advertising business. This has created an intense battle between Madison Avenue and the Hollywood talent agency headed by Michael Ovitz. Some argue that as it is getting more difficult to persuade audiences to watch advertising, advertising will of necessity have to become more like "entertainment".13 As one art director commented with respect to the shift of some advertising to CAA,

I think that I can see that in the next 10-15 years, there is going to be a totally different way of marketing and I hope there is some means of livelihood in it. As clients search for new creative approaches to bolster their image and increase their market share, they have turned outside the large rigid bureaucratic structures of advertising agencies.

CAA is making 24 of 26 of the Coke commercials for 1993, and is customizing advertisements to specific television audiences such as the Black market, the Simpsons audience and MTV (Savan, Village Voice, February, 1993: 50). The commercials draw upon Hollywood creative talent and directors, further blurring the divide between film and advertising.14 The use of CAA reflects a desire on the part of some clients for advertising that is both more creative and more entertaining.

The move to CAA is not restricted to Coca Cola. Other companies are thinking of soliciting CAA's creative expertise; for example, Nike and GM are considering shifting part of their business to CAA (Savan, Village Voice, February, 1993: 50). In


addition to CAA, other talent agencies such as International Creative Management and the William Morris Agency have approached advertising agencies such as Wells Rich and Greene BDDP, Chiat/Day, Saatchi and Saatchi, Bozell and BBDO, with the aim of exploring the possibilities of working with them (Tyrer, Adweek, April 5, 1993: 1). In 1993, Sony chose its own entertainment subsidiary Sony Pictures to produce its advertising, rather than its agency, Leo Burnett (WPP Annual Report, 1993). Thus, in addition to the heightened competition between large and small agencies, the advertising now faces added competition from Hollywood.15

Overall however, it is interesting to note that patterns of change described in Britain although similar, seem different to those in the U.S. Advertising does not seem to have achieved the status as an elevated art form that it did in Britain in the 1980s. The creative boom witnessed in the U.S. seems on a smaller scale than that in Britain. Second, the emphasis on creativity in smaller agencies obscures other reasons for the growth of small agencies, namely, their tendency to specialize by product or consumer. Cost savings are also a major incentive for switching to a smaller agency. Third, the emphasis placed by Lee (1993) and Lash and Urry (1994) on small flexibly specialized agencies underplays the growing polarization between large and small agencies and the simultaneous expansion of both in the 1980s.

15. As one advertising professor put it, "For agencies it's fairly terrifying. It ain't about making ads. It's about understanding the consumer and what the consumer ultimately responds to. And CAA understands this person as well as an agency does" (Robert Lauterborn in Elliott, New York Times, October 16, 1992d: D18).
Fourth, it is important to conceptualize the rising complexity of accounts, with concurrent processes of bundling and unbundling. The intensified competition between global agencies and small shops has also had a negative impact on smaller agencies. Clients are gathering up their accounts and centralizing them at one agency worldwide. Small agency owners also point out that small shops often suffer more in an economic downturn because they do not have access to a diverse client base or the resources of a larger parent to insulate them. Others have lost accounts which have been agglomerated under one agency worldwide. As the female owner of one small agency noted,

> Even when we lost a big piece of business three years ago we did not lay people off. We worked to bring in some new business and operated at a loss for a while. We really didn't want to do a drastic cutting of people. We felt it was inhumane and none of them did anything to loose business. That was a cost cutting thing that our client did and took all the business out of three agencies and put it in one, at a much lower rate and that was our main company, our biggest piece of business.

While some agencies have been unbundling their accounts and giving the creative portion to smaller more creatively-oriented agencies or to organizations such as CAA, other agencies have been bundling up parts of their business at one agency worldwide. The growth of smaller agencies illustrates some of the limitations to global expansion and marks the development of a more complex pattern of advertising provision 16. However, the

16. However, the drive to transnational expansion has also affected smaller and medium-sized agencies which have also begun to increase their global presence by joining independent agency networks. These networks are cooperative affiliations among different agencies. Where these were generally national networks in the past, there has been a rapid growth of international networks; for example Group 92 based in London affiliated with the Local Independent Agency Network in the U.S. in 1993 (Advertising Age, April 13, 1994: 21). The U.S.-based network is culled mainly from mid-sized agencies and eight medium sized U.K.
emphasis on small agencies obscures the extent to which large agencies have restructured their internal structures so as to become more flexible.

Increased competition from smaller agencies has motivated the larger transnational agencies to restructure their internal operations. In particular there have been attempts to improve agencies' creative capacity and flexibility. As evidence of the effects of increased competition and the obsolescence of monolithic bureaucratic structures, some larger agencies have begun to create spin-off agencies. Most of these offshoot agencies are conceived as creative boutiques. A second example of reorganization is provided by the efforts of agencies to create a more flexible labour force through layoffs and an increased work intensity and use of overtime. A process of casualization and feminization has accompanied the move toward greater flexibility in larger agencies.

3.4 Spin-offs of Large Global Agencies

The growth of smaller agencies has motivated global agencies to generate their own spin-off small shops. When Lintas Worldwide learned that IBM was putting its account up for review and the front running agency was the smaller Chiat/Day, Lintas created a

agencies belong to Group 92. Another example of the globalization of agency networks is the recent alliance between the Paris-based network called Cross-World which includes 10 shops, with the Dayton Ohio based IAAA, including 16 shops and the Trans-Canada Advertising Agency Network with 23 agency members. The 32 agency network MAAN from Cleveland also joined forces with the 14 agency network called European Marketing Communications based in London (Advertising Age. April 13, 1994: 21). With the increasing emphasis on globalization, representation across the globe remains vital, even for smaller shops.
new spin-off agency from its New York Office called L[sub2], conceived as a smaller more creative shop (Elliott, New York Times, September 3, 1993c: D15). Other agencies have followed suit, with Omnicom creating Merkley Newman Harty (which recently won the IBM account), TBWA establishing Castle Underwood, DDB Needham opening Berlin Wright, and Grey starting up the agency, G2, following speculation that its Mitsubishi account was up for review (Taylor, Marketing, June 3, 1994). These spin-offs were set up with an explicitly creative approach in mind. Many large global agencies are attempting to de-layer themselves, clustering account and creative groups to remake themselves in the image of smaller creative boutiques without deemphasizing their global presence (Wells, Advertising Age, April 13, 1994: 2). This signals the growing competition between large agencies and small agencies and the profound crisis facing larger shops. Spin-offs are one way in which larger agencies have attempted to generate greater flexibility in terms of their range of offerings and structural form.

3.5 Flexibility through Layoffs at Large Agencies

The increased financial pressures brought on by global mergers and acquisitions, and competition from smaller agencies have led to layoffs at larger agencies and a reduction in the size of the labour force in advertising. Layoffs were particularly concentrated in the late 1980s and early 1990s and are a by-product of a number of related factors. First, layoffs are a reflection of a desire for increased flexibility stemming from mergers and acquisitions. Heightened financial pressures
cause more attention being paid to payroll costs. The change in
ownership transformed life at agencies affected by takeovers. As
one art director at Oglivy and Mather put it,

I went to work at Oglivy and Mather which was then bought up
by WPP. It's a company that has absolutely nothing to do
with advertising except that it's owned by Martin Sorrell
who was big at Saatchi and Saatchi... I went to Oglivy and
Mather and when I was there, WPP was the largest agency in
the world. Now they're in trouble. What happens to these big
big agencies is that they have an outside economic entity
that they have to make their bottom line for, and for
instance when I was at Oglivy we had to show x amount of
profit. One of the ways that we could show profit was to, we
had 16 floors of the Worldwide Plaza Building, five of them
were empty. We could show profit by renting out those
floors. So real estate was one thing. Another way we could
show profit is by firing people. An agency has no overhead
really. It's all payroll and so one way to make that bottom
line is to cut back salaries. Neither one of these things
has anything to do with creating advertising and so you
spend a lot of energy when you are working for one of these
monoliths doing corporate stuff that has nothing to do with
actually making advertising.

Employees at Oglivy and Mather were subjected increasingly to
external financial imperatives. One woman who used to work at J.
Walter Thompson noted, "at Thompson we went through a takeover
and there was a lot more attention given to the financial side
after that. But here its privately owned, so its not some
shareholders out there whose livelihoods you're affecting". An
account executive compared takeovers to colonialism in terms of
its impact on agency life: "it's like being colonized is what
it's like. It's like when the European countries colonized this
territory. Their territories had to be profitable so they took
out what they could take out and the same is true here". One of
the things they "took out" was labour. The wave of acquisitions
has meant an agglomeration of many areas of the agency, such as
research, and less duplication of services. In the aftermath of the most intense period of acquisition, the Bureau of Labor Statistics estimates the number of advertising agency employees in the U.S. fell from a high of 169,600 in 1989 to 152,200 in 1993 (in Savan, Village Voice, May 31, 1994: 52). Therefore, while there has been a growth in agency revenues, this has been accomplished by a more flexible labour force.

Second, layoffs are tied to the heightened competition for accounts. The heightened instability stemming from the rapid shifting of large accounts between agencies has caused agencies to fire large numbers of employees when an account is lost, and rehire employees when a new account is picked up. In this way a more unstable, although flexible, labour force has emerged in the industry, hired and fired with new business wins and client losses.

Finally, layoffs result from client reductions in media advertising expenditures. The early 1990s tend to suggest low to negligible or even negative rates of growth in the United States. Few are confident of a substantial recovery in advertising spending in 1993 (Cola and Wells, Advertising Age, 1992: 4). Martin Sorrell observes, "In the recessions of the 70s and 80s,  

17. Employees of medium-sized agencies, that were either taken over or faced declining profits and those at the branch offices of large agencies were also affected.

18. From 1990 to 1991, the number of employees in the U.S. in agencies fell by 3.5 percent, and again in 1992, employment fell 1.6 percent or a loss of about 1,123 jobs in the U.S. (Advertising Age, April 13, 1992, April 14, 1993). In comparison, on the non-U.S. side, there was a 3.4 percent gain in 1991 and a 1 percent gain (or 659 jobs) in 1992 (Advertising Age April 13, 1992, April 14, 1993). Employees note that layoffs have been concentrated in the largest agencies.
ad spending led the upturn. In this recession, ad spending led the downturn and will lag the upturn" (in Cola and Wells, Advertising Age, 1992: 4).

Losses have been felt most in the creative and research departments. In comparison, account management and media have been sheltered to some degree from the cutbacks. Both are perceived as being more essential to the business of advertising.19 Partly as a result of mergers, declining client advertising dollars, and changing methods of advertising research, new agency research has been cut back: "It's no secret that agencies have been downsizing, and there are fewer developmental (research) dollars available. The big exploration heyday of the 80s is over. The exploration process for agencies has been derailed to a great extent" (Alice Sylvester, Senior VP, J. Walter Thompson, in Hume, Advertising Age, June 3, 1991: 33).20 Grey Advertising's research department employed over 90 people in 1967 and had a staff of 35 in 1989 (Rothenberg, New York Times, April 6, 1989: D10). J. Walter Thompson has also abandoned its large scale research and has rationalized its research department workforce from 35 to 25 people in the late 1980s.21

19. It is ironic that creative work, which is presumably what the advertising business is all about, is seen as dispensable.

20. On the other hand, some are more likely to argue that cuts on the client side benefit the advertising and research industries. William Jay Wilson president-CEO of the research company, Starch INRA Hooper notes, "When clients cut back in their own staff, they still have the need to do research. And what they do is rely more on companies like us to do their own work for them" (in Steenhuylsen, Advertising Age, June 3, 1991: 35).

21. Research departments have been affected dramatically by the series of mergers that swept the industry. As one agency executive put it, "Everyday you open the paper and there are a
Research has generally fared worse than other departments because it is the most intangible in the sense that it is difficult to measure its impact. As one researcher noted,

The world of research is shrinking to a ridiculous extent due to the recession. To some degree... you can't really gauge what their contribution is to the creative process, much like advertising. You don't know when it starts working, you don't know when it stops working. You don't know the degree that it's working, so it makes it a difficult thing to understand what it contributes to sales.

The demand for research is also more variable in terms of quantity and type and therefore can be fitted to a more flexible arrangement or procured externally. In comparison, agencies need account people as a liaison with the client and media planners are required to place advertisements. As one woman noted, research departments do not generate revenue and are therefore more vulnerable.

Overall, the reduction in the size of agency research departments has been accompanied by a shift in the methods of research, with an increased emphasis on cheaper, more qualitative types of research which have a faster response time and are more flexible. Qualitative research tends to be small scale and requires fewer employees than quantitative research and

series of layoffs, 200 more layoffs. The advertising industry has shrunk by about 10-20 percent in the last three years (Research Director, Interviewed in 1992). At one agency that merged with another firm, the total work force went from 40 to 20 to avoid duplication. Two research directors were reduced down to one and many people were laid off. At another agency, best known for its commitment to research, the total staff went from 60 or 70 people in the early 1980s to less than half that figure by 1992. One director noted that in the last ten years, his department had decreased to one-third of its original size, while at another agency the labour force declined from 30 to 14 in the 1980s.

22. Clients also do their own research. Client researchers are not around on a daily basis to service the creatives and therefore, agencies need their own research departments. However, a process of trimming down research to focus on more advertising related issues is evident in the last few years.
is more likely to be subcontracted to freelance focus group moderators. As one woman on the creative side of a large agency put it,

We've had three layoffs in the three years I've been here, three groups of layoffs with 20 or more people each time... The people who get laid off aren't the ones who get punished so much as us, because we have to pick up their work. Sure we've lost business and that's why we've had layoffs, but we haven't lost that much. It has more to do with showing profits.

The increase in layoffs points to the desire for a leaner, more flexible work force in the advertising.

Although they have been concentrated in research and creative departments, layoffs have not been confined to the research side. In a survey by Advertising Age, 37.3 percent of agencies surveyed noted that their media departments were smaller than three years previously, 39.3 said that their media departments were the same size and 22.9 percent claimed that their departments were larger than three years ago (Mandese, Advertising Age, July 20, 1992a: S2). According to this survey, declines were especially prevalent in larger agencies. Many agencies noted that it had become more common to cut from middle and lower levels and give more "hands-on responsibility" to senior media employees. As the media fragments and targets are more narrowly defined the media specialist has given way to a more flexible generalist (Mandese, Advertising Age, July 20, 1992b: S2). Perhaps the most dramatic shifts in the industry, however is the increased use of a freelance creative labour force in the larger agencies.
3.6 The Growth of Casual and Freelance Labour on the Creative Side

The advertising industry has always hired a range of freelance photographers, directors, musicians, artists and researchers and over the years, and many artists in cities like New York, have made their living working in commercial art. In recent years however, there has been a dramatic increase in the use of a casual labour force. The greater use of freelance labour is part of an attempt by large agencies to become more flexible in responding to the work loads and needs of clients. The increased use of freelance workers by large transnational agencies such as BBDO, McCann-Erikson, Oglivy and Mather and Lintas, parallels small agencies which often make extensive use of this form of intermittent labour in order to reduce overhead costs (Wells, Advertising Age, May 31, 1993: 13). Alongside the cutbacks in agency personnel, there has been an increasing casualization of the labour force, particularly on the creative side. Agencies have been increasingly generating larger billings with fewer staff. With creative staff cut down to the absolute minimum, agencies require freelancers to cover peak loads.

23. Even "high" artists such as Picasso and O'Keeffe have supplemented their incomes with commercial work, even though few would openly admit it. An exception to this was Andy Warhol who was very open about his own work for advertising agencies and dressing department store windows.

24. The growth of casual labour in the advertising industry parallels the publishing industry where the growing concentration of the industry has made publishers more cost conscious (Lash and Urry, 1994: 118). Much copy-editing is now put out to freelancers, who are frequently women working at home (Lash and Urry, 1994: 116). Robins and Cornford (1992) describe a parallel situation in the film and television industry in Britain where independent producers have had to restructure in order to compete. One of the ways that they can compete is to rely more heavily on free-lancers. A rapid casualization of the labour
Contrary to the theory that part-time, temporary and subcontracted work are mainly utilized for "peripheral" functions such as clerical work, or in unskilled occupations, many of the core functions of advertising, especially creative work are being "put out" to freelance artists and copywriters. All of these cost-cutting measures are designed to enhance profitability in the agency by enabling it to respond more flexibly to the demand for advertising services.

The heightened use of freelance labour is evidence that flexibility has become a key issue in the industry. Robert Reich argues that in the future the advertising industry will be characterized by large advertising conglomerates subcontracting out most of their creative work or specialist communications (in Rothenberg, New York Times, May 5, 1989).

One creative director noted that freelancers were being used on account "pitches", so that the same freelancers work on pitches for different agencies. She noted,

nobody has enough staff to get all the day-to-day work done and give pitches. Therefore you have freelance people work on pitches. When a client makes a choice between agencies it's the same people. One time they may be working at this agency but the next time at another agency... the companies are much more interchangeable than they used to be. The cultures and individual styles are not as strong partly because of that.

One woman notes, "the client never knows that freelance generated some of the work". Freelancers are used on pitches in order to tap into a larger pool of ideas and creative talent. If an account is won, they are sometimes hired on.

force has occurred in British television and most of this labour force are working freelance for the first time (Robins and Cornford, 1992).
In other cases, freelancers work on existing accounts:

"Sometimes when we're pitching new business, teams are pulled in from other brands and freelancers cover the day-to-day stuff".

One woman concludes,

They are mainly called in a crunch like when the agency is loosing an account or when they don't want people working full time... I think they are brought in mostly when something is in trouble or when they're trying to get something. That's what I've seen around here. It's like everyone's tired and couldn't come up with something so they bring in an outside team.

Finally, with staff cut down to a minimum, freelancers are used to cover for executives when they are away,

We've had a bunch of freelancers here last month- three teams. I was working with a freelancer. My partner has been away covering a shoot so they had a freelancer in for me...

One creative personnel manager noted that they used freelancers as a way of screening potential employees.

In other cases, freelancers are brought in in order to obtain specialized or specific skills. One female art director noted, "sometimes they might hire somebody who they think might be better suited to doing something in cars or because they go outside to improve their chances in pitches. I think it increased especially a couple of years ago". In many cases the freelance system is a way to bring in the "big creative guns" as one woman described them. Freelancers are often well-known creative "geniuses" that charge very high rates and only pick accounts of interest to them. In this way, they avoid all of the bureaucratic routines, structures and paperwork associated with full-time work and can focus on artistic work.

25. As one woman pointed out, these are generally men.
Not all freelancers are highly paid and free to choose from a wide range of accounts, however. In many cases, freelancers provide a cheap, flexible labour force for agencies. While freelancers were generally viewed as well paid (up to $400 per day), they were not given benefits and do not work regular schedules. Agencies have prospered from the labour pool of freelance labour generated out of agency layoffs. Many freelancers are unemployed advertising executives that use casual labour until they find a new job. The development of a flexible freelance labour force in the advertising industry is indicative of the more unstable and flexible agency structure that seems to be emerging.

3.7 Flexibility and Work Instability

Greater work force flexibility through freelance labour and smaller work forces, result in longer hours of work, less pay, and fierce employee competition for the employees that remain in the industry. As a junior art director, one woman's salary was a mere $16,000 and she frequently worked until 9 or 10 at night. Smaller creative departments have resulted in a more chaotic, disorganized work process, with creatives being shuffled between accounts and partners: "it used to be you working with your partner, one partner, but now they're just pulling people onto different things...So it's crazy". One media planner in a global agency also commented on the long hours, "We live here. We always say that in one of our drawers we have a roll-out bed. I live on Long Island. After 10:00, they send a car to drive you home and it is $85 out to Long Island. So I don't understand why they don't let me stay in a hotel. I'd get to sleep longer". More
chaotic and intense for workers, this arrangement is also more flexible for agencies.

The level of competition has also increased as a consequence of heightened flexibility. One art director noted, "Sometimes you think, oh my God, they got rid of that one, and sometimes you see a reason. I personally think it's all about who people like. If the creative director likes you". Employees note that the advertising industry used to have a fun and relaxed atmosphere, with a varied group of people and the advantages of travel. Most described the agency culture today as one filled with panic, tension, and competition. Almost everyone cited a speed-up of the work pace.26

Increased pressures within the industry have led to more competition between employees. With clients frequently switching agencies, advertising firms are more fearful of losing accounts and have adopted new ways of orchestrating creative work. Where at one time, each creative team was assigned to a different account and expected to come up with a number of campaign ideas, agencies now put a number of creative teams on a given account and pick only the best campaign.27 One art director compared her job with those who had been in the industry for a number of years:

26. On the creative side, new technologies also mean that judgments have to be made a lot faster. One art director noted, "because it (editing) can be done in a quarter of the time doesn't mean its better. Because the client instead of expecting to see an edit of a commercial in a few days after the shoot, they now expect to see it two days later simply because we have better scissors. But that's taken away time for reflection and looking at the conceptual part of it".

27. Each creative team consists of an art director and a copywriter.
These guys have produced hundreds of spots and now you're lucky if you do a spot a year. I mean there was just more being done and less competition. They were producing left and right and today you're just so lucky to get something produced and really lucky if it's something you're proud of. The competition is horrible. It breeds a lot of ugliness, a lot.

In addition, agencies have moved toward a more flexible remuneration structure, with employees receiving a larger proportion of their income in variable forms of remuneration, so that payroll matches the variable nature of the agencies' revenues (Saatchi and Saatchi Annual Report, 1992: 8). At Saatchi, this is done through a system of annual bonuses and long term incentives. This has also heightened employee competition and led to great intensity and longer hours.

3.8 Flexibility and the Feminization of the Agency Workforce

The increasing instability emerging from transnational mergers and heightened competition within the industry is tied to a re-gendering of the advertising business. Parallel to other industries, increasing flexibility coincides with a feminization of the labour force. As McDowell (1993:50) points out, the current economic restructuring involves struggles over the gendering of new jobs and the reallocation of existing jobs. In this section I want to argue that in contrast to discussions of the rise of business services and global cities, which assume that the two are synonymous with the growth of highly paid professional occupations, that many of the jobs being created in

the business services sector are in fact low paid, female jobs. Advertising itself has been referred to as a "marketing sweatshop" (Zeitz and Dusky, 1988: 147) and a "pink collar ghetto" (Kingman and Sloan, Advertising Age, December 12, 1990). An emphasis on the professional elite in global cities obscures the polarization of the labour force in these cities (Sassen, 1991). This polarization is evident in the advertising industry which is comprised of both a highly paid professional workforce and a large number of low-paid female employees. Entry level positions in advertising, often paying as little as $16,000 a year, are among some of the lowest paid professional positions in the producer services. 29

While advertising is still a male-dominated occupation, the industry has become progressively feminized since World War II. 30 We need to interrogate the social construction of occupations as gendered and how these bodies are re-gendered over time (McDowell, 1993: 15). McDowell and Court (1994) argue that illustrate how the disembodied ideal of the male bureaucrat offering rational advice as a cerebral product has gradually been displaced in the world of high finance, where there has been a movement toward work as performance, in which individual criteria such as appearance, personality, style and self-presentation.

29. In addition, a large number of clerical staff, accounting for about 20 percent of total staff, are hired in the industry and in New York, these are largely black women (Source: Interviews).

30. As many women noted, the publishing industry in New York had historically been dominated by men, but increasingly it became a female job so that most of that sales representatives for magazine advertising space were women. This encouraged the growth of female media planners in agencies.
In a similar vein, the advertising workplace is layered with
gendered meanings and practices that construct gendered
identities at work and in images. The feminization of the
industry has been tied to perceived attributes of femininity.
Although services have long been considered a feminized job
ghetto, "increasingly these 'new' occupations rely on the
marketing of attributes conventionally associated with the
'natural' attributes of femininity—sociability, caring, indeed
servicing which is marketed as an integral part of the product
that is for sale" (McDowell, 1993: 2). For example, Dorothy
Dignam at N W Ayer offered the following advice for women hoping
to enter the field of advertising copywriting in the mid-1940s:

Number one. You must be a woman— if the agency wanted only a
copywriter they'd hire a man! As a woman, you must know
other women and be interested in them... Club women, lodge
women, church women, country women, city women, suburban
homemakers. As a woman in an advertising agency, you'll be
expected to answer every sort of woman-question... (N W Ayer
files).

Early women in advertising argued that men and women were
fundamentally different. In terms of research, one woman notes,
"Women are to be found in any of the varied market research jobs.
Because much of the work involves carefulness about details,
resourcefulness in tracing down information and tact in eliciting
it— perhaps more feminine than generally masculine
characteristics— women have contributed to this relatively new
field" (Holmes in McBride, 1948: 72).

Perceived differences between men and women continue to be
relevant today. A female research director noted,

You can find your way into an industry because of skills
that are perceived as being gender specific, like sales.
Women are seen as skillful at sales. They are building
relationships you know. Those kind of perhaps soft skills are an advantage.

One male advertising executive notes, "after all, advertising's most important customers are women, they control more of the money, do more of the buying than men, and a woman understands better than a man what motivates women, what makes them buy" (Hobbs, 1980). As one male director noted, "I will be called a chauvinist but I think women have a much greater attention to detail but, they're also more, I'm in danger to say this but, more stable". He went on to note that clients can frequently be difficult to deal with, and that women tended to be better at handling them:

They are able to calm the situation down and they're much better at building relationships. Their efforts are quite good. They tend to bring in good profits...Communications in a relationship end up being the responsibility of the wife rather than the husband and I think this is a communications business and women are suited to it.

Especially in a time of heightened conflict between agencies and clients, women are perceived as being important. Another woman argued that as agencies' servicing role took over from their role as "partner", women were increasing servicing accounts:

I think that advertising is almost becoming predominantly women because it's a service business and I think that's a driving force. Nurses serve and teachers serve and since advertising has become more of a service business I think that women tend to deal better in service jobs because you're not perhaps as demanding in a certain way and you can accommodate requests and I think that's just the nature of a woman to be more responsive rather than directive and we are a response business.

By the mid-1980s, women represented 53 percent of all those employed in advertising agencies in the U.S. (Talmadge and Reeves, Adweek, July 7, 1986: 1). Despite the large numbers of
women, men dominate positions of power within the industry.  
In 1990, the American Association of Advertising Agencies estimated that only 7 percent of its member agencies had women as their chief executives. In addition, men make on average 1.6 times what women make for essentially the same jobs in advertising or an average of $25,000 more than women (Advertising Age, November 18, 1991: S1).  

Layoffs, resulting from the increased emphasis on flexibility and from agency instability seem to have had contradictory impacts on women's employment. Many women suggested that women were cheaper than men and therefore more attractive in

31. Oglivy and Mather was the subject of a class action suit in the mid-1970s concerning the advancement of women. As one woman who worked for the agency noted, "There was lots of evidence that women were being discriminated against. I was here then. But they beat the law suit. But one of the things they did was bend over backwards to give them opportunities afterwards. So it turned out to be a good thing for women even though we have the frustration of the company beating the law suit. Everybody knew it was true but the evidence was all anecdotal. But the result is that after that, the agency was quite good about it".

32. Another study estimates that women earn $46,900 on average, while men make $70,100 (Taylor, Adweek, March 18, 1991: 18). The industry is characterized by an open pay structure whereby salaries are negotiated individually and not publicly known. This works to the disadvantage of women in the agency who argued that they were not as skilled as men in bargaining for more money. Women also noted that their family responsibilities made them less likely to be risk-takers. While men frequently moved jobs and agencies in order to increase their salaries, women were more likely to stay in the same agency for a longer period of time. Overall this leads to lower salaries. Despite this differential, one woman spoke of the advantages that advertising had accorded women in terms of salary; "the highest paid women in New York, some of them are creative directors. I mean the highest paid men in New York aren't creative directors. They're not even in advertising. The highest paid men in New York are in corporate finance. So what its saying is that advertising has been more likely to offer women some opportunities than other kinds of areas".
a time of recession. Agencies could save more money by firing high level executives who are usually men. One woman notes,

One of the things that happened over time when I started at Leo Burnett, there were a lot of men there. That department (market research) became slowly mostly women and some of my friends and I have talked about it over time and there was a feeling that women were good at this but they also demanded less pay and so it was a real good way for the agency to save on salaries.

Overall, however, the unemployment rate for men and women in the industry was about the same in 1987 (13.7 percent for women and 13.1 percent for men) (Adweek, 1988).

While women make up roughly half of all agency personnel, there are "glass walls" in the industry; women are ghettoized in the research and media departments. As one researcher put it, "marketing research has traditionally never been the way to the top so maybe men have not chosen that thinking that it would not get them to be chairman of the board quick enough". With the growth of qualitative research in advertising, more women are working on the research side. One woman noted that she had not faced many difficulties in advertising because qualitative research was perceived as "the softer side of research and in many people's eyes it's the more feminine side of research". Qualitative research is seen as less "scientific". She noted that the perception was that women were more caring and non-threatening as focus group moderators. Another woman noted that

33. Other women seemed to think that women, because they were disproportionately represented in the lower and middle rung positions were the first to be let go. One woman noted that in a recession the agency tends to keep those who "you can call in an instant" and that men tended to be able to work longer hours and come in more frequently and were thus seen as more valuable employees.
she thought that women were better listeners, both in terms of the client and the consumer.

Similarly, media departments house the lowest paid employees in the industry and are almost entirely staffed by women (Mandese, 1992: S2). Another executive argued that in the media department "most of the women are single, stay home after their second child because their incomes aren't contributing great amounts, if they are married. Media people don't make any money so unless they are very career oriented women, for most of them it's just a job. It's like publishing". When asked why media was dominated by women most media employees reiterated the sentiments of one woman:

I think it probably has something to do with pay. The pay when you start is definitely really low and you might think this is sexist but I think it is the truth, men who are worried about supporting a family might need more. I mean I started on $11,000 a year and I think the starting salary now is $18,000, so I think that might scare some of the men away.

One manager noted that women were especially talented in the media department because of their greater exposure to television: "the media ladies are very good at this. They know exactly what people watch and when". Another male CEO at a large agency argued, "Oh, the men are completely outnumbered, absolutely totally outnumbered. At one point we were outnumbered by 29 to 8. The media department was the first to go. That went all female some years ago because women were just better at it. There are a few male media directors left but not too many".

In contrast to the media and research departments, only 20 percent of all creatives are women and only 33 percent of all account managers are women (Emmrich, Adweek, February 12, 1990: }
Account and creative departments are the most common route to higher positions in the agency and because women are underrepresented in these departments, they are restricted from upward mobility in the agency.

Many women on the creative side noted that famous art directors tended to be male. As one woman put it, "art directors were notoriously loud and very egotistical. There was the era of the brilliant Jewish art director (male) and then there was the era of the brilliant and loud male Italian art director. I've always behaved like a guy...". Another woman noted, "for a long time it was a truism that art directing belonged to Italians and writing belonged to Jews, and Italian men wouldn't accept women whereas Jewish men would accept women and so it's a story there". She also observed that "as you get higher up the structure you see more and more white faces and fewer and fewer faces of colour. It varies from agency to agency. Different agencies have different cultures and some are more WASP-oriented than others". On the other hand, as one woman creative put it, "creatives are already expected to be bizarre, crazy, whacked out, insane, so as a woman I was simply well clustered in the right category".

One woman who had worked in the media department since the 1940s asked every year for thirteen years to be transferred to account management. Finally, she was allowed to transfer and had been working in account management ever since.

93 percent of the industry labour force is Caucasian, while only 2 percent is Hispanic, 3 percent Black and 1 percent Asian (Advertising Age, November 18, 1991: S1).

She noted that her gender had often been used by the agencies she had worked for. In a client in the baby products category she notes, "I see no reason why we wouldn't have taken advantage of the fact that I had five kids to go in and pitch the business and say, 'we've got the woman who is our president, creative director
Traditionally, account management has been a difficult area for women because some male clients feel uncomfortable working with women (MINMEDIA Industry Newsletter, 1982). However, because account management means communicating, listening and serving the client, women have increasingly moved into this area. As one woman noted,

account management tends to be female oriented. I'm not sure if that's because women tend to be more detail oriented or what but it just seems that men are looking for other businesses to go into or something. I'm not sure. My husband is a creative director at Foote Cone and Belding in New York and he was just making the observation that almost all of the account people are women. It used to be all men. I think people realize that products are sold primarily to women.

Traditionally women in account management worked on "female products" such as fashion, cosmetics, food and pharmaceuticals. As one woman noted, "I had basically been promoted and had always worked on the fashion side of the business, so it was most likely that women are in fashion and your point of view is perceived as maybe more pertinent to the business because you are a woman".

Advertising is an occupation where one's identity as a worker is intricately connected to one's identity as a woman. One woman described the female creative director for a product: "she had a style all her own. She was the product". Advertising can be included under the umbrella of what Leidner (1991) calls

and guess what, she made five of them so she knows about changing diapers".

37. When Charlotte Beers become Chairperson and CEO of Oglivy and Mather in 1992, William B. Connell of Proctor and Gamble noted, "Her great strength is in understanding the client's needs" (in Landler, Business Week, June 8 1992). The trade press referred to her appointment under the headline, "A consumer in charge". The marketing literature is full of references to women being better suited by nature to customer service occupations such as marketing and advertising (i.e. see Sales and Marketing Management, March, 1990, Marketing News, 1980).
interactive service occupations in which personal bodily attributes and character are an important part of the job. The worker is sold as part of the overall service. For Leidner, "these jobs differ from other types of work in that the distinctions among product, work process, and worker are blurred or non-existent, since the quality of the interaction may itself be part of the service offered" (Leidner, 1991: 155).38

In the current period, the feminization of advertising, parallels developments on the client side. One woman in advertising noted, "I think the same thing is happening on the manufacturers side. Marketing has become female and promotion, less so research and development". Sales has become a female occupation. In contrast to the old image of the male advertising "man" seducing the female consumer, increasingly the industry employs women to appeal to the consuming instincts of other women. The feminization of the industry is aimed at making the industry more responsive to changes in identity and demand. The feminization of agencies has occurred at a time when agencies became more unstable and vulnerable due to takeovers and layoffs. It also coincides with the introduction of a more flexible labour force. Layoffs and an increased intensity and casualization of the work force have occurred alongside a feminization of the

38. One woman complained of being positioned as a woman in the industry. She noted, "Nancy (not real name) is the older generation. She gets by flirting with the older men and they love it. But Carolyn is asexual. She is not feminine and she is not masculine. She represents a younger generation. She is ungendered. The way you look and present yourself is even more important in advertising. I know I've been positioned as a mother. I'm not going up any further and I don't care".
industry. The crisis of the industry is reflected in a regendering of the work force.

As the balance of power shifted in favour of clients, men left the industry. One commentator; for example, worries that "agencies are reshaping themselves in a servile way" (Medcalf, *Marketing*, September 20, 1993: 18). Many women noted that in the 1980s, men abandoned the industry in order to pursue careers in the stock market and investment banking. This illustrates a process of feminization, as men left to pursue more "masculine" occupational horizons. Many spoke of the importance of client contacts and noted that men were more likely to establish close relationships with clients, and then shift to the client side or use their knowledge of companies and products to enter the stock market.

While many men left advertising for this more macho masculine occupational identity, it is striking how much the sexual horseplay described by McDowell in the case of merchant banking resembles the highly charged atmosphere that remains in advertising. Many women explained the sexually-charged

39. The frenzy of financial speculation associated with 1980s has been labeled "sexy greedy" by Thrift and Leyshon (1992). As Linda McDowell (1993) points out, merchant banking and financial occupations represent a certain type of exalted masculinity, housing the highest level of power, lust and success. McDowell notes, "...in the heady world of sales and trading the male culture that is established valorized a more macho masculinity of 'guts', an 'iron balls' and the 'killer instinct' necessary to overcome clients' resistance, to make sales and conclude deals" (1993: 31).

40. In terms of the scaling of bodies as a means of exclusion, the advertising industry has long been known as a place for the young and the beautiful. Almost all men and women interviewed were between 20 and 45 and parallel to McDowell's findings in merchant banking (1993: 38), all were remarkably similar in appearance. The vast majority were white, and none were significantly overweight. All were fashionably dressed and the
workplace in terms of the fact that so much of advertising uses "sex" to sell commodities. The sexualization of advertising is evident in a trade advertisement for Quebec advertising agencies:

This year you'll research everything from her favourite perfume to her favourite restaurant. Tonight, we'll sleep with her. She could be anybody. But she's not. She's a Quebec consumer, representing a significant share of your total market. She doesn't speak English. Or at least, not fluently. Besides language is only one of the many factors that differentiate her from the rest of Canada. How do we know? Easy. We're either married to someone like her or we're women just like her...think about it. Before trying to seduce this woman with a national move, talk to a Quebec advertising agency. We'll help you get a bigger share of the action (Association of Quebec Advertising Agencies in Marketing, December, 1990).

Long hours and the informal nature of the workplace also contributed to a sexualized environment. One woman noted, "the sexual tension was just incredible. You were constantly being reminded that you were a woman, a thing a little kitten or something. Advertising is intense".41 Some women complained of harassment, "we went through several stages where younger management was single and a certain flirtation went on. It's going to happen in a business that has a lot of single people, and there were sometimes things that happened that you thought weren't in the best of taste and at the time there was actually men either wore casual clothing to emphasize their hip, modern style or combined conservative elements (the business suit) with a wilder tie to indicate their creative flair. Women tended to wear short skirts in order to emphasize a less conservative style.

41. Affairs and divorces are common. One woman reflected, "I had a conversation with a woman not long ago and we were trying to figure out whether it was advertising that was causing as many divorces as we were aware of and I think that the long hours are part of that but yeah, there's something about the nature of the environment".
one guy in the creative department who I think was sued by a woman who made certain allegations that were pretty awful".

The creative process itself reveals the increasingly sexualized atmosphere present in the industry. With agency reorganization, a number of teams now compete against each other in developing a campaign for a product. In a number of agencies this process is referred to as a "gang bang", revealing both the sexualized and misogynist discourse present in the agency environment.42

In addition to sex discrimination and harassment, numerous women also spoke of age discrimination, noting that in advertising there was an emphasis on being young and in touch with youth culture. With heightened employee competition, being up-to-date is increasingly important. As one 50 year old creative director put it, "the big new prejudice is that levied against those of us of age. If you're old you're no good, we want you out of here". Another noted, "This industry tends to be pretty young, particularly in the creative area. They say you'd better have other plans by the time you turn 40 because they will feel like you have used all your ideas up". Many noted that this was particularly the case for women. However, one woman spoke of a man that she knew who misrepresented his age, claiming he were 39 in order to maintain a younger image. Another woman on the creative side noted, 

It's not a kind of place where you age gracefully. If you haven't made it by a certain point, you're kind of just old and no one cares about you. It's ugly. It's easier for a man

42. One woman art director noted, "three or four teams are briefed on an account. That system has the unfortunate name of being called a gang bang which is a pretty unfortunate term".
to age. Men are distinguished, older and wiser and women are old hags, but that's society and it is in everything. Advertising is worse because it has to do with style. It wouldn't matter for a woman in a bank, but in advertising it's very imagery. It is who's cool, in creative especially.

It is clear from this discussion of the place of women in advertising that the industry workplace is a highly sexualized one and that this stems in part from the imperatives of advertising itself. Using sex to sell commodities and the need to maintain a constant aura of change and the contemporary creates a sexualized atmosphere. However, advertising differs from the macho masculinity present in merchant banking. Most of the top positions are still male dominated, but parallel to other services involved in selling, like insurance or publishing, the language has been transformed from one of luring the client or consumer, to one of serving and dialoguing with the client. Motivated by an increasingly precarious market position, declining revenues and an inability to pin down female consumers, agencies have had to maintain closer ties with both consumers' and clients' needs. The restructuring and growing flexibility in the industry is related to a re-gendering of work. The emphasis on age also reveals the increased disposability of the work force. It is interesting to reflect on how the use of increased overtime, layoffs and casualization of the industry has occurred alongside a feminization of the labour force. No longer defined by stable occupational horizons, the advertising "man" is now a woman. The crisis of the advertising industry, manifested in both an inability to "control" and locate consumers, and in the growing need for workforce flexibility, coincides with a re-gendering of the advertising occupation.
3.9 Conclusion

Contradictory processes are at work in the advertising industry. Ironically, the growth of transnational mega-agencies, with their rational bureaucratic structures, signals the disappearance of medium-sized, nationally-based agencies but not the death of the small shop (See Table 4.1). This chapter provides evidence of a counter-tendency towards smaller, more flexible advertising agencies, mainly drawing upon a creative or specialty expertise. There has been a polarization of the industry, with large global holding companies on one hand, and small creative vendors on the other.

The growing polarization of the industry illustrates that while there has been some expansion of flexibly specialized new wave agencies, the patterns of change are more complex and contradictory. The growth of small agencies is related to the increasing demand for greater creativity, but it is also a reflection of the growing difficulty in locating female markets, and markets divided by race and ethnicity. There has been an increased demand for more specialized advertising services.

The growth of more flexible and specialized small agencies has heightened the competitive environment for large agencies, causing them to seek greater flexibility and in some cases, higher levels of creativity. Some agencies are undergoing a simultaneous process of globalization and spinning-off smaller boutiques. In general, agencies have had to increase their range of offerings and be more flexible in adapting themselves to client needs. The high cost of global expansion is another motivation for increased flexibility in the form of a smaller
labour force with an intensified work process, and an increased use of overtime, freelancer and female labour. The increased emphasis on flexibility is also stimulating more responsive research methodologies as seen in Chapter 5.
Chapter 4.
The Globalization of Advertising Concepts,
Strategies and Campaigns

4.1 Introduction

The 1990s have seen the dawn of the Global Village. Increasing economic interdependence and disintegrating barriers to the free flow of information, money and technology across borders are accelerating a trend toward global market unity. Borders are rapidly disappearing around the world and nations are being brought together to form a global 'community' or 'village' that will be increasingly characterized by cooperation, collaboration and new alliances (Fortune, August 24, 1992).

Advertising, like its media cousin, is making the world a global village (Endicott in Advertising Age, April 13, 1992).

The global village, after all is the fantasy of the colonizer, not the colonized (Spigel, 1992: 217).

Rhetoric heralding the arriving global village abounds in the business and advertising trade press. The discourses of the advertising industry are littered with metaphors of conquest, warfare and imperialism: "scanning the territory", "hitting the moving target", "tracking the consumer". In this chapter, I argue that structural shifts in the advertising industry, and transnationalization in particular, are related to the role of advertising in mediating the geographic confines of both identities and markets. Specifically, I examine how the geographic expansion of agencies has been accompanied by a new emphasis on "global advertising" strategies. Agencies have attempted to negotiate an increasingly unstable and competitive external environment by convincing clients, particularly existing clients, that they need to centralize their accounts at one agency worldwide and work towards creating uniform brand identities across the globe.
To accommodate a global advertising approach, agencies have undergone an internal restructuring, and have shifted away from a functional and geographic division of labour. In many cases, some of the older departmental divisions have been eroded and employees on the account, media, research and creative sides are working together to facilitate global advertising. Global account groups, pan-regional media buying groups, cross-cultural research departments and international creative teams have also been formed to cater to the imperatives of global clients. The internal reorganization of agencies as a result of global advertising, points to the further geographic concentration of control in advertising, as agency head offices become the center of global and pan-regional coordination.

While some have argued that advertising agencies have become more passive and increasingly mirror the organizational structures of clients (Banerjee, *International Journal of Advertising*, 1994), I find that agencies have taken an active role in promoting restructuring of clients' marketing departments and advertising strategies. Advertising agencies have generated new concepts and structures which have been instrumental in persuading clients of the need for change. In particular, through their campaigns for "global brands", to push for clients to adopt "one agency around the world" and their attempts to gather business with research studies such as "Global Scan", agencies have shaped and validated corporations' global expansion.

Through a discussion of the internal reorganization of agencies and the concepts of global advertising which agencies forward, I illustrate the role of transnational cultures, such as
those in advertising, in the internationalization of consumer culture. In particular, the role of advertising in the construction of "imagined" global and pan-regional markets is emphasized. Globalization is at the same time a structural dynamic in the industry, a theoretical premise in advertising and an emerging market phenomenon. Advertising agencies promote strategies and construct images compatible with their transnational structures and in doing so, mediate the increasing globalization of the world economy and culture. Complex market geographies are consolidated in part, through advertising. More empirical analysis of the geographic dimensions of emerging consumption patterns is needed. Increasing market segmentation does not necessarily point to the breakdown of mass markets, but to their global extension. A global segmentation of consumption suggests that it is becoming increasingly difficult for advertisers to map the world as a set of discrete regions.

New forms of identity and place appear in the current conjunction of cultural and economic diffusion. Pred and Watts (1992: 195) note,

We inhabit a world of diasporic communities linked together by a transnational public culture and global commodities; not only has the old international division of labor been realigned but so have some of the older identities between people and places.

The current reterritorialization does not point to pan-cultural homogenization so much as to growing complexity. It would be wrong to emphasize exclusively the internationalization of markets, without recognizing the growth of localized micro-markets for individualized goods. The advertising industry and its discourses constitute one important locus in which spatial
meanings are worked, reworked and resisted under processes of reterritorialization. While we need studies of resistance to global consumerism, we also need studies of those higher echelon groups that occupy control positions in the global economy. My study contributes to the latter.

The chapter is divided into nine parts. The first section considers the meaning of globalization and the role of distinctive professional practices, such as advertising, in shaping globalization. The second section details the emergence of "global advertising" concepts. The third section discusses clients and world brands. Next, I discuss changes in the organizational structure of clients. In the fifth section I discuss the effects of global and pan-regional advertising on the Canadian industry, as one example of increasing concentration of control. The sixth part reviews the debates surrounding global advertising. Evidence of internal realignment of accounts, media buying and research form the basis for the remaining three sections.

4.2. Globalization: the Role of Transnational Organizations

Globalization refers to the interrelatedness of different places around the globe, and encompasses manufacturing, services, and cultural flows. It also plays on the recognition of fragmentation; lying behind the concept is a sense that contemporary nations have become so diverse internally in terms of culture that it is hard to argue that they have common characteristics (Lash and Urry, 1994: 281). Thus, globalization is not just a matter of societies, nations and regions coming
together in various ways, but also a heightened globalization within nations (Robertson, 1992). The construction of the culturally homogeneous nation state is eroding, the argument goes, only to be replaced by new concepts of polyethnicity, multiculturality and globality. This is not to say that the nation is disappearing from the geographical landscape, only that a more complex map is emerging whereby greater diversity is found within the nation and greater homogeneity is encountered at the global level.

We can conceive of our growing sense of the world as "one place" as involving some of the same processes as in the imagined community of the nation (Anderson, 1982). In both cases, advertising, along with retailing and other forms of promotion, made the formation of national markets for mass produced manufactured goods possible. Richards (1990: 251) describes advertising as crucial to the development of a national popular culture in synch with capitalism:

Never before had capitalism succeeded in translating its fundamental dictates into a popular culture of its own. In the first half of the nineteenth century popular culture had been an explosive mixture of regional elements and class rivalries. In the second half spectacle defused it for a time and in the process created mass advertising, and for the first time, a truly national commodity culture.

In the current period, advertising plays a similar role in defusing geographically diverse identities and in constructing a culture in synch with a new global capitalism. Advertising is implicated in the construction of global markets in the same way that it participated in the construction of national markets during the height of Fordism.1

1. The industrial production of culture and its dissemination on a global scale under the industrial regime of Fordism, led,
Gupta and Ferguson (1992) argue that a transnational public sphere is rendering any strictly bounded sense of community obsolete, such that we need to rethink the concepts of identity, community and politics. An altered spatial sensibility has emerged;

in the pulverized space of postmodernity, space has not become irrelevant: it has become reterritorialized in a way that does not conform to the experience of space that characterized the era of high modernity (Gupta and Ferguson, 1992: 9).

Debates about globalization emphasize the role of transnational organizations which are conduits for cultural flows which are increasingly global: "Indeed it may be more plausible to suggest that there is not a global culture, but that there are a number of processes which are producing a globalization of culture" (Lash and Urry, 1994: 306). Appadurai (1990) cites five landscapes of global cultural flow: ethnoscapes, technoscapes, finanscapes, mediascapes and ideoscapes. These flows have generated "third cultures" which are transnational and mediate between national cultures: global financial services, global advertising agencies, and international law are examples (Featherstone, 1991: 146). Within this framework, the strategies paradoxically, to the formation of new forms of cultural difference less tied to place.

2. Ethnoscapes encompass flows of people, tourists, immigrants, refugees, guestworkers and exiles. Technoscapes depict the movement of machinery and the product flows of multinational industries and government agencies. Finanscapes refer to the rapid flows of money and currency exchanges across the globe and mediascapes denote the global movements of images and information such as advertising. Finally, ideoscapes include flows of images associated with state or counter-state movements (Appadurai, 1990). Appadurai sees a disjunction and chaotic interaction between these cultural flows (See Appadurai, 1990: 306). Featherstone (1990) and Robertson (1992) disagree, however that there is a disjunture between these flows.
employed by advertising agencies to respond to and reconstitute the geographical boundaries of markets can now be considered.

4.3 Global Advertising Concepts

Along with the development of global advertising agencies, there has been an increased emphasis on global advertising campaigns and strategies. The notion of global advertising originated with the work of Harvard Business Professor Theodore Levitt. Levitt pointed to emerging international markets for globally standardized goods and argued that these markets require global strategic vision on the part of advertising agencies. According to Levitt, heightened competition, the homogenization of world needs, a universal preference for lower priced goods of moderate quality, and the need for economies of scale in production and marketing, demand the launch of global brands. Probably the most controversial of Levitt's arguments is his statement that "the global corporation operates as if the entire world (or major regions of it) were a single entity; it sells the same things in the same way everywhere" (Levitt in Fisher, Fortune, November 12, 1984). For Levitt, a major part of globalization lies in the standardization of advertising campaigns across the world.

While Levitt recognizes the increasing dynamic of market segmentation, he argues that these segments are global, rather than local: "increasingly, all over the world, you find the same

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market segments repeated over and over again" (Levitt on the MacNeil/Lehrer News Hour in Schneider and Wallis, 1988: 182). Saatchi and Saatchi adopt the same position in their 1985 Annual Report,

The globalization of media stimulates the global campaigns which now address themselves to segmented audiences, identifiable by their particular interests, their lifestyles or their occupation. But parallel to this segmentation of audiences, the time has come for transnational advertisers to capitalize on universally recognized symbols and references (Saatchi and Saatchi Annual Report, 1985).

The debate over global advertising in the trade press illustrates the extent to which advertising agencies employ explicitly spatial frameworks. Clarke and Bradford (1990) argue that advertisers relate to space through two strategies: weighting the amount of advertising on a regional basis, and tailoring the advertising content to suit different areas. In terms of weighting, they argue that advertising agencies reflect given spatial patterns by mapping patterns of existing demand and then concentrating advertising in these areas. This is referred to as "building upon the peaks" (Clarke and Bradford, 1990: 144). This is particularly common in the current period, as it is much easier to reinforce existing patterns of demand than to change them. Many producers are enjoying the high market shares they inherited from the post-war period (Clarke and Bradford, 1990: 144). In other cases however, advertisers also transform patterns of demand by "filling the troughs" or low points on the sales surface.

The second main spatial strategy employed by advertising agencies is that of tailoring. In this case, agencies develop different campaigns for a product in different regions, and thus
participate in the cultural construction of difference on one hand, and in the creation of uniform consumption patterns on the other. Clarke and Bradford argue that weighting is particularly common at the national level, while tailoring is more common at the global level.

I argue that with global advertising strategies, this spatial pattern is breaking down. Increasingly, different ads are shown at the national level to various ethnic, age, region and gender segments, while uniform advertisements are shown across the globe. Coca-Cola, for example, employs two agencies to handle these simultaneous strategies: CAA, a Hollywood talent agency has been hired for advertisements aimed at MTV audiences and black audiences, while more standardized international campaigns are designed and placed globally by McCann-Erikson.

Anthropologists have detailed the shifting ties between identity and place; for example, Gupta and Ferguson (1992: 20) write, "We need to account sociologically, for the fact that the 'distance' between the rich in Bombay and the rich in London may be much shorter than that between different classes in 'the same' city". Like anthropologists, advertisers recognize the non-coincidence of difference and place.4 Citing problems with their old models of operating, advertisers display a theoretical awareness of the need to move beyond naturalized conceptions of

4. By this I mean that differences need not be demarcated in terms of place but may occur within the same space. The social sciences, and particularly the discipline of geography, have tended to represent the world as a collection of countries, where cultures are mapped onto a set of fragmented spaces (Gupta and Ferguson, 1992: 6). The emergence of a transnational public sphere, however, has broken down the notion of a bounded sense of community.
spatialized cultures, and a willingness to explore the production of difference within connected spaces. Advertisers are attempting to respond to this hybridity by adopting more complex maps of identity. These new templates are seen as a means to increased revenues and justification for international expansion.

The trade press is quick to assert that what is needed is a transnational "glocal" approach, sensitive at both the global and local scales. In their 1992 Annual Report, Saatchi and Saatchi explain that,

> Although the trend towards global and pan-regional markets is undeniable, we recognize it is not universal. There will always be a significant number of profitable companies operating on a limited scale-occupying niche markets, developing new industries and services operating in markets still unaffected by globalization. Therefore, business service suppliers must be flexible.

According to Gurcharan Das, a worldwide planner for Proctor and Gamble,

> globalization does not mean imposing homogeneous solutions on a pluralistic world. It means having a global vision and strategy, but it also means cultivating roots and individual identities. It means nourishing local insights, but it also means reemploying communicable ideas in new geographies around the world (Das, 1993).

Companies are increasingly engaging in micro-marketing, the practice of advertising a product differently to different groups or smaller niches. Micro-marketing is not necessarily defined by geographic borders, however. Consumer niches are often transcultural, making international micro-marketing as important as local micro-marketing (Moriarty and Duncan, Current Issues and Research in Advertising, 13(2), 1990).

Advertising agencies are implicated in the construction of increasingly complex maps of consumer identities. In the past, multinational companies' advertising campaigns were tailored to
national differences. Levitt, a member of the board of directors of Saatchi and Saatchi, notes,

...the multinational corporation is precisely what it says it is. It's a corporation that thinks the world consists of a multiplicity of separate and distinct nations and separate and distinct markets in each one of those, and is organized and managed around each one of these separate markets, with a consequence of very high costs of doing business. Whereas global really is a step beyond that: where you're organized and operate to treat the world- or major segments of it- as being a single or similar category (Levitt in Scheider and Wallis, 1988: 182-183).

Global advertising represents the latest is a series of waves of spatial expansion of corporations and agencies. While in multinational advertising, local campaigns are produced in each country, in global advertising campaign development is centralized and increasingly executed from both the agency's head office and the client's head office. Global advertising signals an extreme concentration of control in particular places and the declining sovereignty of branch offices outside the centre.

In multinational advertising campaigns, advertising promoted a uniform set of commodities throughout the world. However it did this by selling these commodities differently in different places. In global advertising, not only are a set of brands and commodities distributed throughout the world, but a set of images and meanings for these brands are also disseminated. While these strategies do not automatically translate into simple cultural homogenization and the meanings embedded in advertising are resisted locally, agencies are implicated in new transnational geographies of consumption.

Although widely criticized, concepts of global advertising were disseminated in the advertising trade press and in the New York Times, particularly by the British agency Saatchi and
Saatchi (See Mattelart, 1991). 5 Having embarked on a string of international acquisitions, the agency has attempted to generate new business by selling the concept of global advertising coordination. The faster turnover of accounts and heightened competition among global agencies, and between large agencies and small creative shops, has led global agencies to increase their billings by gathering more business from existing clients by convincing them of the virtues of a global advertising campaign and expanding the number of countries they represent these clients in.

In 1985, as part of a major policy shift, Saatchi and Saatchi used identical advertisements for British Airways in 46 different countries, with a voice-over in 34 languages (Schneider and Wallis, 1988). Again in 1991, a new advertisement for British Airways was launched simultaneously in 69 countries, creating a media event which generated much attention for the agency in the advertising community (Saatchi and Saatchi Annual Report, 1991). 6 What is interesting about this campaign is the extent to which it mobilized images of the "global village" to sell both the airline and global advertising, as uniting consumers around the world.

The global village is a new way of packaging relations of colonialism and exploitation. It is important to reflect on how

5. In 1983 Saatchi published an advertisement for itself in the New York Times entitled "World Brands". This illustrates the attempt by agencies to influence and convince clients to restructure their mode of operating.

6. The British Airways ads constituted an advertising-led solution to a structural problem in the airline's profitability. With the new campaign, British Airway's market share increased 2.4 percent between April and May, 1991 (Saatchi and Saatchi, 1991).
rhetoric of globalism occurs alongside metaphors of warfare and conquest in the advertising trade press.

Since the mid-1980s, Saatchi has pushed the necessity of global advertising and global agencies. In its 1986 Annual Report, the agency noted,

We live in an era of global communications. Scientists and technologists have achieved what militarists and statesmen down the ages have attempted to establish but without success- the global empire. There is no doubt that the world is becoming one market-place. Capital markets, products and services, management and manufacturing techniques have all become global in nature. As a result, companies increasingly find that they must compete all over the world- in the global marketplace. This new development is emerging at the same time as advanced technology is transforming information and communication (Saatchi and Saatchi Annual Report, 1986).

By 1991, half of Saatchi's annual revenue came from campaigns spanning five or more countries, up from 10 percent in 1986 (Wells, Advertising Age, June 7, 1993b: A1).

Saatchi and Saatchi motivated numerous other agencies to consider the merits of global advertising and has generated a massive debate in the advertising trade press on globalization. In 1992, 39 of the 40 largest advertising agencies in the United States and Britain had an international or global network, compared to less than one-third of these agencies in 1987 (Wells, Advertising Age, June 7, 1993b: A1). These were most of the same agencies which advocated concepts of global advertising.

4.4 Clients and the Development of 'World Brands'.

Saatchi's agenda has influenced clients, especially multinationals spending large amounts on advertising. There are a number of reasons why the concepts of global advertising developed by agencies were attractive to clients, for example, a
significant cost reduction. By adopting a global campaign, Coca-Cola cut $10 to $15 million from its advertising production costs; British Airways similarly lowered its commercial production costs from 17 to 5 percent of its total marketing budget (Riesenbeck and Freeling, *McKinsey Quarterly, 4*, 1991: 5).

Global advertising also gives clients more control over the message and content of advertisements that were previously made in different parts of the world (Lev, *New York Times*, November 8, 1992). With the growth of international travel and labour migration, global advertising results in less confusion for those travelling from market to market. Also, with the faster cycles of product introduction and innovation associated with flexible accumulation, there is less time for developing nationally specific advertising campaigns. Benetton cites this as an explanation for their use of global advertisements that make no reference to the product itself (Benetton Corporate Brochure, 1992).

In order to adopt global advertising, clients have to create "brands" which are themselves global and are sold under the same name, style and packaging in all markets. Agencies have played a key role in encouraging manufacturers to develop "global brands". While in the past, companies often marketed the same product by different names in different countries or tailored

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7. Increasingly, manufacturers who are successful in one country are compelled to expand sales in other parts of the world. Michael Perry, Chairperson Unilever notes, "...the first question to be asked of any successful brand today anywhere is, will it travel? And how fast will it travel?...If you don't move that successful brand around the world rapidly you can be sure your competitor will take the idea, lift it, and move it ahead of you. Speed to market is of the essence (in *Adweek* December 14, 1992).
both the product, packaging and the marketing to the character of
the market, increasingly, global brands are taking the place of
multi-domestic brands. Transnational advertisers are
experimenting with developing brands on a regional or global
level; for example Shell Motor Oil was reintroduced in Europe
under the single name of Helix, replacing local variations in
France, Germany and Italy (Westcott, Globe and Mail, November 1,
1993: A13). 8

The case of Europe illustrates how pan-European advertising
depends on the ability of clients to reorganize their brand
portfolios and develop pan-European brands. 9 John Shannon, of
Grey Advertising notes,

Perhaps the most significant trend among leading
multinational corporations is the increased alignment of
business on a pan-European basis. Global corporations are
viewing the 'new' Europe as a single market. They are
rationalizing their brand portfolio and concentrating
resources behind a selected group of Eurobrands that will
have common names, multilingual packaging and in many cases,
a single pan-European approach underpinning advertising in
every country (in Advertising Age, September 7, 1992).

Experiments in "Euro" product development and multi-lingual
packaging have taken place; for example, Gillette has launched a
new product line specifically with pan-European distribution in
mind. 10 Some U.S. companies have begun to standardize European
product names to conform with their American counterparts. 11

8. A uniform logo design was also adopted.

9. At the moment, many companies sell their products under
different names and packages throughout Europe.

10. Gillette introduced Natrel deodorant in every EC country
using the same name, formula, package and advertising (Wolfe,
International Journal of Advertising, 13, 1991: 55). One brand-
development company, Craton, Lodge and Knight worked on packages
for an insect repellent in the mid-1980s. Although slight
variations in the colour and positionings of the product's emblem
Pan-regional advertising is viewed by the advertising industry as the first step toward global advertising and no topic has been more widely discussed in the advertising trade press than the possibilities of a "Euro-consumer".

For consumer companies, no issue in the world of business is more important than global marketing. And arguably, no area of the world is more attractive to global marketers today than Europe (Spielvogel, "Europe: An Uncommon Market", Backer Spielvogel Bates, 1992: 3).

Saatchi and Saatchi director of global media notes that the formation of the European Economic Community will create a market of about 400 million people and,

when this happens, strategists will develop a European map similar to the U.S., where advertisers will spend probably 25-50 percent of their budget on some kind of European network and the other 50-75 percent will be spent nationally, city-by-city, in regional marketing (Mandese, Marketing and Media Decisions, June, 1988).

This illustrates the role of advertising in the formation of new geographies of consumption and media viewing. The role of advertising in the constitution of a European space-economy, a "European identity" and the notion of "Europe as one place", needs further exploration.12

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11. Mars Inc. recently changed the European names of one of its chocolate bars to the American brand name (Farhi, Washington Post, June 14, 1992: H5).

12. See Swyngedouw, 1989. As a result of the erosion of trade barriers, there has been a consolidation of advertising agencies in Europe through acquisitions of smaller agencies and the expansion of satellite offices. The largest agencies in Europe are now largely U.S. owned, with at least 12 of the top 20 being owned by U.S. agencies. Dibb, Simkin and Yuen (International Journal of Advertising, 13, 1994: 135) predict that the number of medium-sized agencies in Europe will decline, and that there will be a simultaneous rise in transnational agencies on one hand, and small agencies offering flexibility and local knowledge, on the other.
However, there are also limitations to pan-European advertising. One survey documents that although four of five of the largest European advertisers had centralized their marketing, only one in ten had adopted Europe-wide advertising campaigns (Westcott, *Globe and Mail*, November 1, 1993: A13). In addition, advertising legislation still varies in terms of what can be aired, through which media, with what message, at what cost and with what disclaimers (Dibb, Simkin and Yuen, *International Journal of Advertising*, 13, 1994: 126). Advertising for products like tobacco, spirits, wine and pharmaceuticals are strictly regulated or banned in some countries while permitted in others.

13. Others are more critical of pan-European branding and advertising initiatives. WPP's Annual Report suggests, "Although there are some truly global products or services such as detergents, they are few (perhaps 5-10 percent of our business). It is probably true that as wealth and income grow, consumers are as likely to become more different than similar. Just think about the growth of Flemish television in Belgium or the Scottish Nationalist movement. On January 1, 1993, a Euro-consumer will not be born" (WPP Annual Report, 1991). Problems of translation across Europe also pose limitations on pan-European advertising; for example, the cereal "Bran Buds" translates into Swedish as "burnt farmers" (Westcott, *Globe and Mail*, November 1, 1993: A13).

14. Wolfe (*International Journal of Advertising*, 1990: 55) argues that "a more profitable Euro-strategy may be to look for common minorities in every country too small to be of interest locally but adding up to a significant total. Just five percent of the EC population is a bigger market than all of Belgium, Denmark or Greece".

15. Deregulation in Europe is thought to hold many opportunities for pan-regional advertising. However, there is also great concern that the formation of a European Common market may lead to increased regulation in advertising, as there is pressure for regulations adopted in some countries to be extended across the map (Wentz, *Advertising Age*, September 10, 1990: 57). Angela Mills, European Affairs Director for the U.K. Advertising Association, notes that EC wide directives may "end up harmonizing the restrictions instead of harmonizing the freedoms" (in Wentz, *Advertising Age*, September 10, 1990: 57). She fears that national regulations in areas such as alcohol advertising,
Despite numerous debates in the trade press on the limits to pan-European advertising, advertisers are increasingly integrating their European marketing functions, and agencies have been setting up pan-regional co-ordination structures. Client brand managers are increasingly responsible for brands across national boundaries (WPP Annual Report, 1991). While the development of pan-European advertising suggests an active role by clients, agencies have been also instrumental in the consolidation of pan-European markets.

The suitability of products for pan-regional or global advertising depends on product category, methods of information gathering, economic objectives, target group, demographic and psychographic criteria, creative expression, advertising message, media, production, budgeting and ad testing methods (Moriarty and Duncan, Current Issues and Research in Advertising, 13(2), 1990). Product category is probably the most important factor of whether global or local campaigns are appropriate for particular clients. Upscale products, high technology goods such as computers, cameras or home electronics, high fashion, pharmaceuticals, chemicals, household products and alcohol, are more amenable to a global approach (Endicott, Advertising Age, December 19, 1988: 21). Basic services such as credit cards, banks, financial services, travel and transportation are also inherently global. Global advertising is particularly applicable in fashion-oriented categories and products that are not dependent on price (luxury pharmaceutical advertising, health claims in food advertising, financial services advertising and data protections rules affecting direct marketing, will be extended across Europe. As a result, the European Advertising Tripartite has been lobbying to fight restrictions.
products rather than necessities). In categories like soft drinks or jeans, a standardized strategy based on an intentional American pop culture imagery has been very successful.

In terms of product category, food has generally been more difficult to advertise globally, although this is changing somewhat with the growth of "ethnic foods" throughout the world (Moriarty and Duncan, *Current Issues in Advertising Research*, 1990). Products which have strong cultural associations, such as automobiles, are not suited to a global advertising approach. A study of the psychographic group of young upwardly mobile adults (strivers) in the U.S. and Japan, revealed significant differences in attitudes towards car buying (Piirto, *American Demographics*, December, 1990: 8).16

Global advertising also depends on the consumer. Banerjee (1994) refers to the growth of "transnational tribes" of affluent or style-conscious consumers such as business professionals, youths or affluent consumers.17 These groups are often similar enough to warrant a global campaign. Another factor advertisers consider is product life cycle. New products are easier to standardize across geographic borders than more "mature" products which have already acquired local meanings and uses.

The evidence suggests that the global advertising concepts forwarded by agencies are rapidly gathering adherents among

16. In the United States, young buyers wanted a car that was fun, fast, stylish and good value for their money, whereas in Japan, consumers were not attracted by a price-oriented appeal. Being space-deficient, Japanese car purchasers viewed their car as an extra room and wanted extra features to give added comfort (Piirto, *American Demographics*, December, 1990: 8).

17. Lash and Urry (1994: 318) label these "neo-tribes" or invented communities involving membership by choice.
18. Dove Soap recently produced its first global advertisement. This ad featured women of a wide range of nationalities. Both Dove and Levis jeans have dramatically increased their market shares in Europe since adopting global campaigns developed in the U.S. (Wells, Advertising Age, November 23, 1992: A1).

19. Anthony J.F. O'Reilly, chairperson of Heinz Co. states that, though he has long been skeptical about global advertising, he now feels that "subtle profound revolutions in technology and culture have begun to transform consumer attitudes" (O'Reilly in Levin, Advertising Age, July 22, 1991: 4).

20. Similarly, Aubrey Hawes, VP and corporate director of marketing for the Chase Manhattan Bank recently announced that business and private banking customers "...span the globe and travel the globe. They only know one Chase in their minds, so why should we try to confuse them?" (in Levin, Advertising Age, July 22, 1991: 4). This is reiterated by Henry J. Freeley Jr., chairperson of Leo Burnett International: "as the world gets smaller, there needs to be brand consistency so people don't get confused as they move from market to market" (in Lev, New York Times, November 8, 1992). This is especially the case for airlines and business services which serve customers travelling frequently.

21. McCann-Erikson's 1991 Annual Report is careful to advertise itself as a "global" and "pan-regional" advertising leader, emphasizing that in recent years, McCann has concentrated its
(Interpublic Group) have a global system that's not matched by anybody else and Coke needs them as much as they need Coke" (in Tyrer and McCarthy, *Adweek*, February 15, 1993: 4). Marcio Moreira, creative director for Coca Cola at McCann Erikson, New York, notes that as early as the mid-1950s the agency began to consider how well its U.S. commercials and radio tracks would travel. By the late 1970s, however, the agency saw the need for advertising specifically designed for the international market, "Until then you had two sources of advertising. One was local. The other one was whatever Coca-Cola USA was running (Moreira, 1989: 4)". In January 1992, a completely global advertisement (with no changes except for translations) aired for Coca Cola with images of Asian children, Indian women, African "tribes", a Buddhist monk, a Catholic priest and a white woman. Via satellite the ad reached over 100 nations and six continents (Farhi, *Washington Post*, June 14, 1992: H1).22

Benetton provides another case of the symmetry between global campaigns and images of globalism. The Italian clothing manufacturer consciously markets the cultural values associated with "the global village":

Through innovative, sometimes provocative advertising campaigns, the Benetton name has become synonymous with 

resources on geographical expansion (McCann-Erikson Annual Report, 1991: 1).

22. Peter Sealey, director of global marketing for Coca Cola explains, "we have a product people around the world want and can afford. Combined with the fact that popular culture is overwhelmingly defined from the United States of America, we are in a unique position" (in Farhi, *Washington Post*, June 14, 1992: H5). The company sent MBA students from different countries around the world on an anthropological mission, to interview and videotape young people about their common views, concerns and aspirations (Farhi, *Washington Post*, June 14, 1992: H5).
multi-cultural diversity, inter-racial harmony and an upscale approach to fashion retailing (Benetton Services Corporation, 1992).

No other company encapsulates the processes of globalization more. Benetton's global advertising, which is centrally orchestrated from its head office, does not depict clothing, as different clothes are sold in various markets: "Different markets respond differently to different trends from the collection and are experiencing different climates and seasons at any particular time, therefore it is virtually impossible to represent our 4,000-piece yearly product offering..." (Benetton Corporate Brochure). Instead, the company uses a universal campaign that valorizes notions of the global village. Its "United Colours of Benetton" theme implies that people throughout the world can readily overcome cultural boundaries through consumer citizenship. Similarly Appadurai (1990: 307) notes,

Global advertising is the key technology for the world-wide dissemination of a plethora of creative, culturally well-chosen ideas of consumer agency. These images of agency are increasingly distortions of a world of merchandising so subtle that the consumer is consistently helped to believe that he or she is an actor, where in fact he or she is at best a chooser.

23. Benetton now exports its retail outlets and clothing to Africa, Asia, the United States, Canada, Mexico, Europe, Australia, South America and the Soviet Union.

24. At the same time, it does extensive market research, collecting information on what styles are selling through electronic cash registers in key markets. Clothes are tailored to local markets and incorporate diverse ethnic patterns. Benetton uses a flexible system of production to respond rapidly to changes in demand and minimize risks. A team of market specialists scans the world for trends (Benetton Corporate Video, 1991).

25. Benetton claims that "the themes touched on are socially-oriented and universal, because Benetton is speaking to audiences in over 100 countries around the world" (Benetton Corporate Brochure).
In such a corporate-constructed "universal" identity, identity becomes synonymous with consumerism. As in the humanist conception of the centered, universal subject, we need to ask who such constructions serve. Clearly, membership in the global village is the domain of middle class consumers. In this case, the homogenization of tastes serves the interests of transnational clothing manufacturers.

Ethnic difference is appropriated as a commodity. Such conceptions ignore cultural and historical differences. Peter Fressola, Benetton Services Corporation USA communications director suggests, "when producing ads on a global level, it's a 'potential problem' that certain ads won't translate easily from culture to culture" (in Huhn, Adweek, 1990: 57). Like most presumed universalisms, the global village is constructed in centralized control centres in the West. Although it is important to focus on the resistance to constructions of globalism, Gupta and Ferguson argue,

The danger here is the temptation to use scattered examples of the cultural flows dribbling from the 'periphery' to the chief centers of the culture industry as a way of dismissing the 'grand narrative' of capitalism (especially the 'totalizing' narrative of late capitalism), and thus of evading the powerful political issues associated with Western global hegemony (1992: 19).

The campaigns for British Airways, Coca Cola, and Benetton illustrate the degree to which advertising participates in the imaginary construction of the world as "one place", images which support and rationalize their own transnational expansion.

26. Benetton has had to cancel some ads in some countries because of culturally variant meanings and negative local publicity. Benetton ran into difficulties in the U.S. with an ad depicting a black woman nursing a white child because of the historical association with slavery.
4.5 Global advertising and agency-client relationships

The degree of acceptance of global advertising concepts depends on the extent to which various clients are centralized in terms of their marketing strategy. Although there is a general trend toward the centralization of activities such as strategic direction at the agency head office, this varies by client. In some respects, agencies have had to adapt to a wide variety of client organizational/geographic structures.27

Rijkens (International Advertiser 13(2), 1972: 20) argues that,

in order to coordinate, guide and control the agency work for a multinational advertiser, the international agency must be organized in such a way that the authority it can exert over its branches will match the authority of the advertiser over his (sic) affiliates. In other words, the agency must be able to provide the multinational advertiser with an organization which is the reflected image of his (sic) own. This can vary from a rather loosely co-ordinated operation to one which is almost entirely controlled from the centre.28

In an era of clients with increasingly complex geographical strategies, agencies have had to become more flexible in responding to the operations of different clients. Agency-client

27. Banerjee argues that a client's organizational structure can be global, multinational, international or integrated (See Banerjee, International Journal of Advertising, 13, 1994).

28. According to Banerjee, the pressures for both clients and agencies to adopt transnational organizational structures are indicative of growing complexity and demands for both global integration and national responsiveness (Banerjee, International Journal of Advertising, 13, 1994: 108). The degree to which an account is centralized and coordinated from the agency's head office seems to depend on the client's organization. Within the same agency, highly centralized accounts exist alongside more decentralized accounts. Agencies thus tend to match their organization with those of their clients, and the extent of headquarter's control depends on the client.
relationships are dynamic and continually evolving and it is the interaction between the two that determines the extent of globalization.

While agencies have had to become more responsive, I argue that they are not solely the passive "mirrors" Banerjee (1994) describes. Agencies exert considerable influence in convincing clients of the necessity of internal reorganization before embarking on a global advertising strategy. Agencies strive to convince clients of the need to reorganize both their marketing/advertising strategies and their organizational structures. In many instances agencies themselves take the lead; for example, Saatchi and Saatchi convinced many of its clients to centralize their advertising decision-making and to blend in with Saatchi's realigned structure (Fisher, Fortune, November 12, 1984). In 1991, Seagram, under the direction of its agency, created a global brands division and restructured its brand management system along global lines (in Levin, Advertising Age, July 22, 1991: 42).

29. For example, Banerjee (1994: 108) notes in passing that agencies may be closer to a transnational model than clients. This points to the fundamental role played by agencies in organizational change.

30. With global advertising, strategic control has been increasingly centralized in the headquarters of both client and agency. For example, agency personnel in Europe have been redeployed as a result of pan-European advertising. J. Walter Thompson now coordinates numerous Europe-wide accounts through its London office, and McCann-Erickson set up a pan-European media buying office in London in 1986. Oglivy and Mather opened a similar center in Brussels, also in 1986. At the same time, WPP set up The Media Partnership in Paris to undertake media buying in Europe for all of its agencies, offering clients the benefits of volume negotiations, strategic media planning and research (WPP Annual Report, 1993). Grey's European headquarters has been increasingly invited to pitch accounts not just on a single country basis but for the whole of Europe (Shannon in Westcott, Globe and Mail, November 1, 1993: A13). All of these developments
4.6 Global advertising: the case of Canada

The Canadian advertising industry provides an example of the implications for national industries, of global advertising campaigns. The growing number of multinational corporations launching global campaigns from their corporate head office and agency head-office poses a threat to Canadian agencies. With only a few of the world's largest multinationals based in Canada, global campaigns are not likely to be articulated from Canada. Many foreign-owned clients in Canada are shifting their business to agencies based in the U.S. or Britain, or running their Canadian advertising directly from the Manhattan or London branch of their agency (Wickens, Macleans, February 1, 1993: 54).

Agency executives complain that, rather than producing extensive Canadian campaigns as they did in the past, they are increasingly being relegated to producing less lucrative regional or local campaigns for multinational clients, or placing print or point to a centralization of control over the process of advertising in a few large cities and agencies.

31. In the 1980s a series of acquisitions brought many Canadian agencies under American control (Fiber, Globe and Mail 1987: B6). As one Canadian employee put it, "I can't think of many companies that are important across the country that haven't been bought up by U.S. companies". A list of the largest agencies in Canada closely resembles the list of the top American agencies. Of the top 20 agencies in Canada, 13 are owned by agencies based in the U.S., one is owned by a British based agency and only 6 are Canadian owned (Advertising Age, April 14, 1993).

32. There are exceptions. Some Canadian agencies have been awarded contracts for international campaigns; for example, DMB&B won the account for Barbados tourism for all of North America and the Montreal-based Cossette Advertising has won the worldwide account for Penzoil, with the exception of the United States (Wickens, Macleans, February 1, 1993: 54). These examples are rare, however.
broadcast advertisements created in the United States in the Canadian media (Wickens, *Macleans*, February 1, 1993: 54). The head of a Vancouver branch of a large global agency confirmed that the bulk of the work for large clients was done at the agency head office in New York or the national agency head office in Toronto. This left the Vancouver branch to cover more local forms of advertising like promotions and local development. With the Pepsi Cola account, for example,

They like to see it centralized, but there are regional opportunities that come up, things like promotions, local development, as opposed to what I call thematic or image building. For example, there was a commercial that had been produced in the United States, and we had to do another version of it because it was a tie-in with 7-Eleven, so we do a lot of that kind of thing.

The trend toward globalization has also meant that many companies are shifting their accounts from Canadian-based agencies to subsidiaries of their U.S. agency, so that one agency can coordinate their advertising around the world. One medium-sized Canadian agency complained that it found it difficult to get global accounts:

as a Canadian agency, with certain accounts, there is no access whatsoever, because certain accounts will be with one agency for the majority of the world. Many agencies will have an account in 20, 30 or 40 countries. That means that a big portion of the account, the advertising and image portion, is not available to you. This often doesn't mean that direct response, promotions, public relations pieces aren't available to you because they often are (Interview).

In some cases, Canadian agencies have merged with larger U.S. networks or allowed themselves to be bought out in order to pick up accounts. One employee noted that before his agency's acquisition,

we used to suffer ... because we were not international, we never got that business but some Canadian agencies used to get business that way because their U.S. parent would pick
up an account and phone and say, by the way, we got it for North America so you get half the business too (Interview).

Thus, subsidiaries of foreign-based agencies seem to benefit from their inclusion in an international agency network.

One example of the effects of global advertising is provided by Gillette. Until 1988, Gillette advertised its products on a country-by-country basis. After 1988, Gillette organized advertising agencies and drives on a regional basis encompassing several countries (Wickens, Macleans, February 1, 1993: 54). One executive stated that, "As a multinational marketer we constrained ourselves to the boundaries, cultures and traditions of the individual nations. As a global marketer, we strive to look for commonalties, versus the differences" (in Wickens, Macleans, February 1, 1993: 54). This means that creative work is scaled off at branch offices, especially in Canada which is often deemed similar enough to the U.S. to warrant a uniform North American campaign. Some Canadian agencies have lost accounts altogether. As a cost cutting strategy, Sheaffer Pen Canada announced that it would cut its Canadian advertising and run one ad across North America, imported from its U.S. agency (Strauss, Globe and Mail, January 6, 1992: B1).33 One factor contributing to this shift is the Canada-U.S. Free Trade deal which has resulted in a declining tariff on importing U.S. commercial film

33. Media planning and buying for companies like Sheaffer still needs to be locally based, but Sheaffer is now going directly to media buying houses to purchase space for ads, a task that used to be performed by advertising agencies. Technology has facilitated this process by making it easier and cheaper to revise imported ads (Lesley Parrott, VP J. Walter Thompson, Toronto in Strauss, Globe and Mail, January 6, 1992: B2). This has led to a growth in the companies in Canada involved in retouching and editing foreign ads.
These inequities result in a further homogenization of markets across North America and a scaling back of locally produced and tailored Canadian advertising images.

4.7 Debates Surrounding Global Advertising

There have been many criticisms of the global advertising concept. First, advertising executives themselves are skeptical, pointing out the significant barriers to global advertising, such as differences of race, language, religion, culture, standard of living, literacy, media and advertising legislation. A typical response from one research director emphasizes the ineluctable constraints of difference:

I think it sounds sexy—global brands, global positioning, one campaign across the world. I find the whole thing the exception rather than the rule. It's desirable and efficient, but frequently it's not effective. People are different. There's more of an attempt to be international, but I think all of the literature on global advertising is exaggerated (Interview).

34. Under the agreement, the duty has fallen from 11.3 percent in 1988 to 2.2 percent in 1992 and was eliminated completely by 1993 (Strauss, Globe and Mail, January 6, 1992: B2). Over the course of 1990, at least five TV commercial production houses closed in Canada (Kelman, Globe and Mail, July 20, 1991). Donald McLean president of Partners Film Co. in Toronto points out that an estimated $12 million was lost in Canada in production costs for commercials conceived in Canada, but produced by U.S. production companies, mostly in the U.S. (in Strauss, Globe and Mail, January 6, 1992: 12). In Ontario, the production value of television ads fell by about one-third from $150 million in 1990 to $100 million in 1991 (Strauss, Globe and Mail, January 6, 1992: B2).

35. A research director at another agency reiterated this concern, "The kind of global perspective thing was a fashionable term, but I don't see it on a day to day basis...the knowledge that you have about a certain market is so complex, and so market, time, and place specific. I just don't know. It is a little different in Canada, for instance. They have their own people. It's only now and again that we share information. They operate autonomously. The competitive frame is different, where people's heads are at is different, the product heritage is different, advertising is different. A global basis is inherently
A second criticism concerns the motivations for global advertising. Most agencies use "global" rhetoric to advertise their services to clients in their promotional literature. Jay Chiat, co-founder of Chiat Day in Los Angeles, notes that much of the attention to the theory of global advertising stems from the fact that Saatchi and Saatchi uses it to pitch business: "it's much easier for an international client to believe that they can press one button and have all their marketing problems go away. The reality is that they can't do that" (in Squiers, 1988: 176).

Third, Saatchi's own publicity for global advertising was based on very few examples, other than the British Airways account. "World Brands" are not applicable to every brand category; rather, there are a spectrum of brands ranging from global to local (Chase, Advertising Age, October 23, 1989: 69). Furthermore, increases in international travel, which are cited as one reason for global advertising, are limited to a small segment of the population. A fourth criticism is that, although the differences in national advertising legislation are eroding, especially in Europe, legislative differences still impose limits on the ability to standardize advertising campaigns. Many countries require that ads be shot locally, and restrictions on advertising alcohol and tobacco vary.

Finally, one creative executive worried that "in the effort to appeal to all people in all places, a global advertising approach results in a lowest common denominator advertising". flawed". Despite his reservations however, he admitted that there was more global experimentation and testing of internationally successful campaigns, to see if they could be adapted to another setting.
Agency personnel, particularly on the creative side, tend to resent the wholesale adoption of advertising campaigns from another office, especially the head office. For them it means less work to put in their portfolios. An Associate Creative Director in New York who was responsible for an account in the beauty products category voiced her frustration with the impact of globalization:

we're producing work that we didn't originate and we don't necessarily love. We have a client who is a global marketer and so they have a commercial which has scored very well in another part of the world and seems to have increased sales. So before I got here, they had taken that commercial and dubbed it in an English voiceover, tested it in the U.S. It seemed to score well so they had New York produce that. That's been the world model and everything we've been doing is based on that. In my opinion, it is reprehensible. I think it squashes creativity and I think it tried to homogenize markets.36

Part of the controversy lies in the definition of global advertising itself (Moriarty and Duncan, *Current Issues and Research in Advertising* 13(2), 1990). Moriarty and Duncan suggest that the debates on global advertising tend to emphasize polarities: a literal reading of Levitt, ("selling the same product the same way anywhere"), versus highly localized and uncoordinated approaches. A global campaign may fall anywhere on the continuum from a standardized strategy and execution, to standardized strategy and translated executions (different language), to standardized strategy and modified executions (different images, cast, script), to localized strategy and

36. The same woman pointed out that this scenario often works to the advantage of the New York offices, who end up producing ads or creative concepts for the entire North American, European or world markets. However, in this case, advertisements that were successful in another part of the world were imported to the headquarters in New York, illustrating how flows of cultural products are growing more complex.
executions (Moriarty and Duncan, *Current Issues and Research in Advertising*, 13(2) 1990). Bill Thompson at J. Walter Thompson states, "most of our clients are finding that local differences still exist. The global campaign is not the trend; the global strategy is" (in Lev, *New York Times*, November 8, 1992). Global advertising has been adopted increasingly as a uniform concept across subsidiary agencies.

Overall, Hite and Fraser (*Journal of Advertising Research*, Aug-Sept, 1988) estimate that 418 of the Fortune 500 companies are involved in international trade. Approximately 9 percent use a standardized marketing approach, 54 percent use a combination approach and 37 percent use a localized strategy (Hite and Fraser, *Journal of Advertising Research*, Aug-Sept, 1988). While few companies have a standardized global campaign, over half have a uniform concept or strategy. Most agencies have been moving along the continuum towards a greater degree of harmonization in advertising.

37. There are three ways of adapting ad campaigns to facilitate globalism. First, the same campaign can be run everywhere, with a strong emphasis on visuals and music. Second, a verbal translation can be done and third, executional differences can be designed to reflect the culture of the local community, but with a constant underlying theme (Moriarty and Duncan, *Current Issues and Research in Advertising*, 1990: 317).

38. While Chase Manhattan's campaign has the same tonality throughout the world, ads are tailored to the specific products, services and the needs of each market (Riensenbeck and Freeling, *McKinsey Quarterly* 4, 1991).

39. A study by Zaichkowsky and Sood (*International Marketing Review*, 6(1), 1989) estimates that only 8 to 45 percent of the variation in product usage is related to the country in which the consumers live. While this is a significant amount, and indicates that national differences are relevant, it also reveals that other factors are equally or more important.
The issue I want to emphasize is not whether markets are becoming more global. Rather, I argue that the interdependencies and conflicts between producers and cultural intermediaries, along with the ideology of globalism produced within their shifting interaction, reveal a desire for a new hegemony based on consumption. In the 1980s there has been a tendency towards more global coordination of accounts, global or pan-regional media planning, cross-cultural research, and in some cases, global creative executions or themes. The role of agencies in articulating an ideology of globalism in light of a volatile competitive market environment and a transnational agency structure shows the importance of spatial strategies to advertising agencies and the extent to which culture and economy are linked. Evidence for the growing importance of global advertising is provided in the formation of global account teams, global media buying centers, and global research departments. Through these altered structures, agencies indirectly participate in the formation of new maps of global and local.

4.8 Global Account Realignment

Despite this criticism within the industry, global agencies and media continue to grow and more brands are being advertised under global strategic umbrellas. Global agencies derive a greater proportion of their profits and employment from abroad every year. Agencies continue to reorganize, placing a greater emphasis on having a global unit. As part of their global expansion and promotion of global advertising, agencies have attempted to convince clients to use one agency around the world
as one way of coping with heightened agency competition. Currently, the majority of companies do not coordinate their advertising through just one global agency, however. While there has been a growth of global accounts, recent statistics in *Advertising Age* illustrate that among 664 multinational or global accounts, over half or 349 were handled by the same agency in less than 10 countries and 81.9 percent were handled in less than twenty countries by the same agency (*Advertising Age International*, September 20, 1993).

There is however, a trend toward the consolidation of accounts in the hands of one advertising conglomerate worldwide. The trade journal *Advertising Age International* has documented global "alignment wars" between agencies, arguing that transnational agencies are gathering new business, not by attracting new clients, but by winning new products or new countries from existing clients (*Wentz, Advertising Age International*, September 20, 1993: II). The top 10 agency networks' combined share of global advertising spending has more than doubled to 48.3 percent from 22.9 percent (*Wentz, Advertising Age International*, September 20, 1993: II). Many speculate that this increase may be related to expanding business from existing clients (Table 5.1).

40. Many smaller or medium sized agencies I interviewed suggested that they had been adversely affected by consolidations of accounts at larger international agencies.

41. Of the 112 pan-European advertising accounts assigned in 1992, only 30 were new account wins (*Wentz, Advertising Age International*, September 20, 1993). 30 were the result of geographical alignments, and 49 were the result of product launches or expansion into new markets. A greater proportion of client's new business is coming from global alignments; for example 50 percent of Lintas' new business now comes from existing clients.
As evidence of this trend, Proctor and Gamble has formed a task force to analyze every aspect of its international business in order to streamline its agency assignments and accelerate the process towards global branding and advertising. One agency source noted, "P&G used to coordinate advertising on a country by country basis; now it's on a regional basis. The next step is to go global" (in McCarthy, Adweek, April 19, 1992: 1). At the moment, Proctor and Gamble has four agencies working on its product marketing around the world and is expected to realign its agency assignments and consolidate its advertising at two agencies worldwide.

Similarly, IBM shook the advertising industry when it abandoned 40 agencies around the world in 1994 and replaced them with just one global agency, Ogilvy and Mather, based in New York City (Strauss, Globe and Mail, May 25, 1994: B1). This consolidation involved over $400 million worth of business and severely affected many smaller agencies.42 In a parallel move, General Motors consolidated $800 million of its $1.4 billion annual media buying expenditure at the Interpublic Group of Companies (Elliott, New York Times, December 9, 1993a: D20). GM argued that they were seeking economies of scale in media buying and shifted all TV and radio buying to a new dedicated unit in New York, while print moved to a new unit in Michigan (Elliott,

42. For example, IBM's smaller agency in Canada, Enterprise Advertising Associates lost the account. However, Enterprise Advertising Associates is owned by WPP Group which also owns Ogilvy and Mather. Therefore the holding company did not lose the account (Strauss, Globe and Mail, May 25, 1994: B1).
New York Times, December 9, 1993a: D20). Other companies such as Anheuser-Busch, the Chrysler Corporation, and Johnson and Johnson have all combined their media functions at a single agency (Elliott, New York Times, December 9, 1993a: D20). Thus, although many clients do not engage just one agency worldwide, there has been a shift toward more global alignment of accounts.

In order to accommodate the centralization of accounts at one agency worldwide and to facilitate global advertising strategies, most large agencies have undergone an internal reorganization. McCann-Erikson, for example, has created an "InterNational Team" in New York, to handle international accounts, with its own floor, name and logo. In 1992, McCann established a Worldwide Creative Officer and launched a system of "Global Collaboratives" that combine strategic planning, creative and account management people in global teams focused on particular multinational brands on pan-regional or global accounts (McCann Erikson Annual Report, 1993) (Table 5.2). This

43. This decision follows a 1986 move in which broadcast duties were combined at three agencies. In 1986 broadcast duties were centralized at D'Arcy Masius Benton and Bowles for Pontiac, Leo Burnett for Oldsmobile and Lintas for Cadillac (Elliott, New York Times, December 9, 1993: D20).

44. Coca Cola, Ford and American Express have all dropped local agencies in the 1980s and moved toward centralizing their accounts at a single global agency. 90 percent of Unilever's business is now integrated at just four agencies worldwide (Wentz, Advertising Age International, September 20, 1993).

45. In 1993, McCann operated 207 agencies in 95 countries. Because of its scope, McCann-Erikson has also been awarded many new global and pan-regional accounts, as well as coordinated media, advertising and promotional projects. In 1992, McCann-Erikson had twice as many global accounts in 20 or more countries than the nearest competitor (Interpublic Annual Report, 1992: 5).
indicates the extent to which agencies are becoming oriented around clients rather than geography.

Saatchi and Saatchi has also assigned a new category of worldwide account directors, responsible for coordinating the agency's national offices in the formation of global campaigns: "These executives will play a key role in providing clients with the seamless global service they are seeking and drive that process with precision, clarity and force" (Saatchi and Saatchi, 1991: 13). In 1991, Saatchi's two sub-networks, its International and North American networks, which had previously operated as two autonomous units, were merged into one centrally-managed and financially-integrated global advertising network (Saatchi and Saatchi, Annual Report, 1991: 13). Since restructuring its operations, Saatchi has been awarded 10 additional brands across 12 countries for one of its major clients. These accounts had previously been handled by rival agencies (Saatchi and Saatchi Annual Report, 1992: 12). Thus, the company has placed a priority on its existing multinational clients (Saatchi and Saatchi Annual Report, 1992: 4).

Similarly, two of Saatchi's other agency brands, Campbell-Mithun-Esty and KHBB Advertising merged "to provide more geographical resources" (Saatchi and Saatchi Annual Report, 1992: 18). Since merging CME.KHBB has reorganized its internal

46. Chief Executive officer Robert Louis-Drefus, told Advertising Age, "we were not exploiting our multinational clients. I think we missed a lot of opportunities" (Wentz and Giges, Advertising Age, August 5, 1991: 1). The agency is simplifying its network's organization and improving internal coordination (Saatchi and Saatchi Annual Report, 1992: 12). This consolidation was aimed at better integrating its operations to facilitate global strategies, but also it served as a cost cutting measure.
structure along the lines of a "Hub and Spoke" system, with full
service centers (hubs) providing strategic planning and
execution, and spoke offices adapting global themes to local
requirements (Saatchi and Saatchi Annual Report, 1992: 5).47

Oglivy and Mather recently announced that it would put more
power behind its worldwide account service teams with the
creation of an internal "Worldwide Client Service Organization"
(Advertising Age, September 28, 1992: 8). Under this new system,
the type of business planning done by country and region is being
done at the global level for worldwide accounts. One account
executive employed at Oglivy and Mather, New York, occupied such
a position:

I'm looking after Seagram international or certain aspects
of it. I operate a small group with a writer and an art
director and we're sort of a new products development team.
We might create the strategy and positions of a new product
and an advertising property that we think would work around
the world, and then we would send it around the world and
it gets tested and it might get modified and that sort of
thing.

Oglivy and Mather is known for its tight control over its
affiliates and branch offices which make it easier to implement
global advertising strategies. It attempts to impose uniform
policies, layouts, style, and tone throughout its network of
branch offices. One account manager who had worked at Oglivy and
Mather in New York, Tokyo, Singapore and Bangkok explained,

47. There are eight hub offices and 28 spoke offices in this new
alignment. By the end of 1992, several clients had begun to make
use of this structure. Saatchi's other global agency brand,
Backer Spielvogel Bates, has also centralized its services to
facilitate globalization. In order to strengthen its hold on
multinational clients, Backer Spielvogel Bates has shifted
account responsibility for some accounts away from regional
managers to five worldwide directors who will direct accounts
globally (Wells, Advertising Age, June 7, 1993).
It wasn't very different working in Bangkok truly, because Ogilvy has a philosophy globally that you can be a stranger and walk into one of our offices and feel right at home and the people work pretty much the same way. So the attitude is much the same and what you do is much the same.

Concepts and strategies are now generated by the head office, which produces a number of alternative ads, giving local affiliates the choice of accepting, adapting or rejecting particular advertisements. A uniform agency culture aids the implementation of global advertising. Ogilvy and Mather also encourages transfers of employees between agencies to facilitate a global agency culture. Regular cross-national management training and development programs like these are becoming more common (Banerjee, International Journal of Advertising, 13, 1994: 114).

48. At Ogilvy and Mather, all local affiliates must get approval for creative proposals from the head office and offices are strongly encouraged to test the appropriateness of a campaign from another branch.

49. According to one employee, transfers are generally from the head office to a branch office rather than the other way around.

50. While international labour migration is perhaps not as common in advertising as in international accountancy (see Beaverstock, 1990), most overseas offices are staffed with a fair number of expatriates. An exception would be Backer Spielvogel Bates, which prides itself on having its Asian offices staffed by 95 percent local Asians (Saatchi and Saatchi Annual Report, 1993). Despite the skills brought by expatriates, advertising requires local knowledge of the market. With the internal realignment of advertising agencies and other business services, a new category of professionals has emerged including international lawyers, multinational tax accountants and global advertising executives. These professionals spend a great deal of their time travelling around the world (Featherstone, 1990: 8). Backer Spielvogel Bates has a variety of exchange programs around the world; for example, Asian executives can spend at least two years in Australia, and Australian executives are assigned to nine different offices throughout Asia. BSB Worldwide provides individualized development programs through cross-country and cross-region visits and through programs of extended stays and staff exchanges at the key centers of Sydney, London and New York, as well as staff transfers to foreign offices (Saatchi and Saatchi Annual Report, 1992: 17).
In a similar fashion, WPP has realigned its internal operations, citing advertising agencies as a "functional smokestack" that "have not changed for 30 or more years" (WPP Annual Report, 1993). They note that the current functional division of labour in agencies, where agencies are organized on a department or geographical basis, is outmoded. Instead they argue that agencies should be organized on a client basis, often for the whole world. In this new configuration, agencies are more client oriented, and less functionally and geographically focussed. The realignment of agencies illustrates the way in which agencies' operations are being spatially reorganized towards facilitating global advertising. This has many implications for the role of advertising in reorganizing the geography of markets.

4.9 Global Media Planning

The globalization of the media has been an important factor in the development of global advertising and in the reorganization of agency media departments. Researchers estimate that the volume of global communications is increasing at a rate of about 10-15 percent annually, almost doubling every six years (Dizard, 1989). At the moment, campaign standardization is more common for television advertisements than for print advertisements (Moriarty and Duncan, *Current Issues and Research in Advertising*, 1990). However, pan-national print media are also growing.51 The 1980s witnessed the creation of giant media

51. Examples include *The European Newspaper* founded by Robert Maxwell, and the Asian and European editions of the *Wall Street Journal* and an international edition of the *Financial Times*. International magazines, while tailored to individual countries,
companies with global reach. The Time-Warner Communications merger and the expansion of Rupert Murdoch's empire, which includes Fox Television, 20th Century Fox movie studio, and BSkyB satellite television in Britain, point to an increasing globalization and concentration of control in the media sector (Farhi, *Washington Post*, June 14, 1992: H5). Technological developments such as satellite television systems enable advertising agencies to put together cross-border, pan-European and global media deals (Mandese, *Marketing and Media Decisions*, June, 1988: 56). A recent media deal BBDO negotiated for Gillette with Rupert Murdoch's television properties in three

are also expanding. The formation of Outdoor Advertising International will also make it easier to use outdoor sites on an international basis (Moriarty and Duncan, *Current Issues in Advertising Research*, 1990: 333).

52. While much attention has been focused on the vertical disintegration of production, cultural industries seem to be undergoing different changes, taking advantage of economies of scale to expand their size. In the publishing industry, Routledge acquired numerous other academic presses in the 1980s and Gulf and Western, owner of Paramount Studios and Simon and Schuster, acquired Prentice Hall, the largest publisher of textbooks in the United States (Schiller, 1989: 37). Other mergers such as Time-Warner and the acquisition of the American Broadcasting Company by Capital Cities represented the largest mergers in U.S. history outside of the oil industry (Schiller, 1989: 36). The four biggest film studios are now owned by larger conglomerates also owning movie theater chains, television networks, and cable systems.

53. MTV now has a 30 nation pan-European feed (Farhi, *Washington Post*, June 14, 1992: H5). Star TV, based in Hong Kong, reaches 38 Asian countries and CNN is now capable of sending its messages anywhere in the world (Farhi, *Washington Post*, 1992: H5). The development of continental media, particularly Pan-European or Pan-Asian media, points to an increasing globalization. It is important to note, however, that global and pan-regional distribution has occurred alongside fragmentation. New communications technologies such as videotex and cable television have dramatically increased the amount of programming available to distribution by these multinational media conglomerates (Rothenberg, *New York Times*, May 5, 1989).
continents, features the same commercials in 17 of the 59 countries BBDO handles Gillette (in Mandese, *Marketing and Media Decisions, June, 1988: 58*). However, while the deal spans three continents, each area retains considerable flexibility to schedule its own commercials in negotiation with local Murdoch outlets. As clients expand into foreign markets to increase their sales, media departments are under pressure to develop multinational media plans either by administering multiple nation plans or by coordinating individual country plans and maintaining quality control of the agency's media product across markets (Mandese, *Marketing and Media Decisions, June, 1988: 56*).

Centralization lends agencies greater powers of negotiation with the media. The major multinational media owners now offer advertising across several countries. As Wolfe (*International Journal of Advertising, 10, 1991: 57*) notes,

> this means that for the first time agencies can negotiate for a Euro-campaign with a single media owner. An advertiser who places all his (sic) advertising through a central 'agency of record' will have very much better buying power than one who insists on hiring different agencies in every country. And this is true even if different advertisements are used in each medium. Euro-advertisers will increasingly need to use Euro-advertising agencies.

Grey Advertising launched GreySat in 1986 to plan, negotiate and execute Pan-European satellite, radio and print buys:

> Instead of a buy being handled by 12 individual Grey agencies, it coordinates through one central point, the corporate clout of that one central point is in a very strong position to negotiate price (Tony Pearson, VP/_________________)

54. However, agency employees note that despite the growth of pan-European and global media buying, much media planning still needs to be done locally, where agency staff are familiar with circulation appropriateness, reader appeal and cost effectiveness in each market (Dibb, Simkin and Yuen, *International Journal of Advertising, 13, 1994: 132*).
Similarly, J. Walter Thompson and Oglivy and Mather are members with Omnicom in "The Media Partnership", a joint media-buying structure which operates in seven countries throughout Europe (WPP Annual Report, 1991: 32). The concentration of strategic media decision-making in particular places confers bargaining power in fewer hands.

While there has been a globalization and centralization of media buying, other trends are also in evidence. A recent survey by Advertising Age found that the BSB phrase "think globally, act locally" best sums up the direction media planning is taking. While many respondents indicated their actions were becoming more global, 66.2 percent of all respondents said that their clients' media plans were becoming more localized than they were three years ago, targeting minorities, key urban areas, and regional tastes (Advertising Age, July 20, 1992: S24). Smaller budgets mean that advertising has to be more concentrated in key areas.

This trend toward micro-marketing exists alongside global

55. In Europe, McCann put its pan-regional Universal Media operations in place, and established MACSYS and MANA computer systems that brought proprietary approaches to media planning and buying. It also launched a global media tracking system which is preparing it for "pan-Asian and pan-Latin American and ultimately truly global- media buying" (McCann- Erikson Annual Report, 1991: 2). McCann has also established a worldwide media communications system whereby McCann's 140 media directors can communicate through an electronically computerized telecommunications system (Mandese, Marketing and Media Decisions, June, 1988: 62).

56. The coordination and exchange of worldwide media knowledge has increased and many agencies are setting up conferences, published reports, and newsletters to share information and ideas. One media research director commented on the increased emphasis on global media research: "we have a lot of interaction just with media groups around the world in terms of getting information. I've also requested the sharing of information where possible, media information primarily".
marketing. The study concludes that "clients have also realized that consumers get messages in different places"; 46 percent said they use out-of-home media more often (Advertising Age, July 20, 1992). Thus, at the same time as there has been an increase in globalization, there has been a need to target media audiences more narrowly. New media plans result in new geographies of media viewing with vast implications for markets, identities and spaces.

4.10 Global Research

Research has been key to the dominance of the American advertising industry in the global advertising market. According to a J. Walter Thompson report, U.S. agencies have been able to maintain a competitive advantage throughout the world because of their expertise in "translating knowledge and experience from more sophisticated markets to those that are a phase behind them" (cited in Mattelart, 1979: 254). Market research must be conducted locally, but there are increasing efforts to coordinate local studies and to standardize research techniques and methods. Conferences on research techniques within agencies disseminate the latest applications of ethnography, semiotics, projective techniques and other methodologies in advertising research from different countries. The effort to standardize the way in which agencies do research, and the concepts and tools they use, has tremendous implications for campaign development.57 More

57. There is still a lot of incomparability in statistical data, however, due to variations in measurement categories, and variable frequency and accuracy of information.
concentrated power to target consumers, both globally and locally, means an expanded ability to eradicate difference.

Global advertising is predicated on cross-border consumer information. Agencies are conducting their own global research studies; for example, Young and Rubicam has developed a demographic/lifestyle research system to identify consumer groups across national boundaries (Mandese, *Marketing and Media Decisions*, June, 1988: 58). This international segmentation scheme, called "Cross Cultural Consumer Characteristics" is based on research from six different countries. This research has underpinned its development of global advertising campaigns.

Y&R executive, Paul Isacsson explains that, "consumers are being identified and targeted beyond traditional 'nationality' descriptors" (in Piirto, *American Demographics*, December, 1990). The proliferation of global research programs and their

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58. In order to facilitate this need for information sharing across the world, many agencies are investing in new technologies; for example, Young and Rubicam is in the process of implementing a major new technology investment programme costing $50-80 million (Wells, *Advertising Age*, August 9, 1993c: 26). This technology is aimed at "improving communications among Y&R's far-flung offices and allowing creative teams from the agency and subsidiary offices around the world to work on a single campaign interactively" (Wells, *Advertising Age*, August 9, 1993c: 26).

59. The agency, D'Arcy Masius Benton and Bowles has also undertaken a series of cross-cultural studies by brand category. The series started in the United States through telephone interviews with about 1,000 people in each of a number of product categories and then expanded to Europe. Asia and South America are currently under consideration. Questions are standardized with only a few changes in wording, in order to maximize comparability of the data. The survey found similar groups of consumers in countries as diverse as Norway and Spain (Piirto, *American Demographics*, December, 1990: 8). Overall, the agency identified four main lifestyle groups common across Western Europe (Piirto, *American Demographics*, 1990: 8).
central execution in New York illustrates the increasing emphasis placed on globalism within the agency structure.

Another global research study has explicitly focussed on women. We need to consider the way in which women are located in debates about global advertising. Rena Bartos, an advertising executive at J. Walter Thompson and an independent market researcher, has attempted to map the similarities and differences between women around the world as a research tool to agencies in formulating global advertising plans. Her book, *Marketing to Women Around the World* provides a typology of female consumers around the world. Her book is underpinned by the notion that despite the diversity of women around the world, there are certain universal characteristics of femininity, especially those related to the life-cycle, motherhood and consumption. It is interesting to note that many of the product categories conceptualized as most applicable to a global approach (with the exception of airlines and business services) are targeted primarily at women. Beauty products, fashion, and household products figure prominently in discussions of global advertising. According to advertisers, segments that have the most global scope are mothers, the youth market and the women's market for beauty, fashion and health care (Moriarty and Duncan, *Current Issues in Advertising Research*, 1990: 329). The assumption that beauty, youth and motherhood are universal opens an undocumented gender sub-text in many of the discussions of globalization.

Perhaps the most comprehensive global research study has been undertaken by Backer Spielvogel Bates, one of the largest advertising agencies, with over 167 offices in 50 countries and
annual billings in the range of $5 billion (BSB, 1992). In 1985, BSB began Global Scan, a survey of worldwide consumer lifestyles and attitudes. The study is used to identify target consumers, track trends, develop new products, and determine strategic direction (BSB Report, 1992: 15).

Appropriating the language of political activism, Backer Spielvogel operates under the banner of "Think Global. Act Local". One BSB researcher stresses equally the local and global aspect of the slogan,

I think that you have to look at advertising against the backdrop of the world in which you live. I do believe that culturally the world is getting smaller and smaller and within that context it would seem to follow that advertising, because people see the same messages and mediums, would be able to go further and further. I temper that however, with a very strong feeling... You must make sure that you act local and for every time that global advertising works, I would say there are probably five times that it has to be... locally adapted in order to work properly.

She cited the example of an athletic footwear company that her agency was doing Global Scan research for. Despite the expectation that youth markets would be amenable to global advertising, and that the agency could run a global campaign on MTV, they found tremendous differences in how young consumers around the world approached running shoes. BSB concluded that a global campaign would not be appropriate in this case.

60. In 1992, the survey covered 19 countries in the Americas, Europe and the Asia-Pacific region (BSB, 1992). Global Scan includes an examination of more than 250 values and attitudes and Global Scan is based on readings of more than 50,000 consumers (BSB, 1992). The studies are done annually or biannually and considered large enough to be statistically projectable. According to BSB, Global Scan data now covers one out of every seven inhabitants of this planet (BSB Report, 1992: 2).
Nevertheless, the findings of Global Scan emphasize that similar groups of consumers can be identified throughout the world, regardless of national boundaries.61 One Global Scan study concludes that American and Japanese consumers share as many similarities as differences:

The data shows that a young Japanese woman shopping the Ginza this very day quite probably has more in common with a young American woman strolling a Manhattan street than she does with her own parents" (Silverman BSB News Release, 1992).

Global Scan is based on global market segmentation, measured by household income data, age, sex and psychographic information about a consumer's attitudes towards consumption (Silverman, Speech, 1992).62 The growing size and diversity of markets means that a uniform approach becomes increasingly ineffective:

why are segments so essential? Because marketing to everyone means marketing to no one. If you attempt to use the exact same product strategy or advertising message to sell every single consumer in the U.S., you will almost definitely fail, because the American population is incredibly large and diverse and grows more so with each passing year (Silverman, Speech, 1992: 14).

61. Silverman notes, "by the mid-1980s, the growth of global marketing was shifting the focus of attention from the differences between various national consumer groups to similarities" (Silverman, Speech, 1992: 4).  

62. The addition of psychographic data means that differences in buying patterns among consumers of similar age, sex and income can be isolated. The segments identified are called lifestyle segments such that, "what links consumers in lifestyle segments together is more a common way of thinking, living and spending than a simple set of statistics. And what Global Scan tells us is that our lifestyle segments are remarkably consistent from country to country and culture and culture" (Silverman, Speech, 1992: 13). Some of the issues explored are: achievement, family change, political values, eating habits, environment, health concerns, insecurity, materialism, narcissism, order, politics, pressure, risk-taking, role of women, shopping behaviour, social consciousness, technology, world views, job/business, confidence (BSB Report, 1992: 3). Information is also collected on product usage and media habits. All of this illustrates the increased attempt to organize everyday life.
The information collected in Global Scan has led BSB to postulate five global consumer segments (Table 5.3). The identification of these consumer segments is taken as support for global advertising:

what it does give us for the multi-country marketer, is a broad base of understanding of what your target is all about, from country to country. It allows you to understand what their needs, wants and desires are on a very global basis which then lets you go ahead and do more discrete research in each country if you need it, or perhaps it is so clear cut that you can use Global Scan for planning advertising (BSB Report, 1992: 5).

While concepts such as Global Scan are largely hype, designed to attract clients, we should not forget that these studies impact on the decisions of clients. The attempt to isolate similarities between consumers across the world through research reveals the active role of advertising in constructing global market segments and structuring the decisions of clients. Projects such as Global Scan illustrate that models of consumer surveillance based on the Panopticon are being extended across space in an effort to encompass the entire globe.

4.11 Conclusion

Globalization encompasses a transnationalization of agencies, a theoretical premise in advertising, and an emerging market phenomenon. Changes in the organizational structure of agencies lead to international and regional centralization in

63. These segments are present in each of the 19 countries surveyed, although the size of each segment varies in different countries. For example, achievers account for 24 percent of those surveyed in Italy, 21 in the U.S., 20 in France, 19 in Mexico, 19 in the U.K. and 18 in Japan (BSB Report, 1992: 8). These segments are implicitly gendered; for example, the pressured group is predominantly female.
global cities. The industry has become more oriented around clients rather than function or national geography. Agencies have had to accommodate a range of client organizational structures and campaign geographies. This does not mean that the advertising industry is a simple duplication of its clients. Rather, I argue that agencies have developed and propagated notions of "global advertising" in order to further their own interests of transnationalization. In this way, the restructuring of the industry is related to the advertising strategies and images it forwards.

A number of shifts in the way accounts are handled suggest major changes are underway. There has been some growth in the number of countries that agencies handle for a client and greater centralization of strategic planning in the agency head-office. There is more coordination in account planning at the global and pan-regional levels. Global and pan-regional media buying centers have been established, generally in key cities. In addition, new cross-cultural research projects have been conducted, particularly in New York.

The case of Europe illustrates the role of advertising in the construction of "imagined communities" and "imagined markets". Pan-regional advertising drives represent a first step in agencies' efforts to globalize markets.64 The increase in global advertising holds negative consequences for nationally-based advertising industries outside dominant markets, such as Canada. National and local agencies have been increasingly

64. The case of Europe points to greater control in global agencies and major advertising centers such as London, Paris, and Brussels.
relegated to carrying out local promotions and in-store marketing, leaving the high-revenue media advertising assignments to agency head offices. New regional inequities have emerged within North America.

Part of the controversy with respect to global advertising lies in confusion over its definition. In most cases, global advertising does not refer to a global creative execution, adopted in the same form throughout the world. Rather, it refers to greater attempts to coordinate advertising campaign around unified themes. There is evidence to suggest a globalization in advertising strategy for some products, especially those with global niche or mass markets. As revealed in this chapter, there are many dimensions to globalization and not all of them are incorporated at the same time. It would seem, however, that selected aspects of global advertising are increasingly being adopted.

Simultaneous contradictory processes are at work. The growth of micro-markets for individualized goods coexists with the internationalization of markets for mass and niche consumer goods. Advertising agencies seek to consolidate geographic patterns of increasing complexity. In particular, while it may once have been common to create and distribute one ad across the nation, and tailor ads to different nations, advertisers now create multiple campaigns targeted at diverse segments within the nation. At the same time, greater efforts have been made to unify campaigns and themes at the global level. Advertisers recognize a growing disjuncture between identity and place (see Gupta and Ferguson, 1992). While in the past, products may have been
advertised around the world, increasingly the same images and meanings of commodities are also being distributed.

We need to examine who has the power to make spaces, as well as who is contesting that power. Resistance to global advertising takes many forms, but should not be used to underestimate the structural forces put into play by cultural industries such as advertising. Advertising is involved in the construction of the world as a unified landscape of consumption. Advertising agencies and clients articulate notions of global advertising for multiple reasons: to rationalize their growing size and transnational structures, to gather new business, cut costs and increase profits. But in articulating notions of "world brands", they intervene powerfully in constructions of globalism.

Rosi Braidotti (1990: 115) asks how academics can reorient discourses and images of globalism which have so far been dominated by industries such as advertising. She asks,

When shall we accept that internationalization begins at home? How close are the 'white' intellectual women to the migrant women who have fewer citizen rights? For internationalization to become a serious practice, we must confront this paradox and indifference and the cultural differences between the nomadic (indeed jetsetting) intellectuals and migrant women (Braidotti, 1990: 115).

An examination of the reorganization of the advertising industry and the cultural role played by advertising agents, as well as other global professionals: international lawyers, multinational tax accountants, and architects designing hotels in Tokyo, New York and Toronto, demands that we take a look at our own role in the process of globalization.
### Table 4.1

<table>
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<tr>
<th>Multinational Agencies</th>
<th>Group</th>
<th>Agency</th>
<th># of Countries</th>
<th># of clients in more than 10 countries</th>
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<td>Oglivy and Mather</td>
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<td>J. Walter Thompson</td>
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<td>McCann-Erikson</td>
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<td></td>
<td>Grey</td>
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<td>24</td>
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**Source:** Advertising Age, April 13, 1992
Table 4.2

McCann-Erikson: Global Accounts, 1993

| Accounts in 30 countries or more | 17 |
| Accounts in 20 countries or more | 26 |
| Accounts in 10 countries or more | 41 |
| Accounts in 5 countries or more  | 70 |

Source: McCann-Erikson Annual Report, 1993
Table 4.3

Global Scan Segments

**Strivers:** (24 percent)
- busy schedules, demanding lives
- high stress, time pressured
- often starting families
- snack and convenience foods
- major consumers

**Achievers:** (20 percent)
- Prototypical baby boomers, upscale, professional/managerial
- health, nutrition, fitness important
- stylish, leaders of mass market opinion
- quality, sophistication, technology

**Pressed:** (16 percent)
- usually female and low paid, often single parents
- pressure from their role as women, economics, broken families, or aging
- often splurge and use convenience products

**Traditionals:** (19 percent)
- conservative, old-fashioned consumers
- traditional values with respect to gender. "Three key attitudes which define this group are: the man is boss, the woman stays at home, and the pet is an animal. Clearly, everything has its place."

**Adapters:** (19 percent)
- older, contented, yet open to change
- good market for travel and continuing education

**Source:** Backer Spielvogel Bates, Global Scan, 1992
Chapter 5

Segmentation, Localization and Surveillance

5.1 Introduction

Consumers are transformed into immigrants. The system in which they move about is too vast to be able to fix them in one place, but too constraining for them ever to be able to escape from it and go into exile elsewhere (de Certeau, 1984: 40).

While the last chapter detailed the global extension of advertising campaigns, in this chapter I explore the simultaneous tendency to pinpoint consumers more finely in localized and segmented spaces. Perhaps no topic has been discussed more widely in the advertising trade press than market segmentation. Market segmentation is also one of the most contentious aspects of the flexible specialization thesis, drawing a great deal of criticism. It is important to examine the role of advertising practices in negotiating the breakdown of mass markets, especially if as Pollert (1988) suggests, fragmentation is in part a marketing/advertising strategy to divide markets into definable niches. While there is much evidence to suggest profound changes in the geographic and social boundaries of markets, the main argument in this chapter is that segmentation is a lot more complex than most analyses have suggested. Through an empirical study of advertising discourses/knowledges, I attempt to clarify the nature and extent of market segmentation and argue that the current period is characterized by both market segmentation, and a diversification of mass markets.

Contradictory processes are at work. On the one hand, advertisers are targetting specialty products at narrowly defined groups, especially those in the "new middle class". On the other
hand, much of the advertising literature on market segmentation refers to advertising mass-produced brands differently to different consumer segments. This denotes a simple extension and diversification of mass markets. Advertisers also use segmentation to refer to multiple identities within the same individual and have begun to market different products differently to the same individual, depending upon the context of consumption. While there may not be a complete breakdown of mass markets, the evidence presented in this chapter suggests that there has certainly been a breakdown in mass marketing.

In this chapter I illustrate the role of advertising in mediating processes of market and subjectivity formation by analyzing advertising research methodologies and knowledges. While much of the information on offer within the advertising industry is mere "hype", the knowledges discussed in this chapter influence companies in their choice of advertising campaigns.1 These knowledges inform different creative strategies and mediate the process of consumer identity formation by constructing particular notions of consumption, gender and space. Information on where consumers can be located has implications for the decision of where both to circulate advertising images, and how to position consumers in space.

New patterns of market segmentation require new techniques of surveillance. In terms of advertising research, there are two contradictory tendencies in the current period: on one hand there has been an increased emphasis on quantitative information

1. Sayer and Walker (1992: 82) point out that much of the information for sale is of dubious quality.
facilitated through new information technologies and geographic information systems, and on the other hand, a heightened focus on qualitative research in the form of focus groups and ethnographies. One agency researcher summarized this shift: "We have moved simultaneously in a high tech and high touch direction." Advertising research has looked increasingly to the social sciences in the 1980s, to the disciplines of psychology (psychographic lifestyle studies), sociology, anthropology (ethnography), and geography (GIS). This chapter examines the role of the social sciences as apparatuses of disciplinary power (See Foucault, 1970). I explore the relationships between power, knowledge and spatiality that are generated out of the discourses of advertising research.

The discussion of new research methodologies reveals two important themes. First, I argue that geography has become an increasingly important way of locating consumers in terms of identity, and that much advertising research today is framed in specifically spatial terms. In this way, advertising has become more "localized". By local, I do not imply the traditional geographical sense of local. Rather, I use the term to refer to the more spatially fined-tuned way in which advertising research is able to define and target specific market segments. Whether in Tokyo or in New York, advertising is able to seek out consumer groups defined by a very limited set of social attributes and pinpoint them to their neighbourhood. By local, I also mean the more insidious way in which advertising surveillance is able to monitor commodities in the contexts of everyday life.
The second theme concerns the role of research in negotiating the shifting boundaries of markets. Increased research and information handling has allowed greater flexibility in responding to changes in demand, but as Sayer and Walker also note,

the coin of producer-consumer intimacy has a darker side, the invasion of the home, the mind, and the passions of the purveyors of products playing on the unfilled spaces of personal desire. The sales apparatus enters intimate relations, psychic life, and symbolic language of the consuming public, implanting the seeds of consumerism deep within the soil of personal expression and social rebellion (Sayer and Walker, 1992).

However, if surveillance has increased, this reveals the role of consumers in processes of cultural change, for as Mort argues, advertising agencies conduct an active dialogue with consumers through their research efforts and creative products. This signals an end to the notion of Pollert (1988) that "consumption is foisted on gullible populations by hype and the lust for profit" (Mort, 1989: 167). Rather, advertisers and marketers act as intermediaries:

Marketers will tell you that this is a two-way process; it doesn't simply come from above. Product design and innovation, pricing and promotion, are shaped by the noises coming from the street. Market research is in the business of collating these noises and shaping them into consumer profiles (Mort, 1989: 167).

My discussion on new research practices reveals the degree to which advertising research listens to the "noises" of consumers. The chapter is divided into seven parts. First, I review the general arguments about market segmentation and flexible specialization. In the second section I highlight the role of supply and demand factors in segmentation. Next, I discuss new research methodologies in advertising and in particular, the
dominance of lifestyle advertising in the 1980s which is based on psychographic segmentations of consumers. The fourth part of the chapter explores the growth of more targetted forms of advertising such as direct marketing and the use of geographic information systems to locate potential consumers for direct marketing initiatives. In the fifth and sixth sections, the complexity of individual subjectivities is examined. Here I look at the growing use of focus groups and ethnographies in consumer research. Finally, in the realm of media research, I examine attempts by agencies to link media/advertising viewing to purchasing decisions and to close the circuit binding producers, consumers and the media.

5.2 Consumption and the New Regime of Flexible Accumulation

The emphasis on individualized consumption patterns lies at the heart of the "flexible specialization" thesis. Piore and Sabel (1984: 184) point to the saturation of markets for consumer durables such as cars and washing machines, such that "by the 1960s the domestic consumption of the goods that had led to post-war expansion began to reach its limits". Sabel (1982: 212) notes, "Do not forget all those fashion, health and quality conscious consumers who, quite independently of foreign competition, are unsettling the manufacturing of everything from shirts to bread". In clothing markets for example, Zeitlin and Totterdill (1989: 162) note that,

the growing fragmentation and sophistication of the mass market has made it increasingly difficult to sell a single, rigidly planned 'look' to broad categories of consumers, and high street retailers have therefore begun to target narrowly defined segments of the market with loosely
structured garment ranges which allow the individual shopper to construct a more 'customized' wardrobe.

With the break-up of mass markets for standardized goods, Piore and Sabel (1984) argue that firms need to compete by offering differentiated goods to specific market niches. These niches often reflect local customs and cultures (Gertler, 1992: 265).

According to flexible specialization accounts, demand changes are at the center of changes in production. Mass markets have become saturated and consumers are demanding more differentiated products and higher levels of quality. As Smith (1989) points out, changes in demand play a fundamental role in technological change in flexible specialization accounts. Indeed, Piore and Sabel (1984: 261) suggest that "had the mass market of the 1950s and 1960s endured in the 1970s, computer technology would have mirrored the rigidity of mass production".

There have been many criticisms of the flexible specialization thesis. Williams et.al. (1987) cite the persistence of scale economies and mass markets. They argue that Piore and Sabel's thesis rests on mature consumer durables such as washing machines and refrigerators, obscuring other mass produced commodities such as television sets, where markets have doubled in the last 10 years in Britain (Williams et.al, 1987: 424). In addition, they argue that existing producers have developed new mass-oriented products such as video cassette

2. Hirst and Zeitlin (1991: 7) broaden this argument by arguing that flexible specialization results not only from the changes in demand, but also, "from the conscious efforts of firms... to fragment the mass market still further through the constant introduction of new specialty products" (Hirst and Zeitlin, 1991: 7).

3. This occurred as households acquired second televisions (Williams et.al, 1987: 424).
recorders, compact disc players, micro-wave ovens, dishwashers and food processors (Williams et al., 1987). Similarly, for Pollert (1988), packaged goods, foods, drinks, records and toys, all of which are major advertisers, are still mass produced. In this sense, scale economies are still important. 4

In their research on the chocolate, biscuit and confectionary industry, Smith, Child and Rowlinson (1989) provide evidence of a reduction in the variety of products produced. They cite a conscious marketing strategy on the part of producers to abandon the low end of the market and concentrate on core brands that can be marketed and advertised globally (Smith, Child and Rowlinson, 1989). This points to a process of globalization rather than fragmentation. In a similar vein, Sayer (1989) argues that while the number of products sold in a given national market may have increased, this may be a consequence of the internationalization of markets and a heightened penetration of foreign goods, rather than an increased variety of goods being produced by each firm (Sayer, 1989). It is important to note that flexible specialization accounts have ignored the geographic complexity of markets. Arguments about the breakdown of mass markets obscure the globalization of such markets. I argue that a combination of both the globalization of mass markets, and the localization of niche markets may be occurring.

In terms of the more differentiated array of products currently available, Williams et al. (1987) also argue that even

4. Glennie and Thrift (1992) concur that many of the claims about flexible production processes, individualized consumption practices and a changing sense of place, gloss over the continuities and exaggerate the differences between Fordism and Post-Fordism.
though products may appear different on the surface, often the variations are fairly minor. A differentiated variety of mass produced goods aimed at overlapping market niches can be isolated in many industries. Curry (1993: 110) argues that what we find in the contemporary period is the replication of sameness with slight variations: "modern industry is becoming quite adept at mass producing variety". Both Williams et al (1987) and Amin and Robins (1990) point to simple product differentiation rather than the breakup of mass markets.5

In a similar vein, Pollert (1988) argues that the fragmentation of demand is not a cause of the crisis but rather an effect.6 Fragmentation is part of marketing and advertising strategies to divide up markets into predictable segments. Hence, the capturing of markets by the deliberate cultivation of finely-tuned consumer tastes naturally becomes more urgent as competition intensifies, but this is not evidence of a decline, but of a more sophisticated manipulation of the mass market (Pollert, 1988: 60).

The polarization between those that argue that markets are fragmenting, and those insisting on simple diversification of mass markets, obscures the fact that a combination of both are

5. For Curry (1993: 110), the only exception to this lies in the case of the new professional managerial class, including those involved in image-producing industries, design, marketing, advertising and entertainment fields. The consumption practices of this class point to a growing market fragmentation. The new professional managerial class is simultaneously the market and the creators of this new consumption. Flexible specialization is limited to the production of goods for this class (Curry, 1993: 110).

6. Walker (1992) argues that the break-up of mass markets is an effect of changes in the productive sphere. Regulation theorists on the other hand have tended to argue that production forces must be conceptualized in a more integrated manner alongside the social and political systems which define the broader context for production (Moulaert and Swyngeouw, 1989, Gertler, 1992).
occurring (Gibbs, 1992: 13). As Gibbs (1992) notes, different situations may be happening in different sectors and both in some sectors. In terms of why a process of diversification/fragmentation has been occurring, Gibbs points to both supply and demand factors. An examination of the advertising industry suggests that there are a number of processes leading to the breakdown of mass markets, including both demand and supply factors. Advertisers act as a mediator, negotiating between changes in consumers' lives and the needs of clients. Advertising research is vital to this mediation.

5.3 Demand and Supply Factors in Market Segmentation

With respect to demand side factors, there are certainly changes in female markets which lead to a greater degree of market segmentation. One of the most frequently discussed aspects of market segmentation is the breakdown of the "mass market housewife". Advertisers now refer to a multi-segmented female consumer market (Marshall, 1991). As one advertising executive noted,

Yeah they (female consumers in the 1950s) tended to have fewer differences. They saw themselves as homemakers, fulfilling certain roles and functions within that. They all sort of baked the same day and did certain kinds of things and now I think lifestyles in general have changed. It's a faster pace. There are more women working. Things that used to appeal to women in the 1950s don't anymore so the market has had to change.

Stacey refers to transformations in the family which have played an integral role in the crisis of Fordism. The feminist movement, the growth of women in the waged labour force, declining family size, youth hedonism, and an increased number of single women and single parent families have radically altered consumption
patterns. Marketers recognize these trajectories, arguing: "the postmodern self is a series of rolling identity crises. Moving from job to job, career to career, marriage to marriage, the postmodern self is a less stable substance than the node of shifting and changing relationships" (Oglivy, Marketing and Research Today, February, 1990: 15). For those manufacturers selling mass market consumer durable goods to women, the task of framing messages to large numbers of women has become increasingly difficult. The growing complexity in female markets does not necessarily signal a more differentiated array of product lines. In some cases, mass marketers are simply selling the same product in different ways to appeal to different groups of women.

7. Stacey alludes to the fact that the life of a woman may comprise marriage, divorce, wage labour, feminism and remarriage (Stacey, 1990). Consumers do not live their lives as lifelong projects, but as a succession of discontinuous events and sequential life strategies (Lash and Urry, 1987: 299). Despite the fact that identities were never centered in the first place, they are even more dispersed in the current period.

8. As one female agency owner notes, "What advertisers would love to do is line women up and put a label to the changes, but they can't". Working women's attitudes and buying patterns differ dramatically from those of non-working women (Walmsley, Macleans, January, 1986). Marion Plunkett of Oglivy and Mather, Toronto notes, "We do not think of producing commercials that portray women in upscale jobs. Women who stay home with their families should not be made to feel guilty or inadequate" (in Walmsley, Macleans, January, 1986: 54). This has led to increasing attempts to target different groups of women through lifestyle studies (Walmsley, Macleans, January, 1986, see also Marshall, Food Channel, February, 1991, Marney, Marketing, April 30, 1990, Marketing News, 1986, Canape, Madison Avenue, August, 1984: 44, Langer in Marketing News, 1986). AT&T pitches different messages to different female segments (one with a professional woman and a cellular phone on the bleachers of her child's little league game, one ad with a woman with a bag of groceries, and another in the home, with a mother in the kitchen talking on the phone) (Deveny, Wall Street Journal, September 5, 1991).
Markets have also become more complex with the growth of a male market (Jackson, 1991, Mort, 1989). As one executive put it, major advertisers were packaged goods companies which tended to be directed at women because they were cooking products and food products. They are not a growing industry today. They have been flat to declining. Other businesses have been growing so what you're finding is the leisure market, the communication industry have been flourishing and they have a different target group.

The growth of new markets points to a more differentiated pattern of demand. Although women are still the dominant consumers, there has been a widening of the net of consumption.

Many relate the growth of segmented markets to the rise of a new middle class (Featherstone, 1990, Bourdieu, 1984, Bonner and du Gay, 1992). The new middle classes are the distributors and consumers of postmodern culture (Betz, 1992). The growth of the new middle class leads to a more differentiated and individualized pattern of consumption. Bonner and du Gay (1992: 86) note that, under a new "regime of the self", middle class consumers are encouraged to assemble a lifestyle or lifestyles through personal acts of choice in the marketplace:

it is through their symbolic expertise of presentation and representation, in market research, advertising, design and the like, underpinned by the knowledges and techniques of subjectivity, that the new petit bourgeoisie seeks to achieve these objectives. In other words, the promotion of a particular 'view of the self' is key to success for this social group, both personally and occupationally (Bonner and du Gay, 1992: 86).

Grey Advertising has done much research on new middle class "ultra-consumers", whose lifestyle entails consuming a variety of

9. Fred Pfeil notes, "They are subjects hailed by the aestheticization of commodities, well trained in the art of reading the pastoral picnic into a bottle of Gallo chablis" (in Betz, 1992: 100).
luxury products regardless of income (Grey Advertising, 1986). A study at Grey reads,

to satisfy ultra-consumers, marketers must recognize that quality is no longer a simple matter of a product's performance or physical characteristics. Because ultras demand opportunities to satisfy aspirational needs, quality now involves the aesthetics of consumption, from packaging to purchasing environment (Grey Advertising, 1986).

Ultra-consumers' desires are personal, complex and often more ephemeral in nature. According to Grey Advertising, many of these intangible qualities cannot be measured scientifically.

The identification of a more diverse range of consumer segments such as ultra-consumers has led to a demand for new types of research charting emotional and psychological responses to particular products and the relationships between products and the aspirations and lifestyles of ultra-consumers (Grey Advertising, 1986). Thus,

the traditional tools of market research are not gauged to measure many of the areas most critical to understanding ultras. As a result, to provide the information marketers will need, researchers will have to devise an array of innovative new techniques (Grey Advertising, 1986).

It is clear that market segmentation is not a mere manipulation of the market. There are a number of changes in patterns of demand which advertisers have had to grapple with. However, advertising knowledges play an important role in negotiating changes in markets, particularly the segmentation of female markets and the growth of a new middle class. By forwarding strategies and images of change, advertising influences the constitution of segmented markets. The discourses

10. Research done by Grey Advertising suggests that advertising will have to draw upon a more abstract, evocative, metaphoric language to interest this more visually literate segment of the population (Grey Advertising, 1986).
of advertising reveal the recognition of both niche markets and the simple differentiation of mass markets. Advertising agencies mediate both processes.

In terms of supply, the 1980s were characterized by increased competition which forced producers to compete more along the lines of product quality and design. Design and quality in mass markets provided "a means to accelerate the pace of consumption not only in clothing, ornament and decoration but also across a wide swathe of lifestyles and recreational activities" (Harvey, 1989: 285). Accelerated turnover time means that firms have to be more adept at adapting to fast response to market shifts or better able to control changes in the market. One element of this strategy includes "mastering or intervening actively in the production of taste and opinion, either through being a fashion leader or by saturating the market with images so as to shape the volatility to particular ends" (Harvey, 1989: 287).

As I argued in chapter 1, advertising is a site of power/knowledge and surveillance. There is an increasing scientific monitoring of the consumers by both in-house and independent market research surveys (Griggers, 1990: 81). 11 The

11. The volume of information circulating within advertising agencies and research suppliers has increased dramatically over the last 15 years (Francese, American Demographics, August, 1985: 23). Despite cutbacks in agency personnel in research departments, research itself has not lost its place in the advertising process. Research is being increasingly purchased from outside suppliers where the quantity of information available has exploded. In addition, the change in research methodology toward more of an emphasis on qualitative research has meant that much research can be done by independent focus group moderators. Therefore, cutbacks in research departments do not signal a decline in the importance of research itself.
Council of American Survey Research Organizations estimates that revenues for independent research organizations increased 8 percent to 12 percent a year in the late 1980s (Rothenberg, *New York Times*, April 6, 1989: D10). Increasingly complex models of consumer diversity have been developed by advertising agencies as a result of more sophisticated research techniques.

Information has become vital not only in agencies' competition with one another, but also in their competition with retailers. Since the 1970s, there has been a growth in the power wielded by retail outlets. Retailers are gathering more information about consumers through shopping club cards, which chart the geographic market area of stores, and purchasing records. This information can be analyzed and direct marketing and coupons can be sent out to channel buying patterns in particular ways. Scanner data gathered by electronic cash registers also gives the retailer an informational advantage over producers. The expansion of store brands, private labels and generic products have also threatened many brand name products (*Stimulus*, October, 1982). Information seems central to the

12. In 1985, *Advertising Age* estimated that spending on advertising, marketing and public opinion research inside the U.S. totalled $2 billion (in Trachtenberg, *Forbes*, March 23, 1987: 135). In the face of declining agency compensation, WPP notes, "market research remains a relatively cheap way of justifying larger expenditures particularly when all costs are being rigorously examined. Spending $100,000 to track a $10 million advertising campaign is a small insurance premium" (WPP Annual Report, 1993).

struggle between retailers and advertisers for control over consumers. As a result, clients are intensifying their advertising research efforts in order to differentiate products and build brand loyalty with consumers (Interpublic Group of Companies Annual Report, 1993).

Shergill (International Journal of Advertising, 12, 1993: 107) notes that in an era of mass marketing, advertisers were saying,

What's my national share? Which commercial scores best? Which product is preferred? To do this, data and information was aggregated. But in an era of micro-marketing, companies have been disaggregating data/information to identify and understand a particular segment or piece of geography.

will choose either the highest quality brand or the lowest-priced product (Levin, Advertising Age, November 6, 1989: 28).

14. Advertising and retailing are not always in conflict with one another and advertising agencies also play a role in advertising retail outlets.

15. In order to gain more control over purchasing behaviour, producers have attempted to gather more information to create powerful advertising campaigns to direct consumption decisions prior to the retail environment. Backer Spielvogel Bates notes, "a battle for share of market at the point of sale has meant a declining power for advertising" (BSB, 1992: 6). Through advertising, manufacturers attempt to design something into the product to try to convince you not to be persuaded by the activity of retailing.

16. Rather than attempting to differentiate a brand from its competitors, for the entire market, market segmentation focuses on attempting to reach particular segments of the mass market defined by class, gender, race, place, age, marital status, lifestyle, personality and consumption patterns (Jhally, 1987: 127). Advertising has made increased use of narrative and dramatic form in order to emphasize the benefits to the consumer. It has decreased the amount of information provided about the product, relying less on product claims appealing to a mass audience, and more on the shared experiences, attitudes and lifestyles of segmented audiences.
A more complex, stratified pattern of research parallels the more fragmented nature of post-Fordist production.17 As one commentator puts it,

You can no longer fly over in your network B-52s and drop coherent heavy messages, saturating the communities with what you want to say, and hope for a response. Guerrilla warfare marketing in the 80s means that the battles for the heart and mind and pocketbook of the consumer will be won on a block-by-block, store-by-store, purchase-by purchase basis (Arbeit, Stimulus, October, 1982: 21).

The masculinized military imagery of woman as a target to be shot down, permeates the discourse of advertising. The colonialist metaphor also runs through advertising research. References to the consumers as "woman", "black box", "dark continent", "territory", and "target" abound. Researchers are described as "scanning", "targetting", "tracking", "surveying", or "eyeing" the consumer. As consumers have become harder to locate, there have been increasingly sophisticated attempts at surveillance.

Davidson has charted a transition in branding since the 1950s. He argues that in the 1950s, brands were mapped through much more quantitative or mechanistic research processes and the appeal to consumers was done on a function-based approach. He

17. Instead of advertising in mass distribution magazines and on mass audience television shows, advertisers have come to rely more on specialty magazines and television shows aimed at smaller audiences. Industries are employing increasingly complex marketing plans. McDonald's restaurants, for example, utilize national image building campaigns, and deploy product specific advertising that related to different regional product preferences. The restaurant also uses demographic advertisements targeted at particular market segments such as the Hispanic market, the Black market, seniors, and kids and utilizes specialized agencies for this task. These ads are also regionally weighted based on different ethnic and demographic mixes. Finally, McDonald's has used local level advertising and in-store promotions and employs seventy-two regional advertising agencies as part this task (Arbeit, Stimulus, October, 1982: 20).
argues that gradually advertising developed a more humanistic contact with consumers (Davidson, 1993: 44). Thus, advertising generally was firmly product-oriented until well after World War II, but in the 1950s it began to be directed increasingly towards consumer desires, needs and wants. In the 1970s and 1980s market segmentation prompted agencies to adopt new research methods, new ways of understanding and dialoguing with consumers and new ways of mediating processes of change.

By forwarding new methodologies however, advertising agencies influence the creation of market segmentation. Advertising is not a one-way process, but a dialogue with the market. I examine this process of dialogue by exploring the way in which advertising agencies have mediated processes of market segmentation. In the next section, I examine new research techniques which play a role in constituting market segmentation. I focus on the breakdown of mass marketing, on the techniques and attempts of advertisers to segment markets. Conceptualizing advertising as an institution of power/knowledge involves a recognition that market segmentation is led by demand and supply factors.

5.4 Psychographics and Lifestyle Segmentation

As taste became less apparent in things themselves, the quality of objects was apparently transferred onto the consumer. Advertisers consequently began to market their products in terms of such qualities as the female consumer's 'belonging, sex appeal, power, distinction, health, togetherness, camaraderie'. By a certain point in our own century, "she" had clearly become the object they were selling (Armstrong, 1990: 27).

The time is past when advertising tried to condition the consumer by the repetition of slogans; today the more subtle forms of publicity represent a whole attitude to life: if
you know how to choose, you will choose this brand and no other, this labour-saving device will give freedom to women. This fuel is your fuel (Lefebvre, 1971: 107).

In the 1980s advertising researchers increasingly supplemented demographic information with psychographic studies of consumer behaviour aimed at tapping into more subtle market segmentations. The term psychographics originated in an 1965 issue of Grey Matters, an internal publication of the agency, Grey Advertising. Psychographics refers to "the entire constellation of a person's attitudes, beliefs, opinions, hopes, fears, prejudices, needs, desires, and aspirations that, taken together, govern how one behaves (and) finds holistic expression in lifestyle" (Arnold, 1983: vii). Margaret Crawford (1992: 10) defines psychographics as "the detailed marketing profiles which identify the customer's aspirations as well as her stated needs in order to chart 'identity' as well as income". The idea is to move beyond demographic factors to analyze a consumer's values and beliefs (Townsend, American Demographics, November, 1985: 23). Renee Fraser of Young and Rubicam/Dentsu substantiates the growing use of psychographics,

at Y&R/Dentsu, we see psychographics as a tool to increase our understanding of people and to generate powerful advertising... we use psychographics to stimulate the imagination. Psychographics add flesh and colour to the demographic skeleton of a target audience profile. They also inspire strategy. By understanding the psychological importance of a product, how it fits into a consumer's life and what their end benefit hierarchy is, we can develop strategies and assess their potential against such a framework (Fraser, Speech, 1983: 2).

Psychographics is the culmination of a long term process whereby commodities have increasingly been framed in terms of the identities of consumers rather than their functional uses.
Psychographics has led to the development of personality or lifestyle typologies of consumer behaviour. As de Certeau (1984: 34) points out, "statistical study is satisfied with classifying, calculating, and tabulating these elements- 'lexical' units, advertising words, television images, manufactured products, constructed places- and they do it with categories and taxonomies that conform to those of industrial or administrative production". Power depends on the isolation, separation and classification of individuals "such that its controls can be brought to bear and can effect the work of the transformation/construction of subjects" (Hirst, 1985: 183).

Since the early 1980s, psychographics has been increasingly employed by advertising agencies in an attempt to develop advertising, product positioning, long range or strategic planning, product development, design and management style. The most common use of psychographics is in shaping the creative message. Psychographic categories are used to create lifestyle imagery congruent with the product's target audience.

The ability to manage or control the fragmenting mass market and to forward generalizations about this fragmentation was the main value of psychographics when it was first introduced (Piirto, American Demographics, December, 1990a: 32, Fraser, Speech, 1983). Typologies such as those of psychographics attempt to impose order on the increasing complexities. With the increasing diversity of consumers and segmentation of female

18. Avon Products used psychographics for labour recruitment to determine that Avon door-to-door representatives were more likely to be Belongers. This research helped develop new recruiting campaigns (Townsend, American Demographics, 1985: 25).
markets, it is important to develop a more complex picture of consumers and their self-concepts, personalities, buying styles, and lifestyle characteristics (Langer, Speech, 1983: 3).

As one marketer argues, "two people in the same demographic group often have different opinions, habits, and buying patterns. What explains why some are excellent market targets, others are not?" (Langer, Speech, 1983: 2). Although psychographic categories have more subjective definitions than do demographic categories such as age, income, occupation, they are considered quantitative in that they involve large scale statistical generalizations about consumers. Although there are many psychographic studies, one of the most influential is that of VALS or Values and Lifestyles Study done by the Stanford Research Institute. The VALS psychographic segmentation system has been the only commercially available system to gain widespread acceptance (Riche, 1989:26).

19. As another commentator puts it, psychographics accounts for why two individuals, both earning incomes of $50,000 a year will often have entirely different buying patterns (Francese, American Demographics. August, 1985: 24). In a similar vein, Lash and Urry (1994: 58) note that taste is much more personality specific, rather than adhering to specific status or class distinctions.

20. SRI's first national survey was captured for a general audience in Nine American Lifestyles by Arnold Mitchell in 1978. This lifestyle differentiation was made possible by the advent of computer databases that allowed large numbers of survey questions to be cross-tabulated. In addition to VALS, Yankelovich, Clancy Shulman has been conducted its own annual lifestyle research since 1971 called the Lifestyle Monitor (Townsend, American Demographics, November, 1985: 24). Agency Subscribers pay $25,000 for the first year for the service and a lower amount in the subsequent years (Townsend, American Demographics, November, 1985: 24). Unlike VALS, the Lifestyle Monitor is drawn from survey data rather than psychological theory.

21. VALS has been incorporated into other surveys, broadening its scope of influence; for example, since 1982, VALS has been administered as part of the annual surveys of Simmons Market
advertising agencies in the United States embraced this typology of consumer behaviour.

VALS divides consumers into nine lifestyles falling into four groups: those that are need-driven, outer-directed, inner-directed and integrated (Fraser, Speech, 1983: 3) (Table 6.1).22 In recent years, with the growth of individualized consumption, it is the inner-directed group that is growing (Arbeit, Stimulus, October, 1982: 11). This corresponds to the growth of the new middle class. Much of the psychographic literature focuses on this group and it is clear that the origins of lifestyle advertising lie in the growth of this class fraction whose self-definition is intricately tied to the consumption of individualized commodities.

Growing critiques of the original VALS, particularly its inability to predict actual product purchase and to identify brand-specific behaviour, led to an update of the original survey. In addition, it has been argued that VALS was conceived in the late 1970s at a time when the population was dominated by people in their twenties and thirties. Demographic shifts like the aging baby boom, the increasing cultural diversity of the


22. Need-driven consumers (survivors and sustainers) have a lower socio-economic status which constrains their consuming capacity, while outer-directed consumers (belongers, emulators and achievers) tend to develop their standards and goals through emulation. Inner-directed individuals (I-Am-Me, Experimental and Societally Conscious) rely on personal goals and values to orient their consumption patterns. Integrated consumers combine attitudes and values of both inner and outer-directed groups (Hayhurst Agency Document, 1985).
population, and the decline in consumers' expectations for the future make earlier categories more problematic.

VALS 2, released in 1989 identifies eight consumer types. The new categories link psychographic characteristics with product use, based on a survey of consumption of 170 different types of products. The new system puts less emphasis on values and attitudes as the basis for segmentation and more emphasis on particular consumption practices. The psychographic groups in VALS 2 are arranged vertically by the resources available to the consumer and horizontally by their self-orientation (principle, status or action oriented) (Table 6.2).

23. Each of the original VALS's segments represented between 2 and 38 percent of the total population. Many argued that the original VALS was too theoretical, not predictive enough and that there was too much variation in the size and homogeneity of the groups (Piirto, *American Demographics*, December, 1990a: 32). In VALS 2 each segment accounts for between 8-17 percent of the population.

24. Resources include income, education, self-confidence, health, energy level, attitude to consumption, intelligence. Principle-oriented consumers are driven by their views of how the world should be organized. Status-driven consumers are guided by the actions of others, and action-oriented consumers are motivated to buy through a desire for social activity, variety or risk-taking adventure (Riche, *American Demographics*, July, 1989: 30). Each of these self-orientations houses two psychographic segments, one with more economic resources and one with fewer.

25. The two principle oriented segments include Fulfilleds and Believers. Fulfilleds are mature well educated professionals whose leisure activities are primarily home oriented. They have high incomes but are more practical and value oriented. In contrast, the believers have more modest incomes and tend to be conservative with values centered around the family, church, community and nation. The two status oriented segments are achievers and strivers. Achievers are politically conservative, work oriented consumers who illustrate their status through the products they consume and strivers are similar in the importance they accord style, although they have fewer economic resources. The two action-oriented consumer groups are experiencers and makers. Experiencers are young energy driven consumers spending a lot of time on physical exercise, social activities, fast food, music and clothing. Makers are practical consumers which are unimpressed by material possessions. Finally the two peripheral
In addition to purchasing VALS, large agencies are also experimenting with their own psychographic studies. DDB Needham conducts a Life Style Study which includes 4,000 adults across the United States who respond to a 1,000 question mail survey concerning opinions, attitudes, activities, product ownership, use, media habits and demographics (Piirto, *American Demographics*, 1990a: 35). NW Ayer has segmented the baby-boom generation by psychographics, and Oglivy and Mather has a consumer trend tracking program called New Wave (See Riche, *American Demographics*, July, 1989: 31). Psychographics are also being used to analyze media audiences and shopping mall customers.27

26. Backer Spielvogel Bates has developed a worldwide psychographic segmentation study (See Chapter 5). SRI has done a study of 3,000 consumers in Japan. Like VALS 2, the Japanese VALS typologies use product use as well as general attitudes to categorize consumers. SRI is completing other studies in Germany and other European countries, arguing, "we're an international consulting company with offices around the world. It's only natural we should take advantage of that to build a global database" (in Piirto, *American Demographics*, December, 1990b: 8).

27. In addition to developing advertising, VALS typologies have been used by radio stations, newspapers and television channels to determine the psychology of their audience (See Goldfarb Psychographics, 1990). They use this information to design programming tailored to these groups and attract segments of the audience that will fit certain advertisers (Reece, *Channels*, July, 1989: 14). Margaret Crawford (1992) details the way in which the VALS typology has been used in the intensive research that goes into the planning of the retail mix of shopping malls for particular trade areas. Stores like Brooks Brothers and Ann Taylor are good choices for locales populated by outer-directed achievers which tend to be hardworking, materialistic and highly educated consumers. These stores are also suited to emulators, a group characterized by younger, status-conscious, conspicuous consumers. Sustainers (struggling poor) and belongers (conservative middle class shoppers) are drawn to stores like Kmart or J.C. Penney, making these good anchors for malls with
However, Fraser notes that there are limitations to psychographic research and advertisers need to know where to find these segments. For the most part, psychographic segmentations are done at the national level and pay little attention to smaller segments of geography. As one executive described psychographics,

I don't know that its regional differences you're going to address so much as emotional differences. I don't think it's as important where you're sitting as how you're feeling and I think that understanding how people feel is more important than whether they're in an apartment or in a house or in the suburbs or the city. If we can relate to people at their intellectual and emotional level, then other maybe more tactical issues about where you want to have your sales office come into play... In psychographic terms, first and foremost it's important to figure out emotionally where they are, where they live and work for buying the right media.

Although psychographics identifies urban/suburban patterns, this is inadequate for developing spatially detailed marketing strategies. Psychographic information needs to be combined with geographic information (Fraser, Speech, 1983: 12). Fraser notes, "the need for an interface between psychographics and geographics leads us to geodemographics. Geodemographics, the segmentation of these consumers in close proximity. By carefully adjusting rents and leases, mall managers are able to establish a flexible mall space, able to adapt to changes in consumption patterns. The mall's stores and decor are designed to target consumers' tastes, identified through psychographic profiles (Crawford, 1992: 10). This illustrates the way in which lifestyle research can be used not just to create place-based imagery for different lifestyles, but also how it can be used to plan and design urban space.

28. The VALS 2 typology is generated from a nationally representative sample. However it can be used to target local markets, as illustrated by a joint venture between SRI and Marshall Marketing and Communications, a company which conducts telephone interviews with consumers (Riche, American Demographics, July, 1989: 54). This allows information on demographics, psychographics and media to be combined for local areas. Agencies often hold focus groups with specific VALS segments drawn from a database of respondents of various types (Townsend, American Demographics, November, 1985: 25).
consumers into demographically discrete groups based on living conditions and geographic factors has been extensively developed* (Fraser, Speech, 1983: 12).29

5.5 The Growth of Direct Mail and Geodemographics

You can't research a market without geography. (Advertisement for Tydac Geographic Information Systems).

We know who and where your customers are. Do you? (Advertisement for CACI).

Geomarketing. It tells you where the opportunities are- and how to take advantage of them (Advertisement for Geographic Systems Inc). (Figures 6.1, 6.2, 6.3).

During the 1990s, direct mail grew faster than any other mass medium, accounting for 19 percent of all advertising in 1992, compared to 15 percent in 1981 (Shergill, International Journal of Advertising 12, 1993: 99). Direct mail is seen as more cost efficient than traditional media advertising and more targeted. It is also easier to measure the affect of direct marketing on sales (Shergill, International Journal of Advertising, 12, 1993: 100). As one advertising executive put it,

The thing that is changing is that direct marketing is becoming more and more important, and direct response cards or 1-800 numbers, anything that says hey, you- respond. It's more measurable. With direct marketing you're immediately accountable and it will help you deal with some of the segmentation you're talking about and it's wonderful. If you want to get females between the ages of 20 and 25 on the

29. CACI, a geodemographics firm and Y&R/Dentsu have developed an interface program for identifying where various VAL segments are more likely to live (Fraser, Speech, 1983: 12).

30. J.C. Penney, for example, has shifted its advertising mix, cutting back on newspaper advertising and diverting it to direct mail which accounted for 15 percent of all advertising spending in 1990, compared to 0 percent in 1985 (Shergill, International Journal of Advertising, 12, 1993: 98). Many other companies have followed this shift, using geodemographic databases to more accurately locate their target groups.
sunny side of the street you buy them from a list. That's wonderful. I like that. Direct marketing is more geographically sensitive to the house. It's actually scary. There's too much information out there on me. I like it from the business point of view but I'm not sure I want these market researchers in my neighborhood.

Brown (1991) cites a convergence between segmented and specialized niche marketing on one hand, and geographic information systems on the other. Geographic information systems provide one powerful means by which to locate more accurately particular groups of consumers in space. GIS is integral to advertising and market research, promotional distribution through credit sourcing, retail planning, store location, site development and optimization of store ranging and merchandizing. He notes,

The convergence of geodemographic systems as discriminatory tools in the private sector has coincided with a number of significant underlying developments that have taken place in the fields of both retailing and marketing. In particular, an increasing emphasis has come to be placed on improving the quality and quantity of information that is used for tactical and strategic planning purposes (Brown, 1991: 229).

Direct mail is predicated upon the existence of more sophisticated geographic and consumer databases (Shergill, International Journal of Advertising, 12, 1993: 97). In the current period, when consumers enter contests, fill out a reply card, ask for a rebate or order merchandise by mail or telephone, their name and address are entered into proprietary databases. Often detailed questionnaires are sent out charting household activities, consumption habits and opinions on a wide variety of issues, as in National Demographics and Lifestyle (NDL's) which

31. Donnelley Marketing estimated that 55 percent of all consumer product companies were compiling databases of their customers in 1993, compared to 48 percent in 1990 (Shergill, International Journal of Advertising, 12, 1993: 101).
is a lifestyle selector based on over one million names and addresses (Brown, 1991). New information is also coming out of credit card transaction records which reveal geographic patterns of expenditures which are valuable for marketing purposes, and electronic point of sale (EPOS) and electronic funds transfer (EFT). With these tools, advertising researchers are now able to locate consumers more accurately and at a finer geographic scale.

While the geographical literature has drawn attention to all of the socially useful applications of geographic information systems, it has been remarkably silent about the more insidious side of the new technology. Gregory (1994: 63) sees geographic information systems as the most recent development in the history of human geography whereby the disciplinary knowledge of spatial science is linked to disciplinary power. He notes that GIS has placed the world at a distance, displayed it on a screen and masked its viewing platforms (Gregory, 1994: 65-66).

Psychographic and demographic information is being increasingly matched with geographic data. As one marketer notes,

the techniques of linking population types to the areas in which they live is an important marketing tool and one which has spawned a number of increasingly finely-tuned data systems in recent years. Its importance is obvious. Where the customers are is as crucial as who they are (Poynor, 1987: 110).

While the main use of psychographic segmentations like VALS is in tailoring creative messages in media advertising, the main goal of geodemographics is to locate consumers in space so as to be able to target them with direct mail, coupons, or to determine local and regional weighting for other forms of media advertising.
There are four main systems, largely developed through private companies: CACI's ACORN, Claritas' PRIZM, Donnelley's ClusterPlus and National Decision System's VISION (Townsend, American Demographics, November 1985: 25). Although these systems have been developed by outside research suppliers, they have been purchased by advertising agencies and have become powerful tools in the advertising process. GIS enables advertisers to solve marketing problems through thematic maps which combine demographic information or sales data with geography. With the increase in direct marketing, geography has become an increasingly important factor.32

Donnelley, one of the largest geodemographics firms in the U.S. has a CD ROM system called Conquest, featuring 1970 and 1980 demographic data for the entire U.S. at the scale of census tracts and zip code areas, combined with demographic projections and lifestyle clusters (Brown, 1991: 255). It has the capability of mapping variables by census tract. The company has another database with over 79 million names and addresses of households and information on the size of their dwelling, number and types of cars owned, length of residence, and estimates of age and income.33 Donnelley's Conquest offers five software programs: ClusterPlus, Workstation, America Profile, Thematic Mapping, Data

32. Retailers, particularly grocery retailers are now using information on the demographics of customers in their area to determine product mix. Sears uses GIS mapping to determine the best zip codes to send excess catalogues (Farnsworth, American Demographics, June, 1986: 26).

33. They report that this database is "compiled and updated continuously by a team of housewives in Iowa from listings in over 4,000 telephone directories, supplemented with passenger vehicle registration records" (in Brown, 1991: 255).
Transformation and DataBase Manager. America Profile is a demographic program and ClusterPlus is a lifestyle segmentation program. These programs can be used to map the geography of any lifestyle or product consumption.34

These programs pinpoint consumers at a fine level of geography. An advertisement for Donnelley's marketing information systems reads "How to find richer prospects even in the poorest lists". A picture of a nicely kept, renovated house in-between two dilapidated abandoned houses is featured alongside this caption. Another ad for the firm pictures a homeless man asleep on a park bench, using the newspaper for shelter. The text reads, "You've always known half your advertising is wasted. Now you can find out which half". This illustrates how segmentation signals the decline of the middle class and a more polarized consumption.

Claritas, a target marketing firm, also pinpoints consumers down to the household and classifies consumers according to demographic/lifestyle criteria. The company's motto, "You are where you live" indicates a profound recognition of the links between identity and place. The company matches information from marketers with Census Bureau data and zip codes to predict resident's lifestyles and buying habits. The system adds information from hundreds of sources including car registrations, coupon redemptions, Simmons and MRI, Neilsen, Polk automobile purchases and magazine subscriber lists. In PRIZM, the American landscape is divided into 40 ZIP code quality clusters. Lifestyle

34. Product data can be analyzed on Conquest using Simmons Market Research or media data can be used from Neilsen, Arbitron or Simmons Market Research Bureau. Databases can be merged and the data can be retrieved at any level of geographic analysis (See Crispell, American Demographics, June, 1986: 56).
groupings include categories such as Money and Brains, Furs and Station Wagons, Shotguns and Pickups, and Public Assistance. The cluster "Bohemian Mix" includes New York's Greenwich Village and Haight-Ashbury in San Francisco, while "God's Country" refers to exurban retirement communities such as Aspen, Colorado, and Woods Hole, Massachusetts (Forbes, October 1, 1984: 212).

The polarization of incomes and lifestyles has meant that advertising research has had to rely on more sophisticated means of pinpointing consumers. The company's chairperson notes that "it's a U-shaped graph. High income and low income, with a small middle class" (Forbes, October 1, 1984: 213). 3 percent of the nation's ZIP codes house 50 percent of those households with annual incomes over $1 million and 50 percent of households with assets of over $1 million.35 Several advertising agencies, including Saatchi and Saatchi, have purchased the Claritas data base system (Saatchi and Saatchi, 1992).

In addition to these main companies, Compusearch Market and Social Research Limited, a Canadian company, uses psychographics to direct mail to over 70 different lifestyle groups using more than 200 variables. Each neighborhood consists of approximately 200 households (Hayhurst Agency Document, 1985). Compusearch divides urban lifestyles into affluent, upscale, middle and upper-middle class, working class, lower class, young singles, young couples, empty nesters, old and retired, and ethnic (Hayhurst Agency Document, 1985). Non-urban lifestyles are

35. These ZIP codes are determined with lists derived from catalogues of high proceed jewelry stores, warranty cards for expensive appliances and upscale magazine subscriptions (Forbes, October 1, 1984: 312).
grouped according to upscale and middle class, working and lower class, and farming. Every neighborhood in Canada has been identified as belonging to one of these lifestyles groups (Marshman-Goldblatt, *Playback Strategy*, April 23, 1990). These lifestyles are linked to other data bases which provide consumer spending information, magazine readership and television and radio databases. The data can also be used to choose focus groups by purchasing names and addresses from a selection of list brokers (Marshman-Goldblatt, *Playback Strategy*, April 23, 1990). The information is useful in selecting locations for outdoor billboards or in-store promotions, as well as direct marketing (Marshman-Goldblatt, *Playback Strategy*, April 23, 1990).

In Britain, one geographic information system with marketing applications is the Super Profile System which features 150 area types grouped into 11 lifestyles; for example, the description of the geography of Lifestyle A (the affluent minority) reads,

This most affluent of lifestyles is characterized by large detached, owner occupied housing which accommodates highly qualified, multi-car owning professional worker households with few children, in low density, suburban and semi-rural areas from which the majority of workers commute by car and train to office jobs (in Brown, 1991: 227).

SuperProfile Lifestyle divides Britain into geographic areas according to consumer lifestyles: affluent minority, metro singles, young married suburbia, country retiring, suburbs, older suburbia, aspiring blue and white collars, multi-ethnic areas, fading industrial, council tenants and "underprivileged Britain" (Brown, 1991: 233). These classifications can be used in general market research but also in more specific applications such as direct mail (Brown, 1991: 243). Geographic data can also aid in choosing the appropriate media to advertise in.
Geographic information systems provide one window into the role of new technologies in mediating market segmentation and the "geography of lifestyles". By mapping lifestyles more accurately, advertisers are able to target communities and neighbourhoods more precisely, either reinforcing given consumption patterns or determining areas of untapped potential. In this way, advertising practices can reinforce spatial patterns of consumption and can contribute to further market segmentation. As Poster (1990: 94) also points out, surveillance in the form of electronically encoded information constitutes new subjects through the language of databases. These databases hold the ability to classify and constitute individuals and define deviants (Poster, 1990: 93). Databases construct individuals by manipulating the relationships between fragments of information. For Poster, the database imposes a new language, but one which has many limitations and in particular a limited number of spaces to slot individuals into.

5.6 Qualitative Research and Focus Groups

The last fifteen years or so have seen what futurologists are fond of describing as a 'paradigm shift' in the way advertising is made and evaluated in Britain. New ways of seeing, have produced both new theories and links between old theories and marketing practice, resulting in genuinely fresh concepts and metaphors (Lannon in Davidson, 1993: 122).

Psychographics and geodemographics are two forms by which advertising agencies segment consumers. With the increased financial pressures facing advertising agencies as a result of mergers and acquisitions, new ways of conducting research have been explored. In particular, less emphasis is being placed on large scale statistical studies (although these are still being
done with the aid of computer technologies, GIS and psychographic typologies) and more emphasis is being placed on less expensive qualitative research. Qualitative research was pioneered by small agencies because it is cheaper and faster, but is now gaining widespread acceptance among large agencies. While quantitative studies dominated in the 1960s and 1970s, large scale studies do not generate emotional responses and have been increasingly supplemented in the 1980s and 1990s with both psychographics and more subtle research techniques. One research head cited a transition from statisticians and backroom people, to more versatile researchers. With the recent cutbacks in research, there are few entry level positions and the majority employed tend to be in senior level positions, with much research contracted out to external suppliers.

New techniques of advertising research are necessary to capture the complexity of recent market segmentation. New forms of qualitative research also stem from the critique of consumer typologies in advertising research. Recent advertising discourses are littered with calls to delve into the relationship between people, commodities and society in more sophisticated ways.

Davidson (1993: 55) notes,

what is interesting about this style of psychological mind-plumbing is the way those in advertising who use it then make it sound less like 'hidden persuader' dabbleings in the subliminal mind, and more akin to less tendentious schools of thought, like anthropology.

36. Shifts in research have led to changes in the types of people hired by agency research departments. The vast majority of researchers interviewed had backgrounds in the liberal arts. It would seem that there was an increased emphasis on hiring MBA graduates in the 1970s. Agencies seem to have reevaluated this move, however, and there has been a renewed emphasis on hiring more eclectic thinkers.
In particular, there has been more of an attempt to form a dialogue with consumers, to meet them face-to-face and gain insight into their use and transformation of commodities. As Jackson (1991: 12-13) notes,

Theorists cannot afford the luxury of assuming that they know how consumers read the landscape or react to the advertisers' intended message. Ironically, the advertising industry is less condescending than the academy in this respect. Advertisers are conducting increasingly sophisticated 'market research' which acknowledges the constitutive role of the consumer in the creation of their products and in moulding the language of advertising. By comparison, academics have held complacently to the view that they know best, that the meaning of a shopping mall is a matter for abstract semiotic analysis rather than empirically-grounded ethnographic work.

Thus, it is important to explore the role played by advertising agencies in setting up a structured dialogue with consumers and actively negotiating the meanings of commodities.

The attempt to create market segments with distinct identities and spaces, has led to increased attempts to personify brands, by getting consumers to ascribe different attitudes and behaviours to a brand (BSB (Backer Spielvogel Bates), 1992: 3). As Marilyn Silverman notes, "the research takes a brand beyond the rational sphere and into the psychological sphere. It relies heavily on personality theory that builds on the dichotomy between rational and emotional" (in BSB, 1992: 4). As Robert Reich notes, "in the old high volume enterprise, marketing and sales were essentially the art of persuasion. In the new high-value enterprise, sales and marketing come to resemble management consulting. Their customers define needs" (Reich in BSB, 1992: 5).

The aim of advertising research is no longer to find out what differentiates one product from another, but to tap into
what "bonds" a consumer to a product. As Davidson (1993: 56) notes, "one of the most effective ways of talking your way out of the advertiser's most common dilemma (there's nothing to say about the product), is to transform the product into a living mirror of its consumer". Setting up the lifestyle mindset of those consuming the product, recreating the conversation and words of consumers through research is becoming an important tool in selling and represents an increased monitoring of everyday life.

As one researcher notes, "In an age when most products do the same thing, the emotional relationship is the only thing that gets people to pay a premium for a particular brand" (Blackston in Levine, Fortune, 1989: 134). In current advertising research there has been a shift "from products to people", but also the spaces inbetween (Rothenberg, New York Times, April 6, 1989: D1). The emphasis is on determining not only who the consumer is but why they buy the product.

The growing importance of qualitative methods in advertising research is related to critiques of psychographics. Many advertising researchers argue that they no longer need to know what share of a population has a similar lifestyle. Rather, they need to know what bonds consumers to particular brands. In addition, the growing complexity of market segmentation makes psychographic distinctions increasingly problematic. As one researcher notes,

Psychographic segmentation inevitably makes generalizations and you need more detail today. The days when four or five segments could explain the market are over. Today you'd need 25 segments and that stops being useful. No one can keep 25 segments straight (Blackston in Piirto, American Demographics, December, 1990a: 32).
As another researcher put it, "VALS is the Reader's Digest of marketing research. With these predigested, prepackaged systems, someone else gives you the answers..." (Townsend, American Demographics, November, 1985: 27). Not only are there more brands, making consumption increasingly complex, but consumer groups are constantly changing, making psychographic or lifestyle groupings difficult to maintain. Other advertisers have argued that people don't adopt just one lifestyle or consume according to one set of attitudes (Piirto, American Demographics, December, 1990a: 33). In the VALS system, all respondents are accorded a primary lifestyle group but this obscures the complexity and possibly multiple dimensions of a consumer's lifestyle. Roles and attitudes change at different parts of the lifecycle and according to place. 37 As one commentator puts it, "you may be an Achiever in the office, Societally Conscious in the supermarket, a Belonger at the PTA meeting and an Emulator at the computer store" (Townsend, American Demographics, November, 1985: 29). Qualitative research aims to understand the multiple identities tied to individual products and places.

De Certeau (1984: 35), in his description of strategies, also notes the limitations of their methods,

the strength of these computations lies in their ability to divide, but this analytical ability eliminates the possibility of representing the tactical trajectories which, according to their own criteria, select fragments taken from the vast ensembles of production, in order to compose new stories with them.

For de Certeau, the ability of consumers to escape the instrumentalities of surveillance lies in the limitations of

37. I-Am-Me's grow up to be Societally Consciousness or Experientials.
disciplinary procedures themselves. In sum, de Certeau (1984: 35) notes that "what is counted is what is used, not the ways of using".

This exposes cracks in the mechanisms of surveillance. However, in this section I argue that new disciplinary procedures have emerged in advertising research which reject the classifications and taxonomies of past research and increasingly attempt to monitor "ways of using" consumer goods. In particular, qualitative research aims to delve deeper into consumer identities, practices of consumption and places of product use. Qualitative research takes many forms: interviews with consumers (focus groups), projective techniques, photo collages, role playing exercises and ethnographies. Some of these techniques are by no means new to advertising research. Many stem from projective techniques which have long been influential in advertising.38 The use of projective techniques in advertising, often referred to as "motivational research" can be traced back to Ernest Dichter who introduced Freudian psychology into market research in the 1940s and 1950s.39 Dichter argued that you couldn't ask consumers direct questions about why they bought a

38. Freud defined projection as an ego defense mechanism that allowed an individual to relieve anxiety by attributing its causes to external factors and since the 1930s clinical psychologists have sought insight into the unconscious through projective techniques such as Rorschach's inkblot test, sentence completion and thematic apperception tests (Piirto, American Demographics. December, 1990a: 33).

39. Dichter acted as a consultant for numerous agencies and worked on the accounts of large companies, such as Proctor and Gamble. While working on Proctor and Gamble's Ivory Soap account, Dichter found in his research on young women that they used Ivory Soap before a date, not just to cleanse themselves, but to wash away their sins. This discovery led to the campaign, "Be Smart. Get a Fresh Start".
product because they often didn't know.40 By 1957, motivational research had become so popular in advertising that Vance Packard made it the subject of his bestselling book, *The Hidden Persuaders* which highlighted the ever more subtle techniques of manipulation of the consumer's unconscious.41 In the 1990s agencies have been reworking old projective techniques to get at the emotions that drive brand choices.42 With the proliferation of brands, often with only minor differences, advertisers have had to come up with more sophisticated ways of differentiating products and evaluating consumer behaviour.

Qualitative research usually takes the form of one-on-one or group interviews. These interviews or focus groups take place around a table with one-way mirrors so that agency personnel can view the discussions.43 There are many different types of

40. He argued "knowing one's own motivations is one of the most difficult things, because we try to rationalize...Most of us try to explain our behaviour in an intelligent way, when very often it is not" (in Piirto, *American Demographics*, December, 1991a: 52-53).

41. Packard's manipulation thesis has been widely criticized for its conceptualization of consumers as "dupes". After the publication of this book, motivational research fell out of favour, although it was still used in some cases.

42. As one critic puts it, "Some of these new techniques make the ones Vance Packard described seem like the Model T" (Kanner, *New York*, May 8, 1989: 35). For example, one researcher described the use of motivational techniques to determine why Combat roach traps did not sell well in the Southern United States where Raid roach spray outsold Combat. While in the rest of the country, users agree that traps are a better method of eliminating roaches, interviews with low income southern women revealed that they saw roaches as men and many of their feelings towards roaches paralleled the way they felt about their husbands. The act of spraying roaches and watching them die was a satisfying one. This motivational insight came out in a figure drawing exercise.

43. As one critic puts it, "Madison Avenue is dotted with custom built conference rooms equipped with one-way mirrors so market researchers can watch panels of ordinary shoppers who are paid a
interviews including pairs, full-sized focus groups, or mini-sized focus groups.44 These interviews are done across the country with different segments of consumers.45 In some cases, they are done on-site, in a restaurant, bar or shopping mall. On-site interviews are becoming more common and reveal the extent to which advertisers recognize the role of place dynamics in the creation of individual and brand identities. Interestingly, some academics (Jackson, 1994) are now employing focus groups in their own research on consumers and are conducting these interviews in the communities and neighbourhoods from which shopping mall consumers are drawn.

Focus groups are generally done in-house, by an independent moderator, or by a research supplier.46 Some agencies have a list of 10-20 outside moderators they work with. Focus groups are

small fee to sit and discuss how they use various products and what their feelings are toward different brands" (Trachtenberg, Forbes, March 23, 1987: 135). These rooms echo Jeremy Bentham's Panopticon.

44. Quite often the interviews are video-taped. New technologies are being implemented such as Focus Vision which allows researchers to view groups without traveling, through a video conference. However, clients and agency personnel generally like to go to focus groups.

45. Focus groups have been labelled the 1990s equivalent of the "consciousness raising groups of the seventies" (Kanner, 1989: 36).

46. The growing number of unemployed advertising executives has led to an increased number of independent moderators for focus groups and this has put pressure on some of the larger suppliers. One researcher notes, "I do know that the world of outside suppliers, who bill themselves as qualitative researchers, has exploded. There are floods of academics leaving academia but I think it has more to do with the downsizing of these big departments at agencies or even other areas, agencies and clients, because people are billing themselves as qualitative researchers who never did qualitative research. They think it's something that might be easy to do, which isn't the case."
cheaper than other forms of research and also provide a faster turnaround time. Focus groups provide instant feedback, unlike quantitative studies which often take up to six weeks to complete. With focus groups, agencies are satisfied with 30 respondents and the overall cost is much lower than a quantitative study where at least 400 respondents are needed.47 Each focus group is usually eight to ten people which generally costs $4,000 or less, not including travel costs.48 As one man at a large agency noted,

the days of an agency conducting a study, much like the Grey's of this world and the Bates used to do, even in the early 1980s are over. We used to do strategic research studies, quantitatively with hundreds of people, which would cost $150,000 to do a study. That's unheard of now. The client won't spend the money for the agency to do that, but we will get $15,000 to do six focus groups in Columbus, Ohio to talk to people to find out what flavour of cappuccino they like.49

47. However, researchers admit that qualitative research can be used for the wrong reasons; for cost considerations rather than methodological ones. Many in the advertising industry are critical of the increased role of qualitative research, arguing that it is a convenient excuse to cut back research staff and expenses because qualitative research is less expensive. Many critics in the industry argue that qualitative research is less rigorous and less representative. Others disagree however, arguing that qualitative research is necessary because of its ability to tap into larger shifts in consumption patterns.

48. The moderator also has a fee for recruiting and their report. Although agencies originally had moderators on staff, most moderators now come from outside the agency, partly because it is cheaper for the agency to bring these people in only when needed and partly because clients often prefer an objective third party. Usually participants are paid $30 to $40 to come in and the moderator is paid $30 to $40 each for getting them. The total is $800 for the people, the moderators fee, and then you have to rent the facility, pay for the equipment and the travel and food. Although psychographic research is not being abandoned, a subscription to VALS 2 costs between $12,500 and $50,000 (Piirto, American Demographics. December, 1990a: 34).

49. It was not uncommon in the 1950s to do massive large scale product studies; for example McCann-Erikson completed one study for Westinghouse that involved 10,000 interviews and cost more than $350,000 (Rothenberg, New York Times, April 6, 1989c: D10).
One factor contributing to the emphasis on qualitative research is that advertising emphasizing product features, fails to reach consumers, who increasingly believe that most products are alike. A study done by BBDO in 1988 revealed that over half of all consumers believed that all beers, cigarettes and coffees were alike, while more than 70 percent thought that all paper towels, soaps and snack chips were alike (Rothenberg, *New York Times*, April 6, 1989: D10). With the proliferation in the number of products, advertisers now need to look more closely at how consumers relate to specific brands. Max Blackston at Oglivy and Mather argues,

> there's very little that distinguishes between brands these days in the consumer's eyes. It's often very small subtle things that you have to leverage. I don't believe the traditional psychographic tools are sensitive enough to find out what you need to leverage and give the information you need to leverage it (in Piirto, *American Demographics*, December, 1990a: 33).

Another research director cited the need for greater value to be added through advertising,

> As products and brands get a lot more similar, there is still the need to differentiate those brands from competitor brands. If you don't have a product with a rational or functional point of difference, you still need to differentiate that brand. You must rely on emotional, attitudinal, feelings. This is not new. What is new is a dedication to uncovering consumer emotions vis-a-vis products and services, and being able to communicate that intelligently to the creative people who try to capture that in the advertising.50

This process of situating products in consumers' lives is called "bonding". The president of D'Arcy Masius Benton and

50. As Barbara Feigin of Grey Advertising notes, "Brands have become so similar to one another that the real leverage in advertising is no longer the content of the product but the placement of the product in the consumer's life" (in Rothenberg, *New York Times*, April 6, 1989: D10).
Bowles notes, "in an environment where the creative product has more and more allure to advertisers, finding and identifying consumer insights that will make ideas flow in consumers' minds when they hear a message has become critically important" (in Rothenberg, *New York Times*, April 6, 1989: D10).  

Qualitative research offers the advantage of meeting face-to-face with the consumer. As one researcher put it,  

we hear their language. We hear them articulate feelings about products and services in their own words and for advertising people, it gives us ideas, just how people talk about things, how they react, what they think is nonsense, what they think is legitimate.  

Another woman noted, "you get to see what they look like, see how they talk". It also offers the possibility of showing consumers storyboards and testing their reactions to new advertising. It provides a good environment for introducing ideas about a new or existing product and to get reactions to different positionings, concepts, or ways of talking about a product, as well as brand personality and imagery.  

Quite often projective techniques are used in focus groups, where participants are given photographs and asked to pick the person most identified with a particular product. Pictures include various people, places and moods. In many cases, participants are asked to match products with contexts or

51. As one researcher argued, "we are in the business of changing attitudes which is very difficult, and as markets become more and more competitive and as many categories mature, marketers must find new insights to differentiate their brand or have advertising programs that are more effective".

52. It is important to establish a relationship with the consumer that supersedes the retail outlet, as one woman argued and focus groups provide a forum for this.
geographic settings. McCann-Erikson has developed a process called, "Emotional Bonding". The agency uses photos of actors portraying different categories of emotions to determine how consumers feel after they watch commercials (Piirto, *American Demographics*, December, 1990a, 33). Getting consumers to draw pictures, for example, often allows them to express attitudes better than in words. Almost every major global agency has now developed proprietary research techniques using focus groups.

53. The agency, BBDO has trademarked a technique which they call Photosort where consumers express their feelings about brands through a photodeck showing different types of people. In a photosort for General Electric, consumers identified the company with older, conservative business types. GE tired to change this image through a new advertising campaign (Piirto, *American Demographics*, 1990: 32). A photosort for Visa revealed that consumers thought the credit card was a mainstream American woman, the credit card company came up with the "Everywhere you want to be" campaign, designed to appeal to a more spatially and upwardly mobile male market (Kanner, *New York*, May 8, 1989: 3).

54. Grey Advertising has copyrighted a technique which they call the Benefit Chain which is a self-administered probing technique utilizing several layers of carbon paper. Consumers are asked to write the two most important benefits of the product on the first layer. On the second layer they write down the secondary benefits. This process enables consumers to articulate the usefulness of a product in their own words and illustrates the level of consciousness at which the benefits appear (Piirto, *American Demographics*, December, 1990a: 34). Leo Burnett has developed the Emotional Lexicon, which has been used by clients such as McDonalds. The lexicon is comprised of 1,200 words and phrases arranged in a wheel which enables the respondent to pinpoint the precise emotion they prefer when describing a product. Leo Burnett took two years and 4,000 interviews to develop this lexicon (Piirto, *American Demographics*, December, 1991b: 54). Saatchi and Saatchi refer to its proprietary research technique as the Psychological Probe and Campbell Mithun Esty calls their technique "Brand Imageering" (Saatchi and Saatchi Annual Report, 1993). DMD&D uses "Thematic Apperception".

55. Many current motivational techniques incorporate computer technologies. Under names like "Emotional Sonar" and "Emotional Lexicon", motivational research has been updated for the new technological age (Piirto, *American Demographics*, December, 1991b:54). Advertisers like Campbell's Soup, Coca Cola, Lever, and AT&T have used them in their consumer research.
The rationale behind these techniques is that if the agency simply asked consumers how they feel about a commodity, they may not be able to articulate their emotions. Using projective techniques allows the agency to understand brand personality.\(^{56}\) While most of these techniques have been in use since the late 1970s or early 1980s, they are being used much more frequently in the 1990s (Piirto, 1990: 34).\(^{57}\)

The growth of focus groups reveals the way in which agencies act as mediators, attempting to reflect consumers' lives as much as possible, but at the same time channeling their input in particular ways. Focus groups are the logical extension of a process whereby producers have gradually moved closer to consumer demand. Knowledge is central to competition between producers, and competition between distribution channels such as retailing.

56. One researcher noted that if she wanted to capture the essence of a brand's personality, she would give a pile of magazines to a focus group and ask them to assemble collages. Each participant is then asked why they choose certain images and these comments are recorded. Agencies regularly ask consumers to imagine the product is a person and determine what gender the product is or what kind of job they have. In some cases, respondents keep diaries for several weeks about how a product fits into their everyday lives (See Kanner, New York. May 8, 1990: 38).

57. Not all researchers are convinced of the merits of focus group research. While agencies noted that clients were frequently skeptical about the use of new qualitative techniques, in other cases, these new methods provided justification for more research and were often a selling tool in pitching accounts (Miller, Newsweek, February 27, 1989: 46). On the other hand, many executives talked about how unreliable qualitative research could be. Focus groups vary according to group dynamics and people do not often reveal their "true" feelings, but rather socially acceptable answers. Creatives complained that their creative process was thwarted by consumers in focus groups. The creatives in one agency referred to focus groups as "fuck us" groups. However, because of cost considerations and heightened competition between brands, which forces firms to forge stronger brand identities and align these brands more closely with individual identities, the use of focus groups has grown.
and advertising. Focus groups are only one of the ways in which advertising agencies have sought to move closer towards consumer demand, however. Agencies have also made greater use of ethnography. Both research techniques stem from an awareness that consumer groups are more complex than psychographic classificatory regimes allow. They assume that consumer identities may not be coherent across a variety of product categories, and thus product-specific research is necessary.58 While focus groups delve into the relationship between commodities and place imagery, and are at times held on-site in the places in the city where the commodity is consumed, ethnographic methodologies are even more geographical.

5.7 Ethnographic Studies

In the social sciences, there has been much discussion of how identities are constructed in multiple sites; for example, Mort (1989: 169) notes that identities vary across spaces in the city:

We are not in any simple sense 'black' or 'gay' or 'upwardly mobile'. Rather we carry a bewildering range of different, and at times conflicting identities around with us in our heads at the same time. There is a continual smudging of personas and lifestyles depending on where we are (at work on the high street) and the spaces we are moving between.59

The recognition that identities are tied to different spaces in the city has led advertisers to turn to anthropology, to understand the meaning of commodities in consumer's everyday

58. Lifestyle segmentations encompass general consumption patterns and are not product specific.

59. Similarly Langman (1992) notes, "selfhood has become a plurality of intermittent disconnected recognition-seeking presentations".
lives. Advertisers have also recognized the importance of the distinct places where these products are bought and consumed. According to former advertising executive Martin Davidson, "advertising recognizes that people's sense of who they are is expressed and acted upon in complex and shifting ways" (1993: 181).

The insights of marketers parallel recent shifts in the social sciences. In geography, for example, Jackson (1991) argues the significance of multiple identities within the same individuals has not been lost on the advertising industry. As the market becomes more segmented, advertisers target consumer segments with different lifestyles, with the recognition that consumers are capable of holding multiple subjectivities and lifestyles (Jackson, 1991: 9). In an article in a marketing journal entitled "This postmodern business", James Oglivy argues, The conventional view of modern consumers is that they buy goods to adorn and express a more or less consistent and recognizable lifestyle, hence the proliferation of value and lifestyle consumer typologies. The reality is far more complex. We should think of consumers as playing with an eclectic combination of goods and services to experience a series of often inconsistent identities (Oglivy, Marketing and Research Today, February, 1990).

Consumers who buy a premium brand in one category may purchase a private label brand in another. He adds, where modern market research attempted to segment the population into a set of recognizable and stable types of consumers, postmodern market research must deal with the recognition that people do not always remain true to a type. Depending on shifts of mood or shifts of situation, the same individual will behave like an upscale achiever one moment, like a downscale bargain hunter the next. The same consumer will buy part of her wardrobe at Bloomingdales and part at K-Mart (Oglivy, Marketing and Research Today, 1990: 15).

60. Similarly, Levitt (1988) argues that advertisers need new ways of segmenting "heteroconsumers".
Consumers openly experiment and "mix and match bits and pieces from different eras or different ethnic traditions" (Oglivy, *Marketing and Research Today*, February, 1990: 13).

The recognition of a heightened spatial, temporal and gender fluidity, where consumer identities are borrowed, worn, and discarded has led advertising researchers to turn to new methodologies in the 1990s, including focus groups and ethnographies. Advertising professors note a reciprocal relationship between social theory and marketing theory:

after all, postmodernists have made marketing practices, promotional campaigns, and consumption culture central topics in their debates. This is a challenge that marketing and consumer research scholars and students cannot afford to neglect (Firat and Venkatesh, 1993: 228).

If postmodern theorists have studied advertising and consumption, then advertisers are considering the insights of "postmodern" social theory in their pursuits. As marketing and advertising researchers recognize contradictory and non-unified selves within every consumer, they have turned to ethnography as a way of capturing this complexity. Griggers (1990) has argued that in fact advertising thrives on the instability of consumer identities and female identity in particular:

Indeed, in American consumer discourse, the notion of "Woman' has become as splintered as the markets which women comprise... They represented a major market to be divided and redivided, and the dark continent of their desire meant new terrain, unmapped territories of objects for satisfaction as they entered consumer markets wither newly opened to them or newly created on the name of their desire. The journal and fashion industries thrived on the instability of the very idea of what a woman was: the 'new' woman, the working woman, the sports woman, the family woman, the sexually liberated and educated woman were all as much created and exploited by journals as by the advertising apparatus (Griggers, 1990: 96).61

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61. Female identity has always been constructed as diffuse. From this perspective, Jameson's "fear of a loss of a sense of
Most of the larger agencies have begun to experiment with what they call ethnographic or anthropological research.62 This research involves going into people's homes and interviewing them or spending a day with them, watching them shop or simply observing them in a specific setting. These ethnographies often revolve around home interviews and are structured loosely around a series of topics. Interviewees are questioned about the meanings of objects in their house.63 Saatchi and Saatchi uses observational research for every one of its major clients (Foltz, *New York Times*, December 18, 1989: A1) and refers to their proprietary research technique as the Anthropological Search (Saatchi and Saatchi, 1992).64

One researcher suggests that the main advantage of anthropological research is "to observe consumers in their own habitat and determine how that habitat impacts their behaviour". Creatives can then incorporate an understanding of the consumer's history, approached from the position of consuming women, is nothing of the kind, for it is her history and furthermore a lived history" (Griggers, 1990).

62. Most agencies find the cost of interviewing which is about $2,000 per interview is too prohibitive, however. If 30 interviews are done then the total cost is $60,000. It is relatively expensive to bring a camera operator and technician into someone's home and videotape them.

63. Ethnographic research was done for President's Choice products. An anthropologist entered consumer's homes for two hours and compared their purchases of President's Choice products with other products (Miller, *Newsweek*, June 4, 1990: 59).

64. Saatchi and Saatchi hired an anthropologist to spend a week in Texas observing the wearers of a brand of blue jeans at rodeos and barbecues (Miller, *Newsweek*, June 4, 1990: 60). The research led to the agency adopting a "western style" in the advertising. In another case an agency went to health clubs to watch people use deodorant, and to a salon to watch women getting their hair done (Miller, *Newsweek*, June 4, 1990: 60).
habitat's in the imagery they create. As another researcher put it, "You want people to feel that the brand understands where they live, not just in their minds but in their hearts" (in Miller, Newsweek, June 4, 1990: 60). Peter Kim, director of advertising research at J. Walter Thompson sees advertising and anthropology as parallel disciplines: "brands are much akin to the role of myth in traditional societies. Choosing a brand becomes a way for one group of consumers to differentiate themselves from another" (in Miller, Newsweek, June 4, 1990: 60).

Some agencies have even experimented with living with people for a week, following them shopping. When teenagers are the main target group, agencies have hired professionals to go and observe them in the mall. One agency has interviewed teenagers in their bedrooms, where all of the things of importance to them are clustered. Researchers took pictures of their bedrooms, schools and bulletin boards and also conducted a mini-focus group with their friends in a pizza restaurant. Place-based research is becoming increasingly important and the same agency has more recently considered interviewing people in a laundry mat. Another agency went into people's homes for several hours, conducting detailed interviews in order to familiarize their

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65. At one agency I visited, ethnographic research had been used outside the United States to develop a packaging innovation. By observing the process of how women used bar soap to wash their clothing in a "Third World" country, the agency discovered an annoying problem that women faced with the package and realized that it would be beneficial if the package could serve as a container as well. Another New York agency, Campbell Mithun Esty, sent an anthropologist to Detroit to spend a week talking with five Jeep owners to learn more about their relationship with their car (Levine, Forbes, May 15, 1989: 134).
creative department with the consumer's everyday life. The researcher noted that it is sometimes hard for the creative staff, based in New York, to conceptualize different lifestyles or communities across the country and "these ethnographies make the consumer come to life for the creative people". She adds,

We did a series of ethnographies going into people's homes and talking to them about eating ice cream in the context of everyday life and I will never forget the one picture I brought back, well actually it was a series of pictures, that just jolted the creative people... especially for creative people, it is not so much what you say. It is visual. Sometimes, there are just things that strike them and stimulate them in ways that you could never talk about. I think it enhances the connection of the consumer with the product, especially for target audiences that are removed from the creative people, by age or stage of life or geographic location. They may think they know who it (the consumer) is but sometimes they don't really. They haven't got the experiences.

In another study researchers went to different retail stores to get a sense of what people were like who shopped at different types of stores and conducted three hour conversations about everything from economic situation to family life and shopping habits. One researcher notes,

I think we've all realized the importance of context. Other categories don't exist in a vacuum in people's lives, that for example it might seem on the surface a bit incongruous that a very upscale family shops at a particular type of store people thought was downscale. How can that be? Why is that and what is the total context in which these people live and shop that makes that a very comfortable thing? And

66. For research in the food category, respondents were asked to prepare dinner for the agency anthropologists, or bake cookies or roll pie dough, so that they could observe rituals involved in food preparation. In a study for Swiss chocolate, a participant admitted hiding chocolate in her lingerie drawer. This lead to a "True Confessions" advertising campaign (Miller, Newsweek, June 4, 1990: 60).

67. A series of photographs were taken of where the individuals eat ice cream (on the couch or in bed). Pictures were also taken of kitchen cupboards and the kinds of bowls ice cream was served in.
so we go where we have to go to find out and it's also interesting to go into people's homes.

Advertising researchers now recognize that consumers are capable of holding multiple identities and buying patterns, and thus it is important to conduct more place-specific and product-specific research. In another study, a research department hired anthropologists to delve into smoking rituals, to watch smokers and interview them about the cultural meanings and associated with smoking: "with rituals it's kind of easier to watch rituals than it is to ask about them, so you might want to see somebody in their own environment, when they sit in their home or something, and watch the motions". The same researcher went on to add,

I don't really spend a lot of time in this office and I think that's the way it should be. The more time I spend here, the more I begin thinking this is the way the world is and this is not the way the world is so we spend a lot of time in the field, understanding consumers.68

The transformation of research methodologies in the advertising industry reveals the influence and complicity of recent developments in the academy on the advertising process. It also illustrates how changes in identity and consumption have necessitated new ways of interacting with and analyzing consumer behaviour. New methodologies are more sophisticated, recognizing the blurriness and multiplicity of individual subjectivities. The methodologies utilized by agencies indicate the role of

68. Several researchers recognized ethical issues concerned with entering people's homes and were more reluctant to incorporate this form of research. Andy Berlin of Goodby, Berlin and Silverstein notes, "It seems kind of creepy for the people who do ads to go into people's homes and see what's under their sinks. It's commercial spying" (in Miller, Newsweek, June 4, 1990: 59). The American Civil Liberties Union is also increasingly concerned about privacy issues, particularly in the case of research done in public places without the subject's consent (Foltz, 1989: A1).
advertising in actively negotiating and constituting subjectivities and market segmentations. Place is central to these new forms of research. Most of the interviews take place on-site in order to gather a sense of the way in which products fit into everyday lives and to determine the social and spatial context in which products are consumed.

5.8 New Methodologies of Media Research

In addition to the new techniques being deployed in consumer research, recent developments in media research also point to a heightened apparatus of consumer surveillance. While the previous sections highlight a tendency to pin down and segment consumer identities more closely, advertising research has also sought to monitor consumer viewing habits. The greater complexity in media environments combined with the increased difficulty of locating female audiences contribute to the increased need for media research. Recent years have seen an

69. Advertising research is divided into two main areas: consumer research and media research. Consumer research encompasses more general research on consumer behaviour and characteristics. Media research refers to the research and ratings that are done on audiences for particular media. This information aids the media department in media planning and buying decisions. Agencies act as an intermediary between media research companies and the media. While media research is done mostly by outside suppliers, most agencies have their own team devoted to following media developments.

70. With fewer women at home watching the mass media, and with more fragmented markets, there has been a decreasing emphasis on media advertising. However, while other forms of promotion and non-media advertising have grown rapidly in recent years, the rising influence of retailers has made manufacturers seek more leverage through an increasing emphasis on "branding" through the media.

71. There have been a number of changes in the media which have made media planning and buying more complex. Since the late 1980s, the dominance of the big three television networks (ABC,
increase in efforts to further monitor consumer's media viewing habits. The aim is to analyze not just what people are watching, but their viewing patterns; how closely they pay attention, how many breaks they take, and whether they watch commercials. As Mattelart (1991: 152) puts it, the obsession with ever more sophisticated audience measurement is to go beyond counting heads to count levels of attention. As in consumer research, where agencies are increasingly experimenting with ethnography, some companies have begun to videotape media viewers.72

For over thirty years, media audiences have been monitored through the Neilsen meter which produces statistics on television ratings. This information has been used by advertisers to make

NBC and CBS) has been challenged. While representing over 65 percent of all television viewing in 1985, they accounted for only 52 percent in 1992 (WPP Annual Report, 1993). The growth of alternative networks and cable channels is partly responsible (i.e. Fox Television). The number of channels received by the average U.S. household doubled over the last 10 years (WPP Annual Report, 1993). For advertisers, this means the ability to adopt more finely tuned micro-marketing strategies and more geographically segmented targeting (NEM News Summer, 1992). By 2001, fiber optic systems will ensure that systems with over 1,000 channels are possible. As a consequence of the proliferation of media, advertising services have become more important to clients as a way of negotiating this complexity.

72. Many agencies are reluctant however to draw upon this research technique. One researcher notes, "I think that kind of smacks of Big Brother and there are going to be situations where individuals will refuse to have that kind of a camera device in their home". Another media researcher mentioned a study in Massachusetts where, "99 families in some suburb of Boston agreed to have a camera, and the people who did agree, well firstly you'd have to have a real small sample and geographically concentrated sample because you're not going to get expensive equipment all over the country, because you have to go back and pick it up. These people who agree to have a camera in their house are not normal". For her, this raised serious questions about how representative these viewing patterns were. The study in Boston included middle class white nuclear families with a five year old child. The agency was looking at the study for a client interested in the children's market to see what it revealed about the way children watch television.
media buying decisions. Until 1987, Neilsen monitored television audiences with diaries in which people in the study sample recorded the programs they watched (Lieberman, Business Week, July 6, 1987: 26). The People Meter was introduced by Neilson in 1987 and has revolutionized media research. With this new technology, each member of a Neilsen family is asked to push a button on a box each time they turn the television on. As one media planner put it, "With people meters we've got fifty-two times as much information as we used to have, coming faster". Advertisers can find out on a minute by minute basis what the most narrowly defined socio-economic group is watching. This allows for more segmented media buying. Because of the increased accuracy, ratings for network television have generally been lower since the introduction of the People Meter. This has given agencies more clout in their negotiations with the media (Lieberman, Business Week, July 6, 1987: 26). More information and greater complexity has also made the role of agencies' media planning departments more important to clients. The development of the People Meter and the corresponding increase in awareness of the value of media measurement by clients, has changed the way media departments do their job as well as the amount of work they are expected to do.

In addition to the People Meter, the Passive People Meter which does not require study subjects to input data, is already

73. These diaries were frequently criticized for their reliability as individuals forget to record their viewing.

74. As one media department manager noted, they are now hiring more young, well rounded liberal arts graduates, as opposed to simply "number crunchers".
in operation in France and in the United States. In the U.S., Neilsen Media Research has developed its own passive people meter which uses a small camera and a form of artificial intelligence to monitor who is watching television in household panels.75 With the expansion of viewing options and market segmentation, the need for precise television audience data has increased (BSB, 1992: 30). Passive people meters offset many of the problems generated by individuals not punching out as they leave the room, and the difficulty children have with the instrument. When North America reaches the point where there are over 500 television channels, having a monitor that can keep track of viewing patterns without a high degree of respondent interaction will be crucial.

The development of these technologies indicate that new electronic means of surveillance have made their way into media research. Efforts to monitor viewing habits and the interaction between viewers and the media represent an increased attempt on the part of advertising agencies to tap into the context of reception- the places where engagement with the mass media and advertising occurs. These efforts also reflect an attempt to explore family relationships and media viewing patterns and ensure that advertising messages are consistent with these patterns.

75. The technology is referred to as "Smart Sense" image recognition and requires a computer/camera electronic device to scan each family member's face and store this image in the computer (BSB, 1992: 28). The implementation of camera technology in the television set marks the application of military technology systems to media research. This device is activated when the television is turned on and the computer matches the person watching television with its stored images. The device can also monitor the presence of visitors.
There have also been attempts to link directly media viewing with consumption patterns. In the advertising industry, this is referred to as "single source data". Single source data tracks an individual from the television to the checkout counter to determine whether exposure to advertising results in a purchase. A Chicago based company, Information Resources Inc. (IRI) monitors more than 3,000 households in a program they call BehaviourScan. In sample households, microcomputers record when the television set is on and which station it is tuned to. This information is then sent by telephone line to a central data collection office (Kessler, *Fortune*, July 7, 1986: 58). When household members go to the grocery store, they present an identification card. The checkout scanner records the purchases and the data is sent back to IRI.76 Scanner data can be used potentially so that advertisers only run commercials in those households using competitor products (Poindexter, *Psychology Today*, May, 1983).77

76. From 1982-1986, IRI's revenues tripled with this new technology (Kessler, *Fortune*, July 7, 1986: 58). IRI can often send out a test commercial over a cable channel to see whether the commercial affects purchasing patterns. Advertisers can use the scanner information to broadcast two different commercials into two different homes in the viewing sample, and then analyze which one of the advertisements was successful in changing or reinforcing buying habits (Poindexter, *Psychology Today*, May, 1983). New technologies allow advertisers to cut into any program being carried by cable and replace national commercials with local ones.

77. The data can also be used to test how often the advertisement should be run. So far, however, scanning data reveals that the ad's copy and focus are more important than the number of times a commercial is aired. This worries advertising agencies who get a percentage of what clients spend on media space (Kessler, *Fortune*, July 7, 1986: 61). Employees on the creative side of agencies are more positive about the impact of scanner data. They argue that it could lead to stronger creative emphasis in advertisements.
Arbitron has developed a similar program called ScanAmerica which links viewing and product purchase behaviour. Information is collected on all viewing of television programs and advertisements, and participants are expected to scan the universal product code on all products brought into the house. These studies affect the choice of media, the frequency of placement and the content of advertising. Graham Philips, chairperson of Oglivy and Mather notes that single source data caused him to shift creative direction and to change, "major campaigns and spending levels for several of our clients" (in Kessler, Fortune, July 7, 1986: 59). This form of media measurement evaluates not whether consumers liked an advertisement but whether it resulted in sales. This has potential implications for campaign strategy and development.

78. Other companies have also developed this technology; for example A.C. Nielsen has a similar operation involving 3,500 households. This program is called SCANTACK and like others it attempts to link media viewing and product purchase and to test the short and long term effect of sales promotion and advertising (Exter, American Demographics, March, 1990: 20). Nielsen has the ability to send out test commercials on non-cable channels.

79. Scan America keeps track of all products with Universal Product Codes, not just those bought in grocery stores. Unlike other programs, ScanAmerica does not send out test commercials, however.

80. Correlating media viewing habits and grocery purchases has led to changes in advertising at Proctor and Gamble, General Foods, General Mills, Campbell and Quaker Oats (Kessler, Fortune, July 7, 1986: 59).

81. Arbitron had to halt its Scan America operations in the early 1990s because of the high cost of the technology. Although Scan America failed, most advertisers expect the program to reemerge in a less expensive form within a few years. One interviewee noted, "I think the same idea of trying to merge product data and research will reemerge through something else, although not from that company".

82. Advertising agencies are also using data provided about print and radio advertising. Neilson Home Scan measure print
The development of single source data represents an attempt to close the circuit binding consumers, producers and the culture industries (Lefebvre, 1971). The struggle by advertising agencies to tie consumption patterns to media viewing illustrates that the circuit, while not completely closed, has become ever tighter. Advertising agencies have more information available to them on the effects of advertising on purchasing decisions. They have begun to use this information to tailor messages in ways sensitive to the context of reception.

5.10 Conclusion

Alongside its role in negotiating the globalization of markets, advertising is also implicated in processes of market segmentation. Debates over the nature of flexible specialization have ignored the geography of markets. To some degree a globalization of mass markets coexists with the emergence of niche markets. This chapter presents a contribution to critiques of flexible specialization. Through an empirical investigation of readership. This program includes in-home scanning equipment where respondents scan logo cards from the magazines and newspapers they read as well as the universal product codes on purchases brought into the home. Arbitron was also testing an electronic radio diary, resembling a small calculator, to measure radio listening patterns. The listener punches in the stations he/she is listening to at various points in the day and the information is stored. Researchers are also in the process of perfecting a new wristwatch technology which measures television, radio and magazine audiences (BSB Media Watch 3(3), 1992). One advantage of the wristwatch is that it can measure out-of-home viewing. The watch monitors which commercials are watched, how long the commercial is viewed and "zapping" patterns. As one researcher put it, "...so in essence if they know someone was exposed to an advertisement, let's say on the radio, and let's say that advertisement was for a type of perfume, if the person actually goes out and purchases that perfume, they know that ad had an effect".
the role of advertising research, I clarify the extent and nature of market segmentation, arguing that new and more complex patterns are emerging, and that new techniques in advertising research play an important role in constructing these segments. Unlike Pollert (1988) however, I argue that market segmentation is more than just marketing ideology and a strategy to carve up markets. The case of the advertising industry illustrates the complexity of negotiating between consumers and producers. Through practices of surveillance and dialogue, agencies respond to changes in demand, but in turn mediate these changes in ways congruent with increased sales.

As consumer segments become more difficult to isolate, both in terms of identity and geography, new and more complex means of surveilling everyday life have been developed. The surveillance of consumer subjects is implicated in the construction of consumer identities. Knowledge has become key to competition between agencies and agencies have made use of increasing amounts of information in their efforts to channel and control markets. Agencies have also sought to develop proprietary research techniques as one way of distinguishing their services from those of other agencies. The growing sophistication of research techniques increases the competitive advantage of large global agencies that have greater resources to draw upon.

While in some cases, advertising initiatives have sought to capture mass female markets by appealing differently to different segments, in other cases, agencies have sought to distinguish niche-oriented goods from other brands and other lifestyle segments. In these cases, narrowly defined markets are often best
reached through direct marketing efforts. Geographic information systems have mapped a geography of lifestyles so as to more accurately locate consumers. It is clear that geography is central to all of these new research methodologies. Media researchers also attempt to remake viewing patterns in the home.

Advertisers have continually sought to move advertising away from functional imperatives towards more aesthetic and emotional groundings. This has meant that advertising research has shifted away from studies of the virtues of one product over another, toward an analysis of the subjectivities of different sets of consumers. In this way, advertising has sought to intervene in negotiating crises in identity, economy and space.

Contradictory processes are at work, making the task of advertising agencies more complicated. The last chapter highlighted the tendency toward global research studies, global segmentations and uniform creative strategies throughout the world. This chapter examines a counter-tendency toward increasingly localized segmentations, identifying how lifestyles and identities are consolidated in different parts of the city, and targeting consumers down to the house. At the same time that markets are being extended geographically throughout the world, they are being broken down into smaller fragments at the local level.
-feel women can work outside the home

**Achievers**
- middle aged
- 60 percent male, 40 percent female
- high income
- professional, technical, managerial
- highly educated
- medium sized suburbs of large cities
- feel satisfied with current financial situation
- republicans
- conservative political outlook
- less likely to think women can work outside the home and be good mothers

**I-Am-Me**
- young
- 64 percent male, 36 percent female
- 94 percent white
- low income
- students, craftworkers, labourers
- single
- medium sized city
- more liberal political outlook
- disagree that things changing too fast
- want to get ahead financially
- experimental
- like to try new things
- important to be part of a group
- women should work outside the home
- feel social status important
- favour environmental spending

**Experimental**
- young
- 55 percent female, 45 percent male
- 94 percent white
- upper-middle income, more professional/technical
- highly educated
- urban
- satisfied
- political independents, liberal political outlook
- rebelling against upbringing
- prefer going out to staying at home
- environmental

**Societally Conscious**
- younger to middle aged
- 48 percent male, 52 percent female
- 90 percent white
- higher income
- professional/technical, mostly highly educated
- more likely to live in large city
- political independents, liberal
- rebelling against upbringing
- environmental
- feel women can work outside home
- experimental
- do not feel it is important to belong to a group
- watch little television
- feel social status important

**Integrated**
- older
- secure balanced life

**Source:**
SRI VALS in Renee Fraser, Director of Research and marketing at Y&R/Dentsu "Adding Psychographics to Demographics"
Table 5.2

VALS 2

<table>
<thead>
<tr>
<th>Actualizers</th>
<th>Principle oriented</th>
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<td>Minimal resources</td>
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</tbody>
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Source: Riche, Martha Farnsworth, 1989, "Psychographics for the 1990s". American Demographics, July: 26
Another Big Step Toward Smaller Targets

In the 1990s, your marketing success depends on two things — smaller targets and smarter marketing. PRIZM + 4, our latest advance in market segmentation, provides both.

A smaller target. PRIZM + 4 gives you the industry standard in cluster targeting at the nine-digit ZIP + 4 level. A ZIP + 4 represents about a dozen households.

Smarter marketing. PRIZM + 4 clusters were defined by hundreds of key census variables and over 100 million individual consumer-purchase records. So, you get the stability of our updated census data plus the validation of actual consumer behavior.

It means more efficient direct marketing, better site selection, more precise target marketing.

So call us, or send back the convenient reply card. We don't just make target marketing products. We make target marketing work... for you.
Figure 5.2

We know who and where your customers are.

Do you?

Knowing your customers is our business. For CACI is the world leader in target marketing. And the original pioneer in the science of target marketing through the science of geodemographics.

We have the experience that can only come from solving target marketing problems for thousands of clients. Unique experience that enables us to apply only the most proven and relevant target marketing techniques to your applications.

Call us today and find out what CACI can do for you.

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Source: American Demographics, November, 1985: 3
Two of the most trusted rules in business are: know your customer, and know the competition.

As a market researcher, you know that better than anybody. It impacts everything you do for your clients.

So what does geography have to do with it? A lot more than you might think. But up to now, you simply haven't had the tools or methodologies to deal with the impact that geography has on business.

That's why we want to introduce you to Geographic Information Systems (GIS) for marketing research.

You've seen computer mapping packages that give you access to a range of mapping databases (e.g.: census and other fixed boundaries) and allow you to zoom in on areas and play with sales territories.

Well, a GIS does that and a whole lot more. It brings the natural structure of geography to your data. It complements your favourite statistical programs and DBMSs. It gives you the power to integrate information and to analyze and model the market. With it you can reach sound conclusions as to how the market works.

GIS will be a part of the future of marketing research.

And as the world's leading developers of analytical GIS, we invite you to contact us to learn about how our product SPANS can help both you and your clients.
Chapter 6

Situating the Female Consumer: Advertising and the "New Traditionalism".

6.1. Introduction

The crisis of the advertising industry is reflected in its inability to locate female consumers in terms of both identity and space. The blurring of the boundaries between public and private, the fragmentation and decline of mass media advertising pose major challenges to advertising agencies. The fact that women now spend less time in the home, has also made it increasingly difficult to reach female markets. In the previous two chapters I highlight two responses to this crisis. The first strategy is to expand advertising globally and target consumers across the world. The second option includes escalating the surveillance of segmented and fluid consumer identities and pinpointing consumers more accurately in space. In this chapter, I consider a third intervention into the crisis of advertising: the attempt by agencies to intervene culturally in the decline of mass media vehicles. While in the previous chapters I explored the role of advertising at a fairly general level of analysis, in this chapter I provide a more concrete case study of the power that advertising agencies have to survey and construct subjectivities. Advertising serves as a point of articulation between mass media magazines, advertising agencies, clients and women. In order to illustrate this conduit, I examine two trade campaigns developed by advertising agencies for Good Housekeeping and Family Circle. Under the banner of the "new traditionalism", these campaigns attempt to respond to the decline in advertising
revenues in mass market magazines. By projecting the notion that women can still be found in the home to both clients and agency media planners, agencies mediate the crisis of the mass media.

As I have argued in previous chapters, in the current period of economic, political, and cultural upheaval, a crisis with profoundly spatial dimensions, advertising serves as a crucial point of mediation between production and consumption, where the emergence of new meanings of masculinity and femininity and their shifting geographies can be examined. In this chapter I focus specifically on the role of the advertising industry in mapping the boundaries of female identity and the relationship between public and private. I also emphasize advertising's impact on spaces of reception, domesticity and everyday life. In periods when gender roles undergo marked shifts, such as in the 1920s and the 1950s, advertising takes on a particularly important role (Miller, 1991, Ewen, 1976, Doane, 1987). In the Post-War period, for instance, an intense ideological campaign was waged in the discourses of advertising, calling for women to abandon the workplace and return to "traditional" family values. The present phase of late consumer capitalism constitutes yet another crisis in the category of "woman", both in theory and in advertising. The renegotiation of gender and the crisis in family form has paralleled an economic transition to flexible accumulation. At the same time, representations of women's roles have also shifted: for example, images of the "new traditionalist woman" attempt to resituate women in the home, with the home constituting the primary location of women's identities. These images deploy meanings associated with small town America,
rurality and nature, in an effort to solidify the increasingly tenuous distinction between public/private, male/female, culture/nature, urban/rural and work/home. Haraway refers to these attempts to fix boundaries as the "border wars" of contemporary culture (Haraway, 1991). While images of tradition in women's roles constitute only one among multiple identities offered to consumers, "new traditionalism" represents a particularly revealing site of contestation in contemporary advertising.

This chapter explores the many ways in which issues of femininity, consumption and space are related, through an empirical examination of this "new traditionalism". Divided into three sections, the first attempts to illustrate how a New Right political ideology finds expression in the "new traditionalism" in the United States. The second section sketches the relation of female identities to public and private space. The final part of the chapter brings these issues together through an examination of two advertising campaigns most illustrative of this new traditional strategy, in an attempt to show how advertisers act as negotiators between producers and female consumers, producing discourses which attempt to locate particular groups of women in time and space.

6.2. The redefinition of gender relations

Stuart Ewen argues that with the emergence of Fordism, advertising assumed a central role in the growth of mass consumption by expanding national markets, both socially and geographically, and by mediating crises in identity. The
delineation of the form the family should take, in advertising discourse, represented an attempt to redefine women's roles in accordance with the new industrial order (Ewen, 1976). While rejecting the overly functionalist and deterministic character of Ewen's account, it seems fair to say that advertising helped in the consolidation of the suburban nuclear family and the separation of the predominantly female sphere of consumption from the predominantly male sphere of production in the Post-World War II period. From the time of Henry Ford's "Sociology Department", industry and advertising have been entering the homes of workers and consumers to remake consumption norms and family relationships. As Rosemary Pringle notes, "the expansion of the consumption sphere has created new forms of work largely performed by women, largely unpaid, and ostensibly relegated to 'private' life. Despite the illusion of free choices, this world is as structured and controlled as production" (Pringle, 1983: 92).

While the literature on the nature of the changes associated with "Post-Fordism" has tended to focus on the growth of flexible production processes, new technologies and industrial agglomerations, without regard to changes in gender, family relations, consumption or new political movements, some have seen women's labour and "feminine attributes" themselves as pivotal elements of the current restructuring (McDowell, 1991b: 401). In place of the nuclear family, which many see breaking down as a dominant form, a more unstable and diverse order is emerging, premised on a growing divergence between women. McDowell argues that an ideology of femininity and domesticity dovetails with the
formation of a flexible female labour force, made up of part-time and temporary workers (McDowell, 1991c, 101). Discourses of domesticity, tradition and familialism continue to support and define a woman's place in the labour market and in the home. Images in advertising are a persuasive and effective component of this discursive construction.

At the same time, the 1980s were marked by the rise of a politics calling for people to take responsibility for their own lives, rejecting dependency on the so-called "nanny" state. The attack on welfare state institutions such as housing, health care, daycare and education has been promulgated in the name of increased consumer choice, and this expression of consumer sovereignty strikes a chord in popular discontent (Clarke, 1991: 158). Elspeth Probyn notes that an ideology of choice or "choiceoisie" lies behind much of the "new-traditionalism" and "post-feminism" in advertising whereby women are given the "choice" to return to the home (Probyn, 1990). This ideology of choice is tied to a denial of women's newly acquired access to spaces of economic and political freedom and serves to highlight the anxieties that surround the movement of women into the public sphere (ten Tusscher, 1986: 69).

The crisis of patriarchy since the women's movement in the 1960s, has been followed by passionate debates over the meaning of the family (ten Tusscher, 1986, Faludi, 1991, Klein, 1992). The contemporary or "postmodern" family encompasses both experimental and nostalgic facets (Stacey, 1990: 18). With few social measures to replace the private functions of the "modern" family, many women have come to mistrust both the postmodern
family and feminism itself. This less stable familial order, which has left many women less secure and economically disadvantaged, often feeds nostalgia for the traditional family. The "profamily" movement and evangelical religious groups have been successful in coopting this sentiment (Stacey, 1990). In the 1992 United States Presidential election, both the Republicans and the Democrats were advised by their advertising teams to pursue campaigns emphasizing family values. These familial discourses exhibit contradictory tendencies: nostalgia for a more traditional family form coexisting with the breakdown of the nuclear family.

Discerning these anxieties, advertising researchers have encouraged a proliferation of images of home and family in contemporary advertising, which are directed at particular segments of women. This is particularly evident in recent trade campaigns for *Good Housekeeping* and *Family Circle* which announce a return to family values and traditional women's roles. As marketers have noted, in a time of deepening economic crisis and "posts", there is a heightened longing for roots and a growing distaste for the endless spiral of consumption (Rubin, *Adweek*, October 20, 1989, Free, *Marketing Insights*, 1989). The fragmentation, intertextuality, and swift commodification of everyday life that began with modernity, once served a function

1. The U.S. presidential election has foregrounded both family values and popular culture, with Dan Quayle criticizing the immorality of television character Murphy Brown to have a child out of wedlock. Bush argued that America needs to get away from the "Simpsons" and back to the "Waltons". This focus on popular culture indicates a recognition of the role played by the media in the construction of identities as well as an awareness of the profound crisis in the American family.
by engendering faith in a progressive future, but this narrative has lost its allure for middle class consumers (Olaquíaça, 1992). As a traditional sense of place has been eroded by the instantaneity of electronic culture and the proliferation of homogenized landscapes of consumption, it has been replaced by idealized images of community and place, such as the concept of the "home" as it was constructed in the 1950s. Marketers see this return to the past, to tradition, and the home, family and community, as a useful way to repackage consumerism: Levis 501 for example ran a very successful campaign which managed to connect Levis jeans to a longing for a simpler time (Moore, 1991: 28). This desire for tradition is also expressed in the tremendous success of the new U.S. magazine *Victoria* which celebrates Victorian notions of femininity (Rubin, *Adweek*, October, 20, 1989). However, a greater diversity of products along with market segmentation has meant that divergent strategies are being pursued.

An emphasis on tradition also relates to changes in the class structure of advanced capitalist societies. Many have discussed the rise of enterprise culture and a new middle or service class made up of managers and professionals (Thrift, 1989, Savage et.al, 1992, Featherstone, 1991, Lash, 1990). According to Bourdieu (1984), this new service class encompasses those occupations involving symbolic goods and services, and therefore exerts considerable cultural influence. As such, this class fraction includes those who work in marketing, advertising, design, public relations, radio, television, fashion, social work, marriage counselling and journalism. The new middle class
forms a body of cultural intermediaries who produce, transmit and consume postmodern culture. As Bourdieu notes, the cultural sphere takes on increased importance as a means by which various social classes differentiate themselves (Bourdieu, 1984); this class is preoccupied with identity, presentation, lifestyle and appearance (Betz, 1992).

The growth of the service class has been linked to the spread of its culture and a set of values firmly anchored in consumer culture. This class gains much of its collective identity from consumption and has adopted and distributed notions of competitive individualism and enterprise culture. As Thrift (1989) has argued, a dominant social group like the service class needs to provide interpretations of community that stress continuity and consensus in the face of discontinuity and conflict. This newly formed, but not yet hegemonic class has utilized notions of tradition and heritage as a way of defining its relatively insecure class position, seeking dignity by surrounding itself in images of the past. Tradition strengthens the service class's social cohesion by emphasizing the similarity of tastes, and helps to lend the class legitimacy by representing it as a "natural" possessor of power and privilege. As Thrift (1989) notes, "Its members dignify themselves with the trappings of countryside and the past and so gain kudos in the present". Advertising agents, as members of this new middle class, themselves act as cultural intermediaries. Their own crisis of class identity is inevitably reflected in the discourses of advertising. In some cases, of course, notions of traditionalism can invite ironic appropriation.
The current period of crisis in family and femininity, has also seen a resurgence of notions of enterprise culture, choice and individualism. Some women have become increasingly discontented with both their place in the male dominated workplace and changes in the family (Faludi, 1991). Professional women confront a glass ceiling as well as the increased pressures of combining home and work roles. At the same time, while the breakdown of the nuclear family has been liberating for many women, for others, it has generated a new set of anxieties. Advertisers are positioned between producers and female consumers and attempt to negotiate these tensions. In this period of instability, images are contested and conflicting, ranging from reverential and celebratory images of tradition, to parodic images, challenging dominant notions of family and femininity (Deveny, 1990: B1).

6.3. Femininity, consumption and the boundaries of public and private

The heightened patterns of surveillance highlighted in the previous chapters illustrate how agencies are able to tap into consumer anxieties. Consumer research on women's families, consumption patterns, and spatial movements has highlighted lingering tensions in the women's movement and the family. Some advertisers have responded to this research by coopting themes of feminist empowerment, depicting images of female independence and spatial mobility. Another response in the opposite direction has

2. An example of a dereifying image in advertising would be recent ads for Nike and Reebok. One Nike ad depicts a 1950s image of a woman and her daughter but suggests that a woman does not have to be like her mother. Unlike the household and rural
been the "new traditionalist" campaigns, which attempt to mediate
tensions in femininity by linking women to the home and private
sphere.

While contradictions in female subjectivity have always
defined the feminine condition, producing identities more
unstable than those of men, in the current period women face an
intensified condition of fragmentation and destabilization which
is reflected spatially. The feminist critique of identity has
ironically coincided with the increasing fragmentation of the
female subject in advertising: concepts of fixed identity sit
awkwardly with the fluidity of images found in the media (see
Griggers, 1990). Advertisers recognize that advertising cannot
reach back to its "ideal" 1950s mass market housewife, instead it
"has to be anywhere, anytime, anyplace, because women are now
anywhere, anytime, anyplace" (Sheth in Golman, Adweek, June 25,
1990). Advertisers have had to adopt new ways of grappling with
spatial confusion.

In spatial terms, consumption has been identified most
closely with the home, and the house itself is often associated
with women's bodies.4 Historically, the private space of the home
has offered an ideal place to reach women in the city. However,
with the waning of the mass consumption household of Fordism,
female markets and traditional roles have become increasingly

settings of the new traditionalist ads, many of the Nike ads set
themes of fitness and female empowerment against the backdrop of
gritty urban landscapes.

4. The department store and shopping mall, while no longer
exclusively female spaces, are also key sites of consumption and
femininity (Morris, 1988, Shields, 1992, Sorkin, 1992, Dowling,
fragmented and contested. Jackson emphasizes the fracturing effects of the urban landscape on identity, noting that individuals represent themselves differently in different spatial settings (Jackson, 1991a, Mort, 1988). The current blurring of identities opens up possibilities for challenging the traditional cultural alignment of femininity, consumption, and private space. Looking at advertising will show us how identities are generated out of relationships between power, knowledge and spatiality. Advertisers attempt to target and situate consumers in space, and in doing so, they transform spaces of reception. Representations of women in the new traditionalist campaign show how images share in the constitution of the boundaries of femininity.

Feminine identity has tended to be more spatially confined than that of men (Bartky, 1990). While male subjectivity is defined in terms of control over space, female subjectivity becomes that which must be controlled by being bounded: the house itself may be seen as a system of control and surveillance (Wigley, 1992). Woman is not so much confined within space, however, as she is space itself; femininity comes to be associated with the house as space. Following Foucault, Bordo charts the increasing phenomenon of self-surveillance, a situation in which instrumental reason envelops the body. Referring to domestic space, Wigley writes, "the wife learns her 'natural' place by learning the place of things. She is 'domesticated' by internalizing the very spatial order that confines her" (Wigley, 1992: 340).

When a woman ventures outside the house into the city, she does not necessarily lose her femininity and become masculine,
but becomes more dangerous and uncontrollable in her femininity. Contemporary representations of the "new traditionalist woman" respond to the increasing presence of women in public space by attempting to reaffirm the blurring distinctions between public and private, and to reinforce the association of woman with the home, and the house itself as essential to the definition of a passive consumer femininity. Women's movements, Bartky observes, are less regulated today than in the past since they are less confined to the domestic sphere, and have attained greater access to sexual freedom, paid employment, and divorce. It is ironic therefore that the reopening of the public arena to women has been accompanied by an intensified consumer surveillance (Bordo, 1989).

While women become consuming subjects through the consumption of goods, what they are offered by advertising are images of themselves. Irigaray's theory of woman as commodity and the historical positioning of woman as consumer is only apparently contradictory (Doane, 1987). This seeming paradox requires rethinking the dichotomy between subject and object and analyzing the ways in which women actively participate in their own oppression. The consumer is not necessarily an active

5. Although men are increasingly targeted in advertising, the solicitation of the male consumer has been accomplished with great difficulty, due to an inherent antagonism between a hegemonic masculinity and consumption (Fraser, 1989). Similarly, while representations of women have changed to show women in a variety of locations outside the home, including the workplace, this has been achieved only be reasserting that they have not lost their femininity. Maidenform came out with a U.S. campaign in the 1980s in which a woman in lingerie is pictured in a stock market setting surrounded by the gaze of businessmen, illustrating the continuing opposition between femininity and work. The copy read: "The Maidenform woman. You never know where she'll turn up".
appropriator of the commodity when the identity of the social
subject itself is dependent on the acquisition of objects
(Baudrillard in Bowlby, 1985). 6

Mary Ann Doane argues that when women are spoken to "as
women" in advertising, the physical separation between subject
and object, conducive to both "flanerie" and voyeurism, is
annihilated. Woman, in her double role as consumer and image,
maintains an intimacy with advertising which diminishes the
ability to see herself at a distance. Benjamin argued that a
detached mode of spectatorship collapsed with the final
incarnation of the flaneur, the sandwichman. Unlike the bourgeois
flaneur, the sandwichman, a human billboard advertising products
and events, was a poor, sometimes female, casual labourer. The
display of the sandwichboard was not far removed from the display
of one's own body for sale (Benjamin in Buck-Morss, 1986). A
woman who loitered in the public sphere was therefore given the
name of prostitute. Benjamin writes "the modern advertisement
demonstrates... how much the attraction of woman and commodity
can fuse together" (Benjamin in Buck-Morss, 1986). Woman's
position is analogous with the position of the sandwichman,
unable to maintain a distance between subject and object, the
advertisement affixed to her body. She further demonstrates her

6. While the representation of femininity in advertising
reinforces sexual difference, in re-speaking this difference,
there is an inevitable slippage of meaning. There are also
limited possibilities for resistance in the process of reception:
women do not simply absorb representations of femininity, but
receive them differently and actively transform their meanings.
Among representations, those which foreground their contingency
and mediated dimensions invite a greater critical awareness on
the part of viewers; for example see a series of art works done
by Barbara Kruger on the "family values" political campaign which
appeared in Newsweek, (see Klein, Newsweek, 1992).
commodity status if she ventures into public space in the city. Feminist theorists have taken the gendering of public and private space to imply the impossibility of a female flaneur, and both femininity and consumption have come to be identified with the private space of the home.

Others are more skeptical about the impossibility of a female flaneur. According to Wilson (1992: 100), those who see an ideology of a woman's place in the domestic realm permeating the whole of society ignore empirical fact to the extent that "... reality becomes but a pale shadow of ideology, or even bears no relation to it at all". For Wilson, the private sphere is also a masculine domain, as well as the workplace of women. Furthermore, she argues that women were entering public places in the city, such as department stores and tearooms, by the late 19th century. Neither shopping nor women were invisible. In these half-private, half-public spaces, she asserts, women too could be flaneurs (Wilson, 1992: 101). While I agree that women "were not turned to stone by the male gaze" (Wilson, 1992) I would like to argue that the home as a place has been central to the ideological construction of female identity and that an ideology of women's place in the home followed women into the city. Although women contested and resisted dominant ideologies of femininity, given the passive nature of consumer subjectivity and the control and surveillance of public sites of consumption, a female consumer could not be a flaneur.

It is important to consider the methods by which advertisers create spaces of reception and femininity, locations for the deployment of power/knowledge in both production and reception.
Berland (1992) asks why the literature on consumption is empty of cars, shopping malls, buses, houses, streets, offices, hotels, urban landscapes, rural settings and, indeed, of any form of place. Advertising images circulate through space, producing not only texts, but a spatial reorganization of social life. From its origins, advertising has acted as a broker of space, buying slots of space and time in newspapers, radio, television, and in the city, and filling them with images of commodity culture. However, advertising's relationship to space has varied over time. Each new form of media has brought a new geography and new ways of mediating between public and private.

In the late 19th century city, for example, "far from being carefully arranged in a clean, well-lighted space" advertising existed as part of a jumbled array of messages in the streets (Richards, 1990: 20). This advertising was frequently in danger of being lost in the confusion of the city (Richards, 1990: 45). As Richards (1992: 45) notes,

    unlike the grand aisles of the Great Exhibition, the streets of mid-Victorian London did not provide an antiseptic ambiance for commodities; in the open air a commodity was still preeminently an inert thing handled by human beings, an everyday item available for purchase, and an object of use.

Therefore in the late 19th century, the London walls echoed with dialogue (Richards, 1990: 47). Although not entirely controlled today, there has been more of an effort to limit messages in public space and a growing privatization of the city (Sorkin, 1992, Sack, 1992, Boyer, 1992, Schiller, 1990).6 This

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6. In the recent winter Olympics, advertisers were guaranteed that only one sponsor in each product category would be permitted.
privatization of the city coincides with an expansion of advertising in the city.

Historically however, advertising has focussed on the home. As Berland points out, advertisers are well aware of their role in the production and occupation of space: "already in the 1920s, American advertisers understood radio as an ideal extension of their trade with 'extraordinary power to carry them into the intimate circle of family life at home'" (Berland, 1992: 43). Williams (1975) describes this as the "mobile privatization" of the 20th century. Unlike the more public nature of past innovations, the technologies of modern advertising have the ability to move into the "private" or domestic sphere. Advertisers not only occupy these spaces but transform relations in the home. By projecting images or contexts for the consumption of commodities, they create viewing spaces in the home. Advertisers seek to control the meanings of commodities through the imagery they create and it is important that their messages not be transformed by the context of their reception.7

The private space of the home serves as an ideal conduit—a controlled point for the dissemination of advertising and other public messages to female consumers. Post-war suburban houses, for example, mediated the opposing ideals of separation and interaction, privatization and community, through the television and other media (Spigel, 1992). These communications spaces negotiated relations between public and private spheres, diffusing the threat of difference by defining the boundaries of

7. Starting with universal exhibitions, it was no longer necessary for people to travel to distant lands, as these places could be represented in the form of models (Virilio, 1992: 46).
active and passive space, production and reception, male and female. According to Spigel, "...television's incorporation of the public sphere into the home did not bring 'male' space into female space; instead it transposed one system of sexually organized space onto another (Spigel, 1992: 209). The spaces in which gender identities were ideologically centered were not erased by women's appearance in the city or by men's presence in the home, but each carried over into the other space.

With this location in the home, and armed with studies derived from the surveillance of Neilsen families, agencies bought spaces in daytime television. As one executive notes,

At one point you could buy soaps during the day and you could buy women. But now women are out working so you've got to buy prime time. You buy news or late night. I think more money goes into print for that reason. Maybe they come home and they don't want to watch television. So the vehicle for the message has changed.

While television and magazine advertising remain the dominant form of mobile privatization, this pattern is shifting in the contemporary period. The particular conjuncture of industry and consumption premised on the nuclear family and consuming housewife is eroding, only to be replaced by a more unstable order characterized by women working outside the home, a diversity of family/residential units and a globalization of capital and culture (Berland, 1992: 45). New forms and spaces of commodity culture are tied to new practices in advertising. In general,

such technologies are becoming more and more refined in their ability to adapt to increasingly individuated uses, parts of the body, parts of the home, parts of the city, to separate and reunite their users in differentiated and expanded space (Berland, 1992: 46).
As audiences become more spatially dispersed, they also become more spatially defined. Advertising centralized in space as viewers moved into the home, and today fragments as female viewers abandon the domestic scene (Berland, 1992). The role of advertising in constituting the mass market housewife of the 1950s parallels its contemporary role in resituating women in decentered or segmented markets, or recentering and repackaging the traditionalism of the 1950s. By highlighting the way in which national, familial or feminine identities are being reconstituted within the discourses of advertising, and by delving into the social and cultural fabric of the crisis of Fordism, we can observe the role of advertising in mediating economic crises.

Thus, with changes in women's lives and a greater complexity in consumption patterns, it has become more difficult to reach consumers in the home. These tensions have heightened as public and private become even more intertwined, feeding nostalgia for older more strictly defined forms of community. Advertisers have responded to these "border wars" in part with mapping practices that represent a return to traditionalism and older boundaries. In this way they forward one possible solution to the crisis of the mass media and to their own inability to locate women in space.

6.4. Space, place and the new traditionalism

A new kind of woman with deep-rooted values is changing the way we live... To us, it's a woman who has found her identity in herself, her home, her family. She is the contemporary woman whose values are rooted in tradition. (Good Housekeeping advertisement, 1990) (See Figure 7.1).

The consumer is not a moron. She is your wife. (David
Oglivy, founder of the advertising agency Oglivy and Mather, in Lander, 1992).

If nostalgia is a central element of postmodern culture, then it is certainly made manifest in contemporary advertisements which announce the new traditionalism, post-feminism, return of the family and the renewed popularity of products from the 1950s. These ads attempt to reify notions of femininity and to resituate women in the home, reinforcing gendered divisions between public and private. In an era of generalized homelessness and spatial displacement, where the notion of "home" as a fixed location seems in doubt, constructions of the "home" form a powerful unifying symbol (Gupta and Ferguson, 1992). The home as a place is central to the delineation of the new traditionalist woman. Two examples of the new traditionalism are found in trade advertisements for Good Housekeeping and Family Circle. Trade ads are directed primarily at the advertising community to encourage media planners to buy advertising space. They provide one window into the inside dialogue that takes place between the media and agencies. Trade discourses illuminate the way in which agencies mediate not only the meanings of commodities, but also the meanings associated with the media. Both campaigns ran in newspapers, advertising trade journals and in the streets of New York, L.A. and Chicago, where advertising executives and the manufacturers were likely to be found. A residual aim of the campaigns is to reach women as potential readers. The main target group for these magazines is middle class white women over the age of 35.

The ads for Good Housekeeping announce the appearance in America of the new traditionalist woman; "She started a
revolution with some not-so revolutionary ideals. She was searching for something to believe in and look what she found. Her husband, her children, herself*. Women's identities are inescapably focussed on the home. The return to family values and to tradition is tied to women's roles in the family, while the home represents a haven in the face of recession. A recent ad appearing in major American newspapers read,

Good News. If you're tired of hearing doom and gloom about America, the New Good Housekeeping/Roper Study will get your attention. Traditional values are flourishing, the family is becoming 'much stronger', working mothers are more optimistic, more confident... And despite the pessimistic predictions of other studies, she (the new traditionalist) believes she can help provide her family with a higher standard of living than that of her parents... Wall Street Journal. March 2, 1992: B6A

Many advertisers characterize the new traditionalism as the largest "social movement" since the 1960s; noting that, "America's new emphasis on home and family, fuelled by the aging baby boomers, has narrowed the gap between homemakers and 'modern' women" (Fannin, Marketing and Media Decisions, October, 1989, 38).

The new traditionalist ads did not go uncontested. No other recent campaign has garnered as much attention among both advertisers and women's groups: a sign that it strikes a central issue in contemporary discourses on femininity. Darnovsky (1991) argues that the ads target tensions left unresolved by the feminist movement itself (see also Probyn, 1990, Faludi, 1991). These advertisements respond to advertising research revealing women's anxieties about changing family forms and roles. Consumer research has been adept at isolating these anxieties in both family and femininity and at adapting advertising to address
them. While some advertisers explain the new traditionalism in terms of professional women's disillusionment with the workplace and the glass ceiling, others have suggested that it speaks to the concerns of pink collar women who maintain that their jobs are not central to defining their identity (Adweek Sixth Annual Women's Survey, 1988). Judith Stacey, points to an atmosphere of post-feminism today which simultaneously incorporates, adapts and depoliticizes aspects of the feminist movement (Stacey, 1990).

The new traditionalist campaign has influenced the advertising of many product manufacturers, such as Ralph Lauren, and even The New York Times. As one reporter puts it, the Good Housekeeping ads "...almost singlehandedly made it more acceptable for advertisers to take women out of suits and spectacles and put them back into the kitchen, fretting about cleansers" (Lipman, Wall Street Journal, February 28, 1992). One recent AT&T advertisement depicts a woman who gave up corporate life to work at home; "As she faxes a document, she says she doesn't miss the power lunches, because she's eating with a more important person- her child" (Piirto, American Demographics, August, 1989). Alan Waxenberg, publisher of Good Housekeeping, labels the 1960s as "protest", the 1970s as "feminist", 1980s as "yuppy" and the 1990s as the "new traditionalists"; he claims that individuals in "the 60s and 70s were idealists; the 80s, materialists, and the 90s, realists" (Waxenberg in Dougherty, New York Times, August 11, 1988). A chart developed by Waxenberg and

7. The interpretation of these results as a return to the home was later denied by the research firm hired for the study. Yankelovich Clancy Shulman charged Good Housekeeping with misrepresenting its findings.
his director of marketing suggests that "idealists" and "yuppies" took women away from their traditional roles in the home and family. Now their slogan, "America is coming home to Good Housekeeping" implies that women are returning to the home (Dougherty, New York Times, August 11, 1988).

Market fragmentation has had a pronounced impact on the advertising community. In the past, Good Housekeeping advertised itself as "Everywoman's Magazine" but now mass market magazines like the "Seven Sisters" have been especially hard hit, forcing them to seek more individuality (Carmody, New York Times, August 6, 1990). Good Housekeeping had attempted to argue that magazines offer a more specialized and defined audience; "The vast exposure facilitated by TV is clearly the key to its wide impact. But with fragmentation of broadcast audiences, the cost of reaching these target audiences can be quite high" (The Changing Mood of America, Fourth Quarter, 1991). However, this attempt was not very successful. The magazine also cut its rates as a short term solution to its vagaries, but later decided to hire a new agency to initiate a trade campaign.

Like many ads today which use black and white and other techniques to connote realism, these trade ads, produced by a photojournalist, feature "actual" women in an attempt to distinguish them from the multitude of mostly glamorous images found in magazines. The campaign seeks to mediate the crisis of Fordism, which is in part a crisis in family form and notions of

8. The Seven Sisters or women's service magazines include Good Housekeeping, Family Circle, Redbook, Woman's Day, Ladies Home Journal, Better Homes and Gardens and McCalls. With the proliferation of women's magazines in the fragmented market of the 1980s, Good Housekeeping lost advertising revenue.
the "American Dream". It represents one attempt by those in the advertising community to grapple with the instability in family and femininity in a way that is reconcilable with the product in question: a mass market magazine. The trade ads suggest that change has been exaggerated, that female consumers still place faith in the claims of both advertisers and manufacturers. A Good Housekeeping study reasserts the continued belief in the American Dream and traditional values of equality of opportunity, freedom of choice, owning a home, and having both a rewarding career and family life (The Changing Mood of America Second Quarter, 1991: 7). While women believe the American Dream to be further from reach than it was in the previous generation, the underlying affirmation of the consumerism as a fundamental aspect of American Dream is evident in this survey.

The Good Housekeeping campaign represents a structured dialogue among companies, the media, advertising executives and women. Criticisms of the ads by women's groups were accommodated through later revisions, illuminating processes of mediation of identity by advertising. This process of experimentation is evident in the fact that the ads were released in three stages: the first ads depicted women as housewives, while later ads responded to the outrage of feminist groups by recognizing women's "secondary" roles in the workplace. When women's paid

9. This represents an attempt by a mass market magazine to recapture ad pages. The trade campaign was immensely successful within six months of its release and by mid-1988, ad revenues had greatly increased. By 1991, however, ad pages fell again by 7.1 percent, prompting a new series of ads and the latest study, "Inside the Mind of the New Traditionalist", a comprehensive effort to get into the psyche of contemporary women (Lipman, Wall Street Journal, February 28, 1992).
labour force activity is acknowledged, their femininity must also be reasserted. Almost all women in the ads are employed in traditional female occupations such as teaching, interior design or forms of self-employment, all of which are compatible with women's roles in the household. Careful attention is paid to the women's attire to ensure that they are feminine. The ads define the task of women to learn to manage femininity and one's image, and to balance work with the traditionally feminine domains of family, domesticity and romance (Newman, 1991: 245).

The ads articulate an ideology of choice, familialism, self-help and responsibility. Sandra Lee Spaeth, the magazine's associate publisher employs an ideology of choice in her defense of the campaign: "'New traditionalism' is 'more liberating than the feminist movement'. It allows you to work part time or full time or not at all" (in Lipman, Wall Street Journal, February 28, 1992). In the British context, Newman shows that "femininity itself is inflected by the Thatcherite discourse of choice: here as elsewhere the individualism of the enterprise culture is linked to power through consumer choice in the marketplace. Feminine style can now be selected along with a choice of lifestyle, choice at work, choice as consumers" (Newman, 1991: 246). In the final analysis, this choice becomes one in which the needs of family must always be privileged. While the growth of enterprise culture has opened new spaces for some women to own their own businesses or to pursue professional or managerial careers, home is still constructed as the defining space of femininity. It is the home as a place that consolidates a woman's identity.
Atypical female professions such as medicine, are represented in the ad of women obstetricians who work reduced hours in a job-sharing joint practice. This ad purports to explain "How to deliver 300 babies a year and still have time to be a mother". In this case, female careers are upheld which themselves reinforce feminine roles (delivering babies). In a later ad, the campaign attempted to respond to its critics by including a female single parent in a hard hat. Mindy Tegay, an Account Executive for the campaign, claims that this was an attempt to suggest that there is more than one valid family form. Similarly, men do not appear in many of the ads to allow for a diversity of family situations. In a similar vein, one market researcher suggests, "I've said this to advertisers. If they always show a family, how do people who are single or divorced feel? Why not show a woman with her child? Is she married or is she not"? (Brown, Adweek, June 22, 1992). However, the overwhelming tone of the ads valorizes the conventional nuclear heterosexual family as the ideal. It is also clear that the new traditionalist is a woman, not a man.

Many of the ads stress that these "new" women are not that different from their mothers. "Woman", like "nature", stands for the eternal and unchanging. The Good Housekeeping/Roper report, "Inside the Mind of the New Traditionalist", underlines this point: "Family is job one for the new traditionalist. Family life on the decline? Not according to the New Traditionalist..." (Roper Report, 1992: 8). The same report notes, "Whatever her duties outside the home may be, in the home she is still wife, mother, teacher, counsellor, activities coordinator and
nutritionist." (Roper Report, 1992: 13). While home and family are defined as the most central aspects of a woman's life, it is the home as a place which is insisted upon: "The home and hearth is where the meeting of her traditional values, self-confident spirit and contemporary lifestyle is most striking" (Roper Report, 1992: 20).

The study also sets out to validate the work of homemakers and the standards of "good housekeeping" that they maintain: "the business of caring for the home is, itself, a full-time job- a job which provides stimulation and satisfaction" (Roper Report, 1992: 29). Commodities link public and private and transform the home into an expression of feminine identity. Good Housekeeping and Family Circle both present interiors of real homes as models depicting products that can be used to furnish identity. Similarly, the increased incidence of paid employment in the home is also cited as a positive trend; "Blazing new trails, one in ten employed women are working from their home" (Roper, 1992: 29). Contradictions and tensions involved in homework are elided.

The new traditionalist campaign constructs home and work as compatible by reinforcing unequal power relations in the household. The report suggests the new traditionalist values honesty, getting along with others, and respects authority (Roper Report, 1992: 15). Femininity is defined by discipline and respect for "women's place".

10. The study reports that, compared to 1981 where 56 percent of American women said they were optimistic about the institutions of marriage and family, by 1991 63 percent proclaimed their optimism (Roper, 1992: 20).
Suzanne Moore (1991) points out that the literature on "cocooning" (returning to the home) has been limited to white middle class contexts. The class-based nature of the images of femininity in the Good Housekeeping ads is very striking, with all ads depicting middle to upper middle class women. One later ad in the Good Housekeeping series attempts to compensate for the images of mostly white women by incorporating a photograph of an Asian woman with her son. The ad which reads, "Who says you have to discard your old values to be a modern American mother?" emphasizes women's role as mother and attempts to forge links between notions of Asian femininity and American traditionalism. This example parallels a newspaper series in Britain which described Muslims as "the new traditionalists" and "More British than the British" (Jackson, 1991c: 10). This series positions Muslim identity in a way that collapses ethnic difference under a common ideology of "tradition": "Devout, hard-working, disciplined, they have all the qualities that made us a great nation" (Quoted in Jackson, 1991c: 10). Interestingly, it is their traditional attitudes towards gender and sexuality that are given most attention. Muslim culture is described as time-honoured and predominantly masculine. Like Victorian women in Britain, Muslim women are kept in their place, "veiled" from the public sphere. This resembles the "new traditionalist" attempt to reinforce divisions between public and private. An erosion of the "natural" links between gender and place has thus led to increased ideas about distinct places and "imagined communities" (Gupta and Ferguson, 1992, Anderson, 1983).
In all of these ads, nature is not very far away. Fall leaves, large windows looking outdoors, flowers, forest views, apples, hay and farm houses signify the ties between nature and femininity. The houses shown are older or decorated in a traditional style, resonating with the trend toward rural gentrification (see Mills, 1992). Karen Till (1992) discusses the traditionalism deployed in constructing Rancho Santa Margarita as a historic small town, removed from the excesses and sprawling chaos characteristic of Los Angeles. The construction of this new urban form reinforces an ideology of conservatism and naturalness. Similarly, one Good Housekeeping ad questions, "What keeps a woman down on the farm after she's seen the big city?". The return to tradition, an anti-urban sentiment, clearly associates women with nature and rurality. This contradicts a view of women's progress linked to their movement from one gendered order (private space) into the gendered domain of public space and the city. Gupta and Ferguson (1992) argue that a popular politics of place can be reactionary as well as revolutionary. They note that,

...the association of place with memory, loss and nostalgia plays directly into the hands of reactionary popular movements. This is true not only of explicitly national images long associated with the Right, but also of imagined locales and nostalgic settings such as 'small-town America' or 'the frontier' which often play into and complement antifeminist idealizations of 'the home' and 'family' (Gupta and Ferguson, 1992: 13).

Despite women's fear of public space in the city, they can occupy these spaces with a degree of ambiguity. The retreat to rural life signals an even more strictly controlled milieu for women; it also implies a return to paid or unpaid work in the home.
The return to rurality and countryside is related to a growing concern for the natural environment. This is evidenced by many of the discussions in the Roper Reports where the "New Traditionalist" is seen as wanting to protect nature through her new environmentally sound consumer choices. It becomes women's responsibility to recycle and to buy environmentally friendly products, because women are closer to nature and it is women's natural role to be caregivers and mothers (Mills, 1992). All of this serves the role of restoring faith in consumerism and "America" at a time in which its narrative has been put seriously into doubt. A Good Housekeeping survey reveals, "She (the New Traditionalist) has moved from the 'Conspicuous Consumption' of the 80s to become a 'Conscientious Consumer' in the 1990s" (Roper, 1992: 3). Despite the fact that women's attitudes towards the world have changed, consumption remains constant. The attempt to resurrect the status of consumption represents a nostalgia on the part of advertisers for the time when advertising budgets were large and consumers were easily isolated in terms of both identity and space.

As home life becomes the focal point for many American women, marketing and advertising directed to the family is a must in the 1990s. Imagery which emphasizes family togetherness and the bonds between parent and child will be compelling in this decade of the family. And sending a message of empathy and respect to time-pressed working mothers will likely garner the same from these influential consumers (The Changing Mood of America. First Quarter, 1991: 5).

The campaign seeks to encourage familial imagery in advertising and to reposition Good Housekeeping as the medium most in touch with the modern female consumer.
The success of the Good Housekeeping campaign inspired Family Circle to pursue a similar strategy. The Family Circle ads appeared early in 1992 and were also directed to the trade community. According to the president of the agency responsible for the campaign, Jonathan Bond, the new campaign attempts to distinguish Family Circle from the other women's service magazines by using a creative and innovative campaign (Bond in Elliott, 1992). Like the Good Housekeeping ads, they are shot in black and white to evoke a sense of realism, and draw upon notions of traditionalism. Bond says that, "by staying in the same place, the world has come around to us". The campaign logo reads, "Family Circle. Everything comes full circle".

These ads differ tremendously from the Good Housekeeping campaign, however. One ad states, "We were just driving along on the family bandwagon and suddenly everyone else jumped on". The man is pictured wearing long hair, tattoos and beads, holding a baby. Another reads, "Lately, family values have been showing up in the most unlikely places" (Figure 7.2). This time the ad shows a young woman who wears a diamond ring pierced through her nose, ironically implying that, despite the feminist critique of marriage in the 1960s, the institution is thriving.11 One ad features the black silhouette of a pregnant woman's body, and in another, a man with spiked hair wears a leather jacket with the

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11. In New York, a series of poster art works appeared in 1993 directing imitating the Family Circle ads with the slogan, "Lately Lesbians have been showing up in the most unlikely places". Another poster was put up by The Gay and Lesbian Alliance Against Defamation, reading "It isn't good housekeeping to sweep lesbian and gay family members under the rug!". This shows the extent to which public discourses on femininity have become subject to contestation.
text, "You wash, I'll dry" on the back. In a parodic gesture, one man bears a tattoo of a lawnmower.

Unlike the Good Housekeeping ads, these are intentionally ironic. The images appeal not to the readers of Family Circle, but rather to young advertising executives themselves who believe that the traditional family is obsolete. Marnie Omanoff, the account executive responsible for the campaign, commented that the campaign is aimed at advertisers as if to say, "You will have to worry about these things too!". Creative director Bill Oberlander notes "It was designed to reach 23-year-old media directors..." (in Kanner, New York, July 20, 1992). The ads were shot by a Rolling Stone photographer and purposefully evoke the 1960s in an attempt to capture the attention of advertising executives. Family Circle moved its account from the large global agency, Saatchi and Saatchi, to a small creative firm known for its bolder, more innovative work for this campaign. Thus, the Family Circle ads represent an attempt to convince advertising executives that the traditional family is still worthy of attention.

Omanoff suggests that the campaign communicates to the advertising community the idea that people now reject the excesses of the 1980s, that in a time of economic crisis people return to the "basics," to tradition (Interview). In part, the ads stem from recent market research which finds that people are not going out as much, instead are spending more time at home with their families. Outside entertainment has become too expensive, especially in a time of recession. As Faludi points out, "cocooning" is far from gender-neutral, it is constructed as
a female trend (Faludi, 1991: 84). However, unlike the Good Housekeeping ads, this campaign attempts to address both women's and men's roles in the home.

Even though they are ironic, these images have a definite conservative undertone. As in much recycling of the images and styles of 1950s and 1960s, the return to the past does not automatically signal a critical distance. Rather, it reflects a fear on the part of advertisers that women are no longer in their "place". They find it increasingly difficult to "pin" women down if they are no longer in the home. In the case of a mass market magazine, it is hard for agencies to sell fractured identities to advertisers, so instead they project the notion that some women are still "brand loyal" and can still be reached, especially in that most stable of surveilled environments, the home. The attempt to articulate a renewed faith in family, home and consumerism is an effort by mass market magazines to convince advertisers of the merits of buying ad pages, and to negotiate recent cultural and economic changes in ways that further this goal. In doing so, however, advertisers touch upon the anxieties and conflicts that contemporary women face and thereby mediate these changes.

6.5. Conclusion

In the previous chapter I explored the heightened attempts of advertisers to conduct research on consumer identities. Surveillance constitutes one response to the blurring of the boundaries of identity in contemporary culture. Responses have been multiple and contradictory, however. In this chapter, I
explore the cultural power of advertising agencies to actively intervene in negotiating processes of change by using their image-making role to realign women with the home. This response comes in trade advertising for mass market magazines. By creating trade campaigns for magazines, advertising agencies participate in negotiating the crises of the media. The campaigns also reflect a nostalgia on the part of agencies for a time when it was less difficult to locate female consumers in space.

With the breakdown of mass markets, advertisers have found it difficult to respond to fragmentation. As female identities and spaces have become more decentralized and lost their stable location in the home, advertisers have attempted to resituate women. The reworking of public and private in the "new traditionalist" images constitutes one strategy among many, but it is a significant one. Because it deploys images of rurality, small town America and nature, it reinforces an idea of women's identities centered on the private realm of the home. At a time when the boundaries between rural and urban, nature and culture, female and male, home and work, private and public seem most weakened, the "new traditionalist" images attempt to recreate old forms of gendered space and difference, reinforcing women's familial and domestic responsibilities. The spatial dynamics of these changes are complex and the creation of texts cannot be conceived outside of institutions and the production of spaces (Berland, 1992). Advertising plays an important role in reconfiguring spaces of media reception and consumption.

The role of advertising images in the current period of restructuring should not be overlooked. Dramatic shifts in the
family and consumption have proceeded alongside changes in representations of women. Advertisers tap into women's frustrations with the workplace, family, recession and environment, and in turn play a role in mediating these frustrations through the images they create to sell products. Images of traditionalism and a woman's place in the home, in advertising, coincide and interact in revealing ways with the growth of a part-time and temporary female labour force. Yet it is also apparent that the domain of advertising forms one site where the boundaries of gender are under construction, open to a degree of revision and dispute.

The crisis of identity in theory is reflected in the discourses of advertising. Alongside the crisis in female identities, there has been a respatialization of identity. These nostalgic black and white images offer women overt representations of representations and therefore make possible a critical engagement with the processes by which femininity is constructed. Instabilities and slippages can, in some cases, provide women with a space to contest the repressive effects of regulatory practice. At the same time, the increasing theoretical emphasis on the practices by which consumers subvert and appropriate the meanings of commodities needs to be tempered with an awareness of the control of these meanings by cultural industries such as advertising.

In terms of feminist theory, dereification needs to be supplemented with a feminist project based on normative critique and construction recognizing the weight of shared history and collective affinities. Feminists should not fall victim to the
same nostalgia for unified identities and spaces as advertisers. Women need to challenge and affirm identities in order to engage with the contradictory sides of the "Post-Fordist" coin. After all, feminism is partly about leaving the home, and entering another place, risky and unknown.
There's a rebirth in America. There's a renewal, a reaffirmation of values, a return to quality and quality of life. We have seen it approaching, we have felt it happening, it has begun to affect our lives. And now, suddenly, it is upon us in full force.

To us it's a woman who has found her identity in herself, her home, her family. She is the contemporary woman whose values are rooted in tradition. The quality of life she has chosen is the embodiment of everything that Good Housekeeping has stood for. The values she is committed to are the values we have always represented — the Magazine, the Seal, the Institute. Who else can speak to the New Traditionalist with that kind of authority and trust? That's why there's never been a better time than now for Good Housekeeping.

Source: Jordan, McGrath, Case and Taylor Advertising Agency
Figure 6.2

Lately, family values have been showing up in the most unlikely places.

Source: Kirshenbaum and Bond Advertising
Chapter 7

Conclusion

The swivels turn at ground level— consuming of displays, displays of consuming, consuming of displays of consuming, consuming of signs and signs of consuming, each sub-system as it tries to close the circuit, gives another self-destructive twist at the level of everyday life (Lefebvre, 1971: 108).

The advertising industry forms a vital component of a circuit binding consumers, producers and the culture industries. Situated between these three realms, advertising is immensely influential in the restructuring of capital, in shaping the image flows of the mass media, and in mediating consumer subjectivities and markets. If the circuit is not completely closed (Lefebvre, 1971), the evidence presented in this thesis attests to the ever greater attempts by the advertising industry to manage patterns of demand and subjectivities by "getting closer to consumers". Negotiating between these realms, advertising plays an important role in spatial transformation. My thesis has examined the role of advertising in the respatialization of markets and consumer identities.

It is important to look at advertising because its role has increased in the new regime of flexible accumulation. I argue that economic geographers need to work at the interface of political economy and cultural studies. The advertising industry itself demands this synthesis, as the business of reworking markets is both economic and cultural. As a mediator between production and consumption, the advertising industry plays a central role in the current restructuring. The 1980s witnessed a vast expansion in the apparatuses of commodity culture. It is
important to consider consumptive issues which have thus far been neglected in analyses of production flexibility.

To date, most analyses of flexibility have focussed on the role of technological change in leading the restructuring process. Knowledge, marketing and design have also been important components in reorganization and economic geographers need to look at industries like advertising and market research. Design has become increasingly important in the value of goods. With the proliferation of products, many of them only superficially different, there is a need to impart heavier semiotic meanings to commodities. Indeed this thesis illustrates that advertisers have increasingly attempted to assign the commodity status as a person in order to differentiate or "brand" products. Knowledge and information constitute a crucial means by which capital copes with economic uncertainty, a greater volatility of consumer preferences, shorter product life cycles, faster flows of commodities and greater distances of flow. The growing numbers of people employed in human-information generating, processing, retrieving, and analysis of information about people, demand attention.

As Lash and Urry (1994) argue, what is increasingly produced is not material objects but signs. These signs can be informational or aesthetic (i.e. cinema, advertising, music) or images embedded in material objects. It is the task of advertising to embody objects with such sign values: "goods often take on the properties of sign-value through the process of 'branding', in which marketers and advertisers attach images to goods" (Lash and Urry, 1994: 15). The process of creating markets
demands the creation of identities to fill these markets. Advertising plays an important role in the formation of new consumer subjectivities.

A second reason to look at advertising stems from the fact that the industry has undergone a process of reorganization in the 1980s. I argue that the advertising industry has been in crisis and that this crisis stems from its growing inability to locate consumers in terms of both identity and space. As a response to crisis, the industry has undergone a structural and strategic transformation. In particular, it has attempted to expand geographically. The advertising industry has undergone a massive process of transnationalization and centralization through foreign direct investment, as well as acquisitions and mergers. Large global agencies now dominate the industry. In the case of advertising, the industry has moved from a national synchronization, toward both a global and local orientation. Agencies have become more flexible in terms of their use of labour, their capacity to respond to clients' needs, and their ability to orchestrate a diverse range of communications services. Agencies have expanded their apparatuses to include other communications realms such as market research, direct marketing, architecture, public relations, and promotions. One way of managing the greater complexity of markets is to integrate various forms of publicity. This also provides ammunition in large global agencies' competitive battles with each other.

The advertising industry has been forced to remodel itself in recent years. The old structure dominated by medium-sized, nationally-oriented agencies with a functional division of labour
has broken down. Lash and Urry (1994) argue that while culture industries are remaking themselves along the lines of business services, particularly advertising, the advertising industry is recreating itself as a culture industry. In this thesis, I argue that their argument draws overwhelmingly on the experience of Britain. Patterns in the U.S. have been different, and there has not been the widespread legitimation of advertising as a cultural and entertainment form, that characterized Britain in the 1980s. In addition, their argument ignores the complexity of the recent reorganization of advertising agencies. While the old nationally-oriented Fordist rationalized agency may be disappearing, it is not necessarily being replaced by a wave of small creative "second wave" agencies. Rather, a polarized agency structure is emerging where both large and small firms are dominant. One hegemonic agency form is no longer suitable to the complexities of the current period, and both large transnational and small creative shops seem to be flourishing. While smaller creative shops are more like cultural industries, producing innovative aesthetic artifacts, large global agencies have not necessarily become more innovative in terms of their creative work.

A restructuring of the industry has led to new patterns of client-agency interaction and accounts have grown more complicated. Simultaneous and contradictory processes are at work. Clients are both bundling and unbundling their accounts. In some cases, clients are centralizing their business at one agency worldwide. In these circumstances, clients bundle up all parts of their business at one global agency or gather up all media buying and assign it to one advertising shop. In other cases, companies
have been unbundling the creative portion of their accounts and assigning it to smaller creative boutiques, while research and media buying/planning remain at their lead agency. A large multinational client may assign creative work according to the consumer segment targeted; for example, putting out its black, ethnic, or youth advertising to other specialty agencies. The shift of some creative work to the entertainment industry, and to talent agencies such as Creative Artists of America symbolizes the profound crisis of the advertising industry and the increased need for creativity and entertainment in advertising.

This points to a more flexible and polarized agency structure. The functional division of labour in agencies, whereby employees are divided into creative, research, account and media departments and each agency is responsible for its own region, has broken down to some extent. The internal structure of agencies has become more flexible, with more people working on teams that cross departmental lines and geographic boundaries. There has been more effort to integrate the different departments, as evidenced by the increasing use of account planners which bring together the creative and research processes. In addition, agencies are increasingly being organized by client, not by geography, with agencies handling one client around the world, rather than a set of clients in their region.

While agencies have taken the input of both clients and consumers more seriously, they are still powerful sites in their own right. The concepts, images and discourses formulated by agencies to attract new business, affect clients in their choice of agency, research methodology, media plan, creative campaign,
and geographic strategy. Agencies have their own agendas related to avoiding crisis. It has been in their interest to convince clients to use one agency around the world. They develop rhetoric and advertising theories compatible with these interests. Proprietary concepts such as "Global Scan" aim to gather business from both existing clients and new clients. Agencies no longer wait for the initiative from clients to expand around the world. Rather, they open offices as part of their own restructuring drives and project images of "globalism" to sell their transnational structures.

The dominance of New York as a center of advertising is an example of what Lash and Urry (1994: 17) refer to as "globalized localization". Major decisions are increasingly orchestrated from global cities. In particular, recent years have seen an increased emphasis on global account planning, cross-cultural research, and global media buying, frequently orchestrated from agency headquarters. This points to a centralization of control within advertising services. The creation of images/discourses increasingly emanates from highly localized cultures, cultures which are themselves transnational. The transnational advertising elite employed in cities like New York subscribes to an ideology of globalism. Whether or not global advertising is warranted, this elite places great faith in globalism. The advertising industry constitutes part of a transnational "third culture".

In order to examine the role of these institutions of power/knowledge and spatiality, it is important to understand their organization. Not only has there been an internal reorganization of agencies, but there have also been shifts in
the practices of advertising. The structure and location of the industry have implications for its role and for the images it forwards. This thesis charts the role of advertising in the consolidation of new market geographies. I argue that in the present period, markets do not correspond with the nation in the same way that they did in the Post-War period. Rather, we are seeing the growth of global market segments on one hand, and more locally differentiated segments on the other hand. Clients and consumers, rather than national geography have become the central operational pivots in advertising.

While some arguments regarding changes in consumption in "post-fordism" may be exaggerated, there have been fundamental shifts in the organization of consumption. The current period does not necessarily suggest the breakdown of mass markets, but rather greater complexity with the erosion of some mass markets and the simple differentiation of others. In some cases, mass markets have simply been extended on a global scale. Markets have become both spatially differentiated and globally extended. The growth of micro-markets coexists with the internationalization of markets. Advertisers have certainly moved away from concepts of "mass marketing". This does not suggest, as Pollert (1988) argues, that fragmentation is mere marketing ideology. On the contrary, the breakdown of mass markets and growing complexity is driven by both supply and demand factors. This argument has been empirically demonstrated by the case of those institutions which negotiate both supply and demand. It is the unique location of advertising, between demand and supply, that allows it to serve
as mediator in a circuit binding consumers, producers, and the media.

In this thesis, I have attempted to examine the role of advertising in negotiating globalization, market segmentation, and gender through advertising knowledges, constituting "strategies" or wills to power (de Certeau, 1984: xviii). As a response to crisis, there have been more sophisticated efforts to tap into consumer lifestyles, emotions and forms of resistance, through advertising research. The case of the advertising industry illustrates how producers and agencies have become more "consumer-led". Producers and consumers have come much closer together at the site of advertising. There has been a transition in the discourses of advertising from the language of seduction of the female consumer to being "in touch" with consumers. This transition parallels the feminization of the industry. Advertising agencies have gathered more information about consumers, and used this information in turn to construct lifestyle segments, neighbourhood segments and advertisements with an emotional appeal. There has been an increasing effort to emulate consumers and their language, as well as their places of consumption and to use this knowledge to channel consumption patterns in specific ways.

However, this is not to suggest as Lash and Urry (1994) do that consumers have become dominant in a new regime of "reflexive accumulation". For them, whole portions of lifestyle and consumer choice have been freed and individuals have been "forced to decide, to take risks, bear responsibilities, and be actively involved in the construction of their own identities for
themselves, to be enterprising consumers" (Lash and Urry, 1994: 193).

The present period, does indeed present greater opportunities for critical engagement and reflection about the formation of identity, as the case of the "new traditionalist" advertising illustrates. More research is needed on consumer readings of advertising texts, as well as on the growth of more reflexive advertising campaigns and the possibilities for a growing awareness on the part of consumers about the processes by which meanings and identities are constructed in advertising. Despite the need for more studies of consumer resistance, it is important to recognize that the advertising industry has also become more "reflexive", more skilled at interpreting and negotiating resistance to commodity culture (witness the growth of 'Green Marketing' and the cooptation of feminist themes in advertising). Resistance can be overestimated, especially when it is closely monitored and incorporated in advertising research.

If anything, this greater reflexivity is confined to the "new middle class", a class that includes those who both produce and consume images of commodity culture. The new middle class, encompassing advertisers, has much to be reflexive about. Similarly, the present period cannot be characterized by disorganization (Lash and Urry, 1994). On the contrary, while there may be heightened conditions of market complexity, the current period points to greater organization and surveillance of consumption.

In the Post-War period, consumers were easy to isolate in terms of both consumption patterns, identity and space.
Consumption was more homogeneous and advertising appeals were made on the basis of the functional uses of the product. As a result, research tended to be more product-oriented and quantitative. In the current period, consumers are more fragmented and difficult to isolate, and appeals to product consumption have become more "emotional". Research has had to tap into the identity and lifestyles of consumers as one way of stimulating product demand.

Advertising discourses play an important role in the construction of identity, particularly gendered identities. They participate in forwarding different solutions to problems of identity in particular societal forms. Like cultural theorists, advertisers increasingly recognize a disjuncture between identity and place. Consumers have become more difficult to isolate in terms of space. This is evidenced in the decline and fragmentation of media audiences, women's abandonment of the domestic scene, in the complex multiple geography of individual identities, in the growing market segmentation, and in the heightened complexity resulting from complex interconnections between the global and the local. Consumers have indeed become more elusive.

If consumers have become more elusive, the advertising industry has become more sophisticated in its research techniques. In the face of heightened competition between agencies, one of the key ways that global agencies can differentiate their services from one another is by offering proprietary research techniques, such as focus group methodologies and ethnographies. Recent years have seen
heightened attempts at managing subjectivity, particularly female subjectivity.

One of the main themes of this thesis concerns the conflicting relations between the various institutions affecting spatial reorganization of consumption. Advertising agencies are in a constant battle with retailers to define the meanings of commodities and to direct the sales of particular brands. Information is key to the struggle between these distributive channels. Retailers are also collecting more information about consumers and engaging in the production of store brands. Consumer identities are constituted through multiple and conflicting discourses. There has been a tendency to conceptualize consumer discourses as congruent. The struggle between different sites to fix the meanings of both commodities and identities illustrates the operation of multiple discourses. More research is needed on the role of advertising and marketing on retail planning and design, and in analyzing retail trade journals. The growth of information about consumers in the retail industry also demands more attention in geography.

By definition, the role of advertising agencies is to sell fragments of space and time to corporate interests. The extension of advertising implies a privatization of public space. The last chapter illustrates the extent to which advertising agencies meditate crises in the mass media. In the case of mass market magazines, the advertising industry is implicated in attempts to resituate women in the home and to solidify the increasingly tenuous distinctions between public and private. Discipline operates through boundary projects: the partitioning of space,
where each individual has their own place and each place has an individual (Foucault, 1979: 143, Haraway, 1989). The current period is characterized by blurred boundaries: global and local, urban and rural, male and female, public and private, work and home, culture and nature. The task of advertising, to create markets and negotiate demand, constitutes a boundary project. These boundary projects twist tighter and leave an ever deeper imprint on the landscapes of everyday life.
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