The Validity of Cultural Dimensions in the Development Process of International Advertising

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Abstract

Culture drives how people communicate and what they communicate. In addition, culture influences the people’s perception of advertisements. Understanding the consequences of cultural differences is, therefore, crucial for marketing and advertising people when it comes to the development of international advertising. The main purpose of this dissertation was to investigate the approach of advertising agencies towards cultural differences during the development process of international advertising. Furthermore, the authors wanted to find out, if advertising agencies know and apply the cultural theories of Geert Hofstede and Edward T. Hall during this process, and whether it would be possible to expand their cultural theories by using the insights gained from the practical work of the agencies. In order to answer this paper’s research questions, four interviews with account managers and CEOs in three advertising agencies were conducted and documentary data were collected. Based on the research findings, one can conclude that even though advertising agencies are constantly aware of cultural differences during their development process, there is no structural knowledge or a structured approach to it. Furthermore, the cultural dimensions of Hofstede and Hall or any other scientist are not known to the agencies and also not applied, as they are for various reasons not regarded as supportive and useful guidelines for the development of suitable ads for culturally different target groups. In addition, the authors have learned that culture is not a dominating issue during the development process of international advertising. Thus, instead of adding further cultural dimensions to the existent theories, a model was developed which depicts the influencing factors on international advertising and puts cultural considerations in relation to them.

Keywords: culture, cultural dimensions, advertising, advertising agencies
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1. Introduction

This first chapter starts with a background description of the topic and moves on to explain the problem this dissertation is dealing with. Further, the purpose and the research questions are emphasised and the limitations are described. Subsequently, a definition of the most important terms of this paper is provided. This chapter concludes by presenting the outline for the coming chapters.

1.1 Background

The continuing trend towards globalisation and, thus, the internationalisation of competition, forces today’s companies to market their products and services successfully on a world-wide basis. This trend led to the phenomenon that actually more than half of today’s global trade is already international. All of this trade requires marketing, and much of it requires advertising (Anholt, 2000).

The company’s international communication policy and particularly its international advertising approach might be the most influential marketing-mix-instrument for its success abroad: by means of advertising, the company aims to activate the consumers’ needs and motivations to buy the company’s products or services; furthermore, advertising builds up a hopefully long-term-relationship to the customers.

As a result, the advertising agency industry sees itself confronted with a growing demand for international advertising that has to be met with the development of adequate and effective advertising campaigns. One issue, that an agency inevitably gets in touch with during the course of international advertising development is, that consumers differ all over the world. They differ in terms of needs, living standards, money available, attitudes, beliefs, buying habits etc.

However, among these world-wide consumer differences, cultural differences play a significant role. In essence, cultural values represent the most basic and core beliefs of a society. They are a powerful force shaping its member’s motivations, lifestyles and product choices. In addition, cultural values influence how people interact and socialise with other members of society, and they
definitely have a large influence on its communication patterns and perception processes.

The art of advertising is to develop symbols or advertising properties that must be understood by a target audience. In international advertising, these signs and symbols have originated in one culture and cannot be decoded in the same way by members of other cultures. Understanding cultural differences is therefore an essential precondition for the development of successful international advertising. Accordingly, the following question arises for every marketer and advertiser: How should we handle the communication to consumers of different cultures? And more precisely: How should we approach cultural differences in advertising development?

According to many researchers, fundamental cultural differences can be identified by examining the culturally generalisable aspects of values. Two well-known studies that aimed at analysing cultural differences and identifying general cultural aspects or patterns were conducted by the Dutch researcher Geert Hofstede (1980, 1991 and 1994) and the American anthropologist Edward T. Hall (1963, 1976, 1984, 1987 and 1990). They have set up so-called ‘cultural dimensions’ that enable to classify cultures according to their position within these dimensions. Many researchers as well as business people have confirmed these cultural dimensions to be a useful means to achieve a better understanding of cultural differences.

Concerning the relation between advertising and culture, it has been frequently argued that cultural values of a country can be found in the core of its advertising messages. Furthermore, they are embedded in the advertising appeals, meaning the way advertisers communicate to the consumers. Hofstede’s and Hall's cultural dimensions have been repeatedly applied by various researchers to establish this link between the messages and appeals of advertising from a chosen country and this country’s dominant cultural values. The method applied to establish this link is content analysis of the advertisings of the country in question.

De Mooij (2005) supports the fact that a culture’s values are reflected in its advertising. Furthermore she states, that applying national cultural dimensions to classify cultures is useful to understand and explain consumer behaviour and
advertising. In addition, Anholt (2000) describes cultural dimensions as being absolutely made for advertisers, because they need reliable, true, but gross generalisations of people in a country for their mass-media tactics. Or in other words, advertisers want to know what most of a country's people are like, and how most of them will behave in response to certain stimuli. As a result, the use of cultural dimensions to develop successful international advertising campaigns is very often recommended.

To summarise the most important points so far, it can be said that, first, international advertising is closely connected to culture and that, second, cultural dimensions could be a reasonable way for advertisers to approach cultural differences.

To this date, the approach of advertising agencies to design advertising campaigns for different cultures or, to adapt foreign advertising to their local market has not been discussed in the established literature. But since advertisers certainly consist of a tremendous experience due to their exposure to consumers of different cultures, it seems to be very interesting and worthwhile to research their approach to culture.

1.2 Research Problem

Researchers like de Mooij (2005) and Anholt (2000) are convinced that there is a direct link between the cultural values of a country and its advertising communications. According to them, advertising can be regarded as a mirror which reflects the cultural values of the country where it is shown.

Furthermore, cultural dimensions are evaluated to be a good means to vocalise and label cultural differences and similarities. Therefore, Hofstede's and Hall's dimensions are able to explain the variety of values and motives used in advertising across countries (de Mooij, 2005). This has been proven by the conduction of numerous content analyses of advertising from various countries.

The question, that automatically arises and which the authors want to answer with this study, is: Can these cultural dimensions of Hofstede and Hall also be applied when it comes to the development of international advertising? Or, in
other words: Do these classifications of cultures serve the advertising agencies as valuable guidelines for the development of non-domestic advertisements, or for the adaptation of foreign-country advertisements to the domestic market?

So far Hofstede’s and Hall’s cultural dimensions have only been applied to the end product, the advertisement itself. But it would be interesting to find out, whether these dimensions are helpful during the process of advertisement creation. To find this out, the authors decided to investigate advertising agencies and to see, if they use any kind of cultural classifications that supports them during the development of suitable ads for culturally different target groups.

1.3 Research Objective

Based on the problem discussion, the purpose of this dissertation is to investigate how advertising agencies approach cultural differences during the process of developing international advertisements for consumer markets.

Furthermore, the authors hope to fill the currently existing research gap concerning the actual application of cultural dimensions in international advertising development. It is aspired to find out, if this highly consumer-connected industry is aware of Hofstede’s and Hall’s grand theories on cultural differences and applies them knowingly and, thus, prove them to be relevant and useful for the development of successful international advertisings. Or, whether the agencies have developed their own set of cultural significances between countries, based on their experience regarding consumer perception and reactions to messages, as well as their profound knowledge on the consumer’s way of acting, feeling and thinking. The further objective of this dissertation would then be, to establish a new cultural model based on the grand theories, but expanded by the cultural insights gained from the practical work of the advertising agencies.
1.4 Research Questions

The following research questions shall aid in fulfilling this paper’s research purpose:

- How do advertising agencies approach cultural differences during the development process of international advertisements for consumer markets?
- Are advertisers aware of the cultural theories of Geert Hofstede and Edward T. Hall, and do they apply them in the international advertising creation process?
- How can one expand the cultural dimensions from Geert Hofstede and Edward T. Hall by using the cultural insights gained from the practical work of the investigated advertising agencies?

1.5 Limitations

To be able to conduct the interviews within the given period of time and with regard to financial restrictions, the scope of the empirical data collection had to be limited. By applying a non-probability sampling, three advertising agencies were chosen for the investigation of their approach to culture in international advertising development. All three agencies are located in Malmö, Sweden, a city which was selected due to its easy accessibility.

Furthermore, the focus of this investigation lies on international advertisements for consumer markets, as they have to appeal to a broad mass of people or consumers of a country. Consequently, it can be assumed that cultural considerations play an important role.

Concerning the literature review, the choice was made to describe the theory of the most well-known researcher in this field, Geert Hofstede (1991). In addition, parts of Edward T. Hall’s (1963, 1976) theory were selected and described, because they complete Hofstede’s dimensions in a very good manner. Both theories have been frequently applied for the analysis of advertising and, thus, seem to be relevant for this paper’s purpose.
1.6 Definitions

In the following, the most important terms of this paper are defined to enable the reader to understand the context of this research topic right from the beginning.

**Culture:** Learned ways in which a society understands, decides, behaves and communicates with each other (Hollensen, 2004).

**Cultural Dimensions:** Aspects of a culture that can be measured relative to other cultures; they help to classify cultures in relation to one another (de Mooij, 2005).

**Advertising:** The intended influence of market relevant attitudes and behaviours with the use of advertising material and paid media (Schweiger and Schrattenecker, 2001).

**International Advertising:** Advertising a product or service in a country other than where it originates (Schweiger and Schrattenecker, 2001).

**Full-Service Agency:** Manages planning, creation, production and placement for its advertising clients. It may also perform other marketing services such as sales promotions, package design and publicity (Shimp, 1997; Ace, 2001).

**Brief:** Written instructions given from the client to the advertising agency before the commencement of a project. Depending on the client, it contains a more or less detailed description of the marketing and communication objectives for the campaign and provides information on the brand’s unique selling proposition and reason why, its positioning etc. (Schweiger and Schrattenecker, 2001).
1.7 Outline

Chapter 2: Methodology
This chapter presents the methodology used for conducting this research project. It provides an explanation for the choice of research philosophy and research approach and ends with a description of the type of study.

Chapter 3: Empirical Method
In this section, the method for the empirical research is presented. It includes the research strategy and the time horizon of this study. The execution of the case studies as well as the collection of the empirical data is described in a five-phase structure. The chapter concludes with a discussion on reliability and validity of this paper.

Chapter 4: Case Studies
This chapter begins by providing a general introduction into the environment of research. Subsequently, a description of the conducted case studies is provided. It contains a presentation of the investigated advertising agencies. Furthermore, their working processes are explained to achieve a detailed understanding of how each agency conducts its business. Afterwards, the content of the interviews is described in a structured manner, referring to the various topics discussed during each interview.

Chapter 5: Literature Review
In this section the literature review is presented. It will consider relevant aspects concerning the topic of advertising by focusing on its definition, objectives and communication process (the way advertising works). In addition, the term culture is defined and the landmark cultural theories of Hofstede and Hall are presented and critically reviewed. After that, the aspects of culture and advertising are brought together by examining the relevance and application of cultural theories on advertising. The chapter ends with a critical evaluation of the application of cultural theories on advertising.

Chapter 6: Analysis
The analysis of the case studies is presented in this chapter. Cross-case investigations are conducted to answer the research questions of this paper. Furthermore, the empirical findings are connected and compared to the
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previously presented literature and support the drawing of conclusions. Based on
the information derived from the empirical data, a model is developed which
presents the influencing factors on the development of international advertising
and puts the aspect of culture in relation to them. At the end, an outlook on the
future relevance of cultural differences in advertising is provided.

Chapter 7: Conclusions
This final chapter begins with a short summary of the dissertation before the key
findings of this study are presented. Subsequently, the choice of methodology is
evaluated, and the model developed during the course of this research is critically
reviewed. Possible practical as well as theoretical implications of the research
findings are exposed. The chapter concludes with suggestions for future research
and the final reflections of the authors.

1.8 Summary

The globalisation and the increasing demand for successful international
marketing communications initiated the authors to analyse the advertising
agencies’ approach to the creation of international ads. To the authors’ mind,
understanding cultural differences is an essential precondition for the
development of successful international advertising. One of this paper’s research
aims is, therefore, to find out how advertising agencies approach these
differences. Based on this general question, the authors, furthermore, want to
investigate whether theories to classify cultures serve as valuable guidelines for
the development of non-domestic advertisements, or for the adaptation of
foreign-country advertisements to the domestic market.

This research is limited to three advertising agencies in Malmö, focuses on
advertising for the consumer market and takes predominantly the theories of
Geert Hofstede and Edward T. Hall into account.
2. Methodology

This chapter deals with the methodology used for conducting this research project. In the beginning, the choice of methodology is discussed, followed by the presentation of the research process 'onion' which serves as a guide through this as well as the following chapter. Different research philosophies and research approaches are explained and the reasons for the authors’ choices are provided. The chapter ends with a description of the type of study.

2.1 Choice of Methodology

The choice of methodology is influenced by the research purpose and the research questions (Saunders et al., 2003). Choosing a proper methodology is, therefore, important to achieve the aim of this dissertation.

The aim of this paper is to examine how advertising agencies approach cultural differences during the process of developing an international advertisement for consumer markets. In addition, the authors aim to investigate if advertising agencies are aware of the well-known cultural theories of Hofstede (1991) and Hall (1963) and if so, they apply them, or whether they have developed their own set of cultural dimensions.

To achieve this, the authors decided not to be guided by the literature on culture. Instead, it was perceived as more fruitful to approach this topic in an unbiased manner by giving the agencies the opportunity to talk freely about their daily work without telling them directly that the special focus of this research was on cultural considerations and the agency’s cultural knowledge. Accordingly, four semi-structured interviews were conducted with three different agencies in Malmø in the beginning of the research project. In addition, agency documents such as company brochures, power-point presentations, internal documentary and content from the corporate homepages were analysed to receive a more complete picture of each agency’s approach to the underlying research topic. Afterwards the existing literature was studied and compared with the results of the case studies. On the basis of the gained knowledge during the case studies answers to this paper’s research questions were derived.
Figure 1 depicts the research process ‘onion’ which contains of five layers. As approaches in the different layers have dependencies, it is suggested that a research design should be developed by pealing away the layers from the outside to the inside. This ‘onion’ has been applied in this paper and can serve as a guide throughout the methodology chapter and the following chapter on the empirical method. The bold circle in the ‘onion’ indicates the chosen approaches for each layer in this paper.

2.2 Research Process

2.2.1 Research Philosophy

The research epistemology - or simply the philosophy of knowledge development and judgement - is the starting point of each research process. There are three dominant views about the research process in the literature: **positivism, realism and interpretivism** (Saunders et al., 2003).

The **positivistic epistemology** is the typical approach of a natural or physical scientist. It argues “that the world exists independently of the people’s perceptions of it, and that science uses objective techniques to discover what exists in the world” (Sullivan, 2001, p. 47). This means that only knowledge which
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is observable is in fact valid. Positivism demands a highly structured methodology to facilitate replication and emphasises quantifiable observations. It leads to the drawing of law-like conclusions.

While the positivistic researcher describes and explains different phenomena, the interpretivistic researcher’s purpose is to explore the subjective reality of their research participants in order to understand the motives, actions and intentions behind their actions. Reality is seen as something evolving and in constant change “that arises out of the creation and exchange of social meanings during the process of social interaction” (Sullivan, 2001, p. 49). Thus, the interesting thing is how the world is being perceived and understood, not how it actually is. Due to this fact, it is very difficult to replicate the research and to establish general rules applicable to all situations. The researcher is assumed to be part of the research process and is, thus, more subjective than objective (Saunders et al., 2003).

Realism is based on the belief that the existent reality is independent of human thoughts and beliefs (Saunders et al., 2003). So, the realistic philosophy shares the view of external objectivity with positivism. But in addition, there is also an interpretivistic influence exemplified by the fact that realism also recognises the broader social forces, structures and processes that influence or constrain peoples’ perceptions and behaviours, although they might not even be aware of these forces (Ibid.). With realism the researcher accepts that there can be a change in future findings if the research is replicated, but it is possible to draw some general conclusions from the present research project.

The research philosophy chosen for this dissertation reflects the principles of interpretivism. The course of action when developing data was to study only a small amount of companies to achieve a deep understanding of the way advertising agencies work when they create international advertisements. The authors share the opinion, that each advertising agency works in a unique way and is part of an industry which is constantly changing. The agencies are very much dependent on and influenced by the consumer knowledge, creative qualities and subjective experiences of its current personnel. Hence, it would be very difficult to generalise the findings for the whole industry in Sweden. Complete objectivity of the researchers cannot be guaranteed for this paper, as
especially the analysis of the interviews is often subject to personal interpretation of the given answers.

### 2.2.2 Research Approach

On the subject of possible approaches to a research project, Saunders et al. (2003) distinguish between the **deductive** and **inductive approach**.

**Deductive research** begins with known theory and tests it, usually by attempting to provide evidence for or against a pre-specified hypothesis. It is recommended, if a substantial amount of literature on the research field already exists. To test the stipulated hypotheses, this approach demands a highly structured methodology and is principally connected to the collection of quantitative data in a sufficient numerical size to be able to achieve generalisations.

The alternative and less rigid approach to conduct research is **the inductive approach**. Inductive research begins by making observations and measures to detect patterns and regularities in order to develop new conclusions or theories. It is especially suitable, if the researcher wants to achieve an in-depth understanding of the research context. Accordingly, it is predominantly connected to the collection of qualitative data. The results from such a study are limited to the situation, as well as, the possibility to give general conclusions.

The deductive approach does not seem to be adequate for the research purpose of this dissertation. Regarding the topic of culture, there is certainly no lack of existing literature on relevant theories and studies. However, the authors decided not to use these theories to shape their approach of investigating the advertisers’ knowledge on cultural differences and their methods to deal with them. Instead, it was decided to commence the research by starting from the most unbiased position possible to be open for new insights on cultural perceptions.

On the other hand, the research approach of this paper is also not purely inductive, as it cannot be neglected, that the authors have gained knowledge on cultural theories during their studies. A completely unbiased approach of the research topic is, therefore, not entirely possible. Further investigation on
possible research approaches identified “abduction” (Alvesson and Sköldberg, 1994) as the best corresponding research method for this dissertation.

The abductive approach is a mixture between both afore mentioned approaches. By using abduction, it is assumed that any empirical study is conducted with the understanding of an underlying theory and not in a vacuum as assumed with the strict implementation of the inductive approach. Theory can be used as a source of inspiration and aid to uncover the patterns in the empirical material as a whole. Furthermore, the empirical data can be combined with earlier theories; a bonding of the two throughout the study is recommended (Alvesson and Sköldberg 1994). The understanding of the previous empirical studies would help avoiding the unrealistic speculations a deductive approach may imply. Therefore, the general theoretical approach of this paper is abduction, because results and ideas from earlier theories have been used to form the research process.

The following figure 2 depicts a comparison between deduction, induction and abduction as presented by Alvesson and Sköldberg (1994).

![Figure 2: Explanation of Deduction, Induction and Abduction](image-url)

**FIGURE 2:** EXPLANATION OF DEDUCTION, INDUCTION AND ABDUCTION

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Following the path of the abductive research method: empirical material and empirical regularities help the researcher to identify relevant theoretical argumentation, which will be used as a tool for the further elaboration of existent theoretical studies.

2.2.3 Type of Study

Research projects can be classified according to their purpose. The commonly used classifications are exploratory, explanatory and descriptive (Robson, 2002; ref. in Saunders et al., 2003).

This dissertation is a descriptive and exploratory study. A descriptive study is “a type of research that has its major objective in the description of something […]” (Malhotra and Birks, 2000, p. 79). It describes the ‘who’, ‘what’, ‘when’, ‘where’ and ‘how’ of a situation, not what caused it. This type of study is applied for the theoretical framework and also for the case studies in order to get a clear picture of the relevant theories and studies connected to this research topic, and, to describe the working process of the advertising agencies as well as the content of the conducted interviews.

However, the main study approach employed in this dissertation is exploratory, which can be already reasoned from the fact that the authors follow a hermeneutic research approach (abduction, see chapter 2.2.2). As the term suggests, exploratory research is often conducted because a problem area cannot be clearly defined, or its real scope is yet unclear. Consequently, the focus is initially broad and only loosely defined by rather preliminary and vague research questions. Nevertheless, the focus becomes progressively narrower as the research proceeds. The purpose of an exploratory study is to provide new insights into, and comprehension of the research topic. It gives answers to the ‘why’, ‘how’ and ‘when’ something occurs. Exploratory studies lead to a research process which can be characterised as flexible, loosely structured and evolutionary in nature (Ibid.).

This has been the case, when the research topic of this paper was chosen. The authors had no knowledge on how advertising agencies deal with cultural differences. It was unclear, whether cultural considerations play a role at all, or to
which extend they influence the procedure of developing international advertising. As a result, it was difficult to formulate detailed research questions in the beginning, and it was uncertain, if they would have to be changed during the progress of writing this paper. Last but not least, the whole research project was characterised by writing different parts of the paper without having a clear structure of the whole content from the beginning.

The explanatory research - also called “causal research” - has not been applied in this paper. Its major objective is to obtain evidence of cause-and-effect (causal) relationships and to test hypotheses (Malhotra and Birks, 2000).

2.3 Summary

The research philosophy chosen for this dissertation reflects the principles of interpretivism as the purpose of this research is to study a small amount of advertising agencies to achieve a deep understanding on how they approach cultural differences when they develop international advertisements. Complete objectivity of the researchers cannot be guaranteed, as especially the analysis of the interviews is often subject to personal interpretation of the given answers.

Furthermore, the theoretical approach of this paper is abduction, a mixture between both induction and deduction, because the empirical study is conducted with a basic understanding of an underlying theory. Theory is used as a source of inspiration and aid to uncover the patterns in the empirical material as a whole.

Finally, the research purpose of this dissertation is both descriptive and explorative. The descriptive approach is applied for the literature review and the description of the case studies. However, the main approach of this study is explorative, because it provides new insights into the research topic and gives answers to the ‘why’, ‘how’ and ‘when’ something occurs.
3. Empirical Method

The research process ‘onion’, which was presented in chapter two, is continued and finished. It includes the research strategy, which explains the approach of answering the research questions and includes the time horizon. In addition, the process of case study execution and the collection of empirical data are presented in a five phase structure ranging from the preparation of the case studies to the sample selection and to the final realisation of the case studies. The last phase gives a brief introduction into the analysis of the material. The chapter concludes with a discussion on reliability and validity of the paper.

3.1 Research Strategy

The research strategy is according to Saunders et al. (2003) the general plan of how to answer the research questions.

The principle research strategy of this paper is a case study. By adopting this strategy, the researcher can gain a holistic and profound understanding of a contemporary phenomenon within its real life context by using multiple sources of evidence (Saunders et al., 2003; Yin, 2003; Eisenhardt, 1989). According to Yin (2003), case studies are useful to answer questions of the type ‘how’ and ‘why’ in explorative studies. Therefore, this research strategy matches the research questions and the purpose of this paper.

Jensen and Rodgers (2001) offer the following typology of case studies which is depicted in table 1.
TABLE 1: TYPOLOGY OF CASE STUDIES

<table>
<thead>
<tr>
<th>Type of Case Study</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snapshot case study</td>
<td>Detailed, objective studies of one research entity at one point of time&lt;br&gt;<strong>Hypothesis testing by comparing patterns across sub-entities</strong></td>
</tr>
<tr>
<td>Longitudinal case studies</td>
<td>Quantitative or qualitative studies of one research entity at multiple time points</td>
</tr>
<tr>
<td>Pre-post case studies</td>
<td>Studies of one research entity at two time points separated by a critical event</td>
</tr>
<tr>
<td>Patchwork case studies</td>
<td>Multiple case studies of the same research entity, using snapshot longitudinal and/or pre-post designs.&lt;br&gt;<strong>Intension to provide a more holistic view of the dynamics of the research subject</strong></td>
</tr>
<tr>
<td>Comparative case studies</td>
<td>Multiple case studies of multiple research entities for the purpose of cross-unit comparison</td>
</tr>
</tbody>
</table>


In this paper comparative (synonym: multiple) case studies have been realised by conducting semi-structured interviews in three advertising agencies and executing documentary analysis. The central reason for choosing this multiple approach is, that it provides the opportunity to gain richer and more universal insights into the research topic, than it would be possible with the conduction of a single case study (see snapshot approach in table 1). With reference to Jensen and Rodgers (2001) the multiple approach allows making cross-unit comparisons. In this paper, direct comparisons of the agencies’ approaches to international advertising and to cultural differences have been made in the analysis chapter. This helped to detect regularities or so to say ‘best practice solutions’.

To sum up, the case study approach is extremely suitable for this paper and better than any other research strategy because it helps:

- gaining a holistic view on the process of creating international advertisements,
- detecting the constraints within the organisational setting when it comes to international advertising,
- identifying the extent of co-operation with the agency’s international clients,
• understanding the numerous strategic, creative and especially culture-oriented considerations that have to be taken, as well as, the motivations that stand behind them.

However, the conduction of case studies also consists of certain disadvantages. They do not permit to make empirical generalisations or to determine causalities between latent variables. In addition, it is difficult to transfer the findings to other situations. Furthermore, case studies have been denigrated as having insufficient precision, objectivity, reliability and validity. To prevent this lack of rigor often connected to case studies, a systematic procedure was followed during the process of data collection and analysis (see chapters 3.4.1 and 3.4.2 on the subjects of validity and reliability).

3.2 Time Horizon

This research is based on a cross-sectional study (Saunders et al., 2003). The paper’s aim is to investigate the advertising agencies’ current approach to culture. For this reason semi-structured interviews were conducted over a short period of time. Furthermore, the intension was not to analyse a change or development of the research topic over an extended period, as stipulated by the longitudinal studies (Sullivan, 2001).

3.3 Case Study Process and Data Collection Methods

In order to be able to conduct a meaningful research, suitable, reliable and valid data has to be collected. The inside layer of the research process ‘onion’ (see chapter 2.1) provides an overview on the various data collection methods.

The following section presents this study’s process steps for the case study conduction and the collection of the empirical data. This process can be divided into five phases (adopted from Ekelund, 2002) and will be explained in detail. However, before that, the definitions of primary and secondary data will be discussed briefly. Both types of data have been utilised in this paper.

**Secondary data** is information that has already been gathered and that is originally collected for some other purpose (Saunders et al., 2003). Secondary
data can be divided into internal data (‘ready to use’ or ‘requires further processing’) and external data such as published material, computerised databases and syndicated services (Malhotra and Birks, 2000).

The principal advantages of secondary data are, that they are easily accessible, inexpensive and quickly to obtain. On the contrary, this type of data might have been collected for purposes other than the problem at hand, so that its usefulness might be limited in terms of relevance, accuracy and up-to-datedness.

**Primary data** is defined as data, which has never been published or recorded before, and which is collected especially for the research project undertaken (Saunders et al., 2003). Primary data can be divided into qualitative and quantitative data (Malhotra and Birks, 2000).

The main advantage of primary data is its validity and relevance, because it is up-to-date and collected for the research purpose only. On the contrary, obtaining primary data can be both expensive and time consuming.

### 3.3.1 Phase 1: Expert Interview

After having decided on the research objective and the research questions, an expert interview with Nicole Borchers was conducted on 4th October 2006. Mrs. Borchers has 12 years of experience in the advertising industry and has been working in the creative department of five agencies in Germany so far. At the moment she is employed at the medium-sized advertising agency Agenta. Agenta has clients that work business to business and business to customer, but it is only focused on German clients and the German market.

The main purpose of this interview was to become familiar with the typical organisational structures of an advertising agency, the usual responsibilities of each organisational unit and its employees. This information was necessary to be able to contact the right employees at the agencies in Sweden. It turned out, that the most suitable person to contact is the account manager, as he is the mediator between the client and the creative department. The account manager is usually responsible for the strategic planning of a campaign and the related market analysis. He coordinates the whole project and should, therefore, have all the relevant information needed to answer this paper’s research questions.
Empirical Method

Furthermore, this interview has been used to learn more about the general process of developing advertisements from the point where the client briefs the agency to the final production of the ad. The question of cultural considerations was also discussed. On this subject, Mrs. Borchers provided some first and useful references on how an advertising agency might assess the importance of cultural differences, although she has had only very little experience with the creation of international ads.

The interview with a person independent from the research project was very helpful, because the authors of this paper have not been familiar with this industry and its tasks and processes before. Besides now being able to ask for the relevant person at the agencies, the knowledge gained from the interview served as an important basis for the preparation of the semi-structured interviews.

3.3.2 Phase 2: Sample Selection

It was not possible, but also not necessary for the purpose of this study to collect data from the entire population of the advertising industry. The authors believed that in order to achieve a broad and information-rich understanding about the agencies’ approach to cultural differences, it would be more appropriate to undertake an in-depth study that focuses on a small number of cases. Therefore, the non-probability sampling method has been chosen. Furthermore, the employment of a purposive sampling technique enabled the authors to subjectively select cases that have been considered to be particularly informative and appropriate for the research objective.

To be able to conduct the interviews within the given period of time and with regard to financial restrictions, only a few companies within a close geographical area could have been chosen. The choice was made to focus on the Skåne Region. If it would not have been possible to find relevant agencies there, it was planned to enlarge the geographical area to the city of Copenhagen.

A further requirement was that the agencies had to be engaged in the development of international advertising, either by adapting ads from non-Swedish clients to the Swedish market or by developing multinational ads for
Empirical Method

Swedish companies. In order to find out, if there are any differences in cultural approaches of network and independent agencies, it was important to have both types of agencies in the sample ("heterogeneous purposive sampling", Saunders et al., 2003, p. 175; Eisenhardt, 1989, p. 2).

The internet was being used to find out more about possibly relevant agencies and their contact details. According to the information on their homepages, six advertising agencies were identified as being relevant in the Skåne Region. These agencies were contacted by telephone to arrange a possible personal meeting with one of the account managers involved in projects with international clients. They were given an outline on the purpose of this study and the content of the interview. After the telephone call a more detailed introductory letter together with key interview questions/topics were sent to them via email.

Out of the six relevant agencies, three agencies agreed to a personal meeting and an interview. These are as depicted in table 2: Adentity, The Duffy Agency and McCann.

TABLE 2: SELECTED AGENCIES FOR THE CASE STUDIES

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Type of agency</th>
<th>Scope of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adentity</td>
<td>Malmö</td>
<td>Independent</td>
<td>- Full-service agency&lt;br&gt;- Active in the Swedish and international markets</td>
</tr>
<tr>
<td>The Duffy Agency</td>
<td>Malmö</td>
<td>Independent, but loosely connected to a network</td>
<td>- Full-service agency&lt;br&gt;- Active in international markets only</td>
</tr>
<tr>
<td>McCann</td>
<td>Malmö</td>
<td>Subsidiary of the network agency McCann Ericsson</td>
<td>- Full-service agency&lt;br&gt;- Active in the Swedish and international markets</td>
</tr>
</tbody>
</table>

Source: Own table
3.3.3 Phase 3: Case Studies

According to Yin (2003) there are six sources of evidence in doing case studies. For this dissertation
A. personal interviews and
B. documentation
have been used to collect data, due to the fact that both are relatively easy to collect within the time frame proposed.

Physical artefacts, participant observations, direct observations and archival records (Yin 2003) have not been used, because these methods are either too time consuming or not suitable due to technical constraints.

A. Interviews – Primary Data Collection

In this dissertation, the collection of primary data was done through interviews with account managers and CEOs in the above mentioned advertising agencies.

Research interviews can be categorised according to their structuring, that means the degree to which the questions are predetermined before the interview actually takes place. Figure 3 illustrates the spectrum from unstructured to fully structured interviewing and indicates the possible relationships to phases in the development of a theory.

![Spectrum of Interviews](image)

**FIGURE 3: SPECTRUM OF INTERVIEWS**

According to Burns (2000) structured interviews are predominantly used to test models or theories with consequent quantitative analysis (deductive approach), while unstructured or semi-structured interviews are mostly employed by
Empirical Method

qualitative researchers to build models or theories (inductive and abductive approach). In fully structured interviews every interviewee receives the same questions in the same specific order. The questions are all or nearly all close-ended, so that the respondent is forced to select the answer from a limited set of responses given. Open-ended or “in-depth” interviewing is conducted without any predetermined lists of questions. It resembles a free-flowing conversation on the topic area and focuses on the interviewees’ perception of themselves, their environment or their experiences.

As one of the purposes of this dissertation is to build a model or to add cultural dimensions to the existing theories, the semi-structured interviewing has been chosen to collect empirical data. This is indicated by the dot in the graphic. Although the employment of in-depth interviews would have been also possible, the authors decided against them, because of their so far only low experience in the conduction of interviews. The semi-structured approach implies that a list of possible questions and topics is prepared beforehand and introduced into the discussion when and where it is suitable in terms of the informants’ narration. On the other hand, additional questions might be added.

This form of interviewing has many strong points, for example that - by using rather open-ended questions - it invites the informant to speak more freely and in his own words. Thus, it enables the researcher to capture details and gain new understanding in areas which he had not thought about questioning beforehand. Semi-structured interviews also provide the opportunity of asking so called ‘probe questions’ where you ask the interviewee to explain or build on his/her responses (Saunders et al., 2003).

Moreover, a prepared set of questions or an interview guide, first, helps the unpractised interviewer to get a clear idea on the exact issues that he wants to discuss and helps to focus on the main points of interest. Second, it ensures that the same, or more or less the same questions are covered in each of the interviews. Third, it supports the analysis process as it enables an enhanced comparison and interrelation of the conducted interviews.

By recording each interview on tape, the interviewer is able to listen more carefully and can concentrate on posing the right questions at the right time. Taping also minimises inaccuracies and misunderstandings due to poor recall,
which is often the case when only written notes are taken in the course of the interviews. In addition, all questions formulated can be accurately recorded for a usage in later interviews and taping allows using direct quotations in the paper. For the interviews conducted in this research, it has to be mentioned, that each interviewee was informed of having the option to switch off the recording at any time.

**Criticism of Interviews**

The interview approach to collect primary data is of course not free of disadvantages. One problem might be the ‘interview effect’ which means that the interviewer leads the interview in a certain direction to match the purpose of the conversation. Furthermore, it can have the effect that the respondent feels uncomfortable with the situation which might lead to incorrect answers (Saunders et al., 2003).

It can also be argued, that the only person who understands the social reality in which he/she lives and acts in, is the respondent him-/herself. Therefore, the given answers are subject to personal interpretations of the interviewer and might be distorted by his attitudes or values. Moreover, the integration of information to draw conclusions is more difficult than with a fully structured interview, as it might lead to the loss or omittance of data.

It is also important to mention, that the authors did not want to ask the interviewees directly about their knowledge of cultural theories and their approach to cultural differences. Instead, the intention was, to let them mention the topic first and, thus, see how important the role of cultural considerations is for them. Therefore, they were told that the purpose of this study was to investigate ‘success factors of international advertising’ and not for example ‘the validity of cultural dimensions’. Also, the questions that have been sent to them did not include direct cultural questions, but rather indirect questions that could lead to culture-oriented answers, but also to other kinds of answers (see Appendix 2). During the interviews, the authors focused first on the questions sent to the interviewees, but as soon as culture as a topic was mentioned, they switched to the set of cultural questions which they had with them (see Appendix 3).
Critics might say that this is an unethical way to conduct research since the authors were not completely honest. However, the interviewees were not lied to, as cultural considerations can also be a success factor of international advertising. In addition, this more general approach to international advertising prevented researcher bias. Moreover, it helped to gain a comprehensive and complete picture of the whole context of international ad development and it was easier to discover and interpret the interrelationships among the various components within this context.

B. Organisational Documentary – Secondary Data Collection

Organisational documentary data such as advertising agency brochures, information at the companies’ homepages as well as downloaded data, agency presentations and correspondences have been used to collect multiple evidence for the case studies.

In addition, academic books and scientific articles on advertising in general, international advertising, culture and cultural theories have been used to give the authors a theoretical background, and to see, if there is a link between the collected empirical data and the theories and studies described in the literature.

3.3.4 Phase 4: Data Preparation and Display

Before analysing the data collected in qualitative research, it has to be documented and edited first. In case of interview data, this is done by transcribing the records of the spoken words (Flick, 2002).

As it would be too difficult and also not efficient for the reader to study the transcripts in their full extent, a description of each interview is provided in chapter 4. This description or “narrative text” (Sullivan, 2001, p. 463) is structured by referring to the various topics discussed during each interview. However, a focus was laid on the relevant themes for this paper’s research purpose. Irrelevant issues and answers given by the interviewees, or logically inconsistent data were neglected. The information derived from the interviews was enriched by integrating relevant documentary information when suitable. Saunders et al.
Empirical Method

(2003, p. 380-383) refer to this process of data preparation as “categorising” and “unitising” data; Miles and Huberman (1994; ref. in Sullivan, 2001, pp. 453-456) call it “data reduction” by means of “descriptive coding”. Strauss and Cobin (1998, p. 34) speak of “open coding” when they refer to the disaggregating of data into a limited number of categories in their grounded theory approach.

To ensure that the answers were placed in the same categories, the method of ‘double coding’ was applied, meaning that both authors have categorised the same set of raw data and discussed cases of disagreement (Sullivan, 2001). This increased the reliability of the research analysis.

As a result of this data preparation process, the reader is able to study a summarised description of all given answers to one topic, which might have come up at different points during the interview. This is reader-friendly and leads to a more comprehensive understanding of each case. In addition, simplifying and summarising the information by generating categories and reorganising the collected data accordingly, marks already the beginning of the analysis: it enables the researcher to organise and finally analyse the data in a more systematically and thorough manner, which in turn, accelerates cross-case comparison (Eisenhardt, 1989; Saunders et al., 2003).

3.3.5 Phase 5: Data Analysis

Analysing data is the heart of building theories from case studies. However it is also the most complex and the least codified part of the process (Eisenhardt, 1989).

Analysis of qualitative data occurs not only after, but also during the collection of data (Saunders et al., 2003; Sullivan, 2001). Figure 4 depicts the interaction between data collection and data analysis and puts it in relation to conclusion drawing.
Furthermore, data analysis continuously shapes the direction of the collection process, especially when following an inductive or abductive approach. This was certainly true for this research. After each interview the recorded tape was re-listened to search for well-formulated questions that could be used in further interviews. In addition, notes concerning additional questions or subjects to ask for the coming data collection session were taken. Especially after the first interview, the approaches to some topics were discussed, and in few cases, also modified for the coming interviews.

The objective of this research’s analysis was to allow concepts and abstract ideas to emerge from the data. Therefore, on the basis of the categories formed in the case description, analysis was conducted by looking for cross-case similarities such as key themes, patterns, regularities and relationships as well as intergroup differences. As a result, the authors were able to create meaning from the categories and the given answers. Yin (2003) refers to this as developing propositions by recognising regularities that emerge from data. According to him, the proposition-generating approach is closely related to exploratory case studies and, therefore, corresponds to the empirical method and the type of study of this paper (Yin, 1994; ref. in Saunders et al., 2003).

A table has been developed for the answers of the category ‘Approach to culture’. It serves demonstration of the points that have been mentioned in all three cases, in two cases or only in one case and, thus, helps to see the relevance of a given answer in each case. Furthermore, on the basis of the
derived meaning and interpretations of the interviews a model was developed that depicts the various influencing factors on international advertising development. In addition, with regard to this paper’s research objective, the relevance and significance of cultural considerations were set in relation to these factors.

3.4 Quality Evaluation of the Research

When deciding how the research should be conducted in order to get the answers needed and to minimise the threats to the credibility of the findings, two important aspects have to be taken into consideration: validity and reliability. Reliability has to do with consistency; validity has to do with accuracy of a research.

To have validity, one must first have reliability, which means reliability is a prerequisite for validity. However, it is possible to have a reliable measurement that is invalid, which means reliability is a necessary but not sufficient condition for validity.

3.4.1 Reliability

Reliability can be described as the ability to repeat operations of a study – like data collection procedures – with receiving the same results on different occasions or reached by different observers (Yin, 2003).

Marshall and Rossman (1999) state that non-standardised research methods like semi-structured interviews are difficult to repeat, as they are meant to reflect reality at one point of time and in a situation that may be subject to future change. However, in order to increase the possible replicability of this study the authors have provided detailed reasons why they have chosen the case study approach and how they have selected the advertising agencies and the respondents. In addition, an in-depth description of the data collection methods was given.

Saunders et al. (2003) mention four threats of reliability, namely participant error or participant bias as well as observer error and observer bias. Regarding
participant error, it can be said that the interviewees could decide when they have sufficient time for a meeting, and they have received the interview guide at least a week before the meeting to be able to prepare for, or to give feedback on it. Thus, it is believed that they were not under stress and their answers not distorted. Three of all four interviewees actually occupied a leading management position in the company, therefore, participant bias due to top management influence can be excluded.

Observer error cannot be fully excluded although it was tried to follow the interview guide in each interview. In the case, that questions or topics were discussed that had not been included in the interview guide, these questions were also brought up at all the following interviews in order to accomplish the same scope of information. Finally, the problem of observer bias can also not be fully denied, although the authors tried to be as objective as possible during the collection of the data and the analysis.

In general one can say, that replicability of this study is high because not only one but three case studies have been conducted that finally lead to the development of a model which presents the various influencing factors on international advertising development.

3.4.2 Validity

Validity determines whether the research truly measured what was intended to be measured, or how truthful the research results are (Saunders et al., 2003; Martella et al., 1999).

It can be assumed that the truthfulness of this paper’s research results is rather high, as multiple sources of evidence have been used per case to be able to look for rival explanations. Moreover, by recording all interviews, a lack of recall could be avoided. The complete transcripts of all interviews were saved on CD-ROM and were handed in together with this paper. This permits the interested reader to follow the entire processes of the interviews, to connect the answers to the analysis part and to comprehend the authors’ interpretations. Furthermore, this original data material shows, that all findings in this study are genuinely based on
Empirical Method

a critical investigation of all data and do not depend on only a few well-chosen examples.

Concerning the posed questions during the interviews, it was tried to formulate them as clear, simple and unbiased as possible. The greatest advantage of personal interviews is that misinterpretations of questions can be immediately recognised and, hence, easily corrected. In addition, probing questions\(^1\) have been posed frequently to test the consistency of an interviewee’s response on a particular subject, experience, or attitude.

The account managers' or CEOs' validity of knowledge concerning cultural considerations during advertising development can be assessed as high. As the questions were not of a sensitive or confidential nature, there is no reason to believe that some or all interviewees have given a biased version of their knowledge or experience.

The external validity (synonym: generalisability) addresses to what extent the findings of the study can be generalised to a larger population (Saunders et al., 2003). Yin (2003) states a researcher’s primary objective with case studies is to expand and generalise concepts or theories (analytic generalisation) and not to undertake statistical generalisations. Therefore, case studies are generalisable only to theoretical propositions, not to statistical populations.

The main purpose of this study was not to generalise the findings to all agencies; it was simply to find out what is going on in a particular research setting. Nevertheless, because the research findings were alike in all purposefully selected dissimilar cases and of such an unanticipated nature, that they might permit to draw some generally true implications. This is in line with Sullivan (2001) who writes that qualitative analysis uses raw data to create meaning on a more abstract and general level.

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\(^1\) Asking the same question in different ways or repeat it at a later stage during the interview (Miles and Hubermann, 1994).
3.5 Limitation

This research has limitations. It is limited to a small sample of Swedish advertising agencies due to time and financial restraints. These agencies have been selected because relevant information about their clients and international orientation could be found on their website. Therefore, companies without internet presence have been excluded from the sample, knowing that they might also be relevant for the purpose of this study.

A great advantage of the non-probability sampling method is the fact that it gives the researchers the control over the elements to include in the sample (Saunders et al., 2003). However, the use of this kind of sampling is open to a certain extent of researcher bias.

3.6 Summary

This chapter presents the empirical method of this paper. The comparative case study approach was chosen, since this strategy matches best with the research purpose and questions of this dissertation. To gain a rich and universal insight into the research topic, semi-structured interviews and documentary analysis were conducted within three advertising agencies over a short period of time.

The process of data collection can be divided into five phases. First, an expert interview was conducted to become familiar with the typical organisational structure and responsibilities within an advertising agency, as well as to learn more about the general process of advertising development. Second, by employing a non-probability sampling, three advertising agencies in Malmö were selected. The third phase consisted of the conduction of four personal interviews and the collection of documentary data from the agencies. The fourth step was dedicated to the documentation and edition of the collected data: the tape records of the interviews were transcribed, simplified and summarised by generating categories of answers and adding appropriate documentary information. The fifth and last phase describes the method of data analysis which included cross-case comparisons to uncover case similarities as well as intergroup differences. The chapter ends with a discussion about the quality evaluation of the research.
4. Case Study

This chapter begins by providing a general introduction into the environment of research for this paper: advertising agencies. Subsequently, a description of the conducted case studies is presented. Each case description begins with a presentation of the investigated advertising agency and an explanation of their working process in order to achieve a comprehensive understanding of how each agency conducts its business. Moreover, this knowledge is necessary to understand the content of the interviews which is afterwards described in a structure of thematic categories. Information from documentary data has been integrated when suitable to deliver a complete picture of each case.

4.1 Advertising Agencies

4.1.1 Definition

According to Jones (1998) advertising is carried out by three groups: clients, media owners and advertising agencies. An advertising agency can be defined as:

A marketing services firm that assists companies in planning, preparing, implementing, and evaluating all or portions of their advertising programs (Armstrong and Kotler, 2000, p. 427).

However, the work of the client and the agency overlaps to a considerable degree, as they can be both involved in all parts of the ad creation process such as: strategy development, budgeting, media planning, media buying and the advertising evaluation. The exact division of responsibilities between each client and its agency is never always the same and certainly not static. Nonetheless, the most significant expertise of an agency is its capability to develop creative ideas and to dispose of outstanding craft skills and negotiating abilities. Next to its traditional business, modern agencies today might also offer marketing consultancy services (Armstrong and Kotler 2000; White 1993).
4.1.2 Agency Classifications

The advertising industry is a very complex and heterogeneous field of business. Therefore, general classifications of agencies are difficult to make and are, furthermore, repeatedly subject to change.

Yet, a main distinction that can be drawn is to look at whether an agency exclusively produces ads for the local \textit{domestic} market or, whether it also creates \textit{international} advertising campaigns. Moreover, some agencies focus on \textit{domestic clients} (for the domestic or international market), while others also co-operate with small to mid-size foreign companies or big \textit{multinational companies}.

A second possibility of structuring the industry is to look at the ways the advertising function is performed. This can be done by an in-house agency or an outside agency. The latter can be divided into a full-service and a boutique or à la carte agency (Shimp, 1997; Ace, 2001). An \textit{in-house agency} is an advertising department within the organisation of the advertiser that takes care of advertising creation, media planning etc. \textit{Full-service agencies} have the talent and ability to handle planning, creation, production and placement for its advertising clients. They may also perform other marketing services such as sales promotions, package design and publicity. The third alternative is the \textit{boutique or à la carte agency} which focuses on particular tasks such as creative work, production or media planning; with the majority mostly doing creative work (creative boutique).

A third possible way to categorise refers to the question whether an agency is working independently or as part of a bigger network of agencies. ‘\textit{Mega-agencies}’ or ‘marketing organisations’ like the WWP Group (London) or the Omnicom Group (New York) own advertising agencies on a worldwide basis. The WWP Group, as an example, owns entities such as Grey Worldwide and Ogilvy & Mather Worldwide, each in competition with one another. Many of these agencies have themselves set up partner companies or affiliates in numerous countries. For instance, Ogilvy & Mather Worldwide owns OgilvyOne Worldwide and 141Worldwide in the US.\textsuperscript{2} Each company belonging to Ogilvy & Mather

\textsuperscript{2} To establish a better understanding of the advertising industry, please refer to appendix 3 showing major networks of the TOP four marketing organisations in the USA for 2005 (Advertising Age 2006, p. 41).
Case Study

Worldwide – or in a broader context the WPP Group – is then part of its global network organisation. Nowadays, there is an unmistakable trend towards these globally operating network agencies to support global marketing efforts of multinational companies.

In contrast to this, independent agencies function alone and are not controlled or influenced by a superior corporation. However, these independent agencies sometimes also form more or less loose connections with each other to benefit from information sharing or gathering etc. (Russel and Lane, 1997). The majority of these agencies only have domestic affiliates or simply a few establishments or affiliated local agencies in selected countries abroad.

Finally, advertising agencies can be classified according to their possible specialisation. The spectrum ranges from specialisation in particular industries (e.g. automobiles), in certain forms of communication (e.g. direct mail advertising and brochures) or in certain types of media (e.g. print ads or television commercials).

**4.1.3 Agency Organisation**

Although an agency may have various ways of organising itself, it normally executes the following four basic functions for its clients:

- Account management
- Creative services
- Media / Marketing services
- Research services

The account management creates the link between the agency and its client or potential clients. Account executives (synonym: account planners) solicit business for the agency. They determine the client’s needs and how the agency can fulfil these needs. Moreover, they help to formulate the basic advertising strategy, present media schedules, budgets and creative proposals etc. to the client for approval, and are responsible for accomplishing the work on schedule. Account executives usually report to an account supervisor who takes care of the overall account handling and maintains contacts with a counterpart at the client’s office (Shimp, 1997; Russel and Lane, 1996; White, 1993).
The **creative department** consists of the people who create the actual ads. Advertising agencies usually form their copywriters and art directors into creative teams. Creative teams may be permanent partnerships or formed on a project-by-project basis. The art directors, copywriters and their associated staff report to the creative director, typically a creative employee with several years of experience. He sets the creative philosophy of the agency and its artistic standards (Ibid.).

The **media or marketing service unit** is responsible for media selection, planning and buying to reach the client’s target market, to achieve the ad’s objectives and to meet the budget. They work closely together with the creative and planning department to chose the best media for the campaign, and they negotiate with the media owner (White, 1993). The head of this department is the media or marketing director.

The **research department** plays an important role in the agency as it provides the link between the agency and its clients on the one side and the target groups on the other side. This department employs research specialists who study the client’s target group, their buying habits as well as their preferences and responsiveness to advertising concepts and finished ads (Shimp, 1997; Russel and Lane, 1996). “Focus groups, ethnographic studies by trained anthropologists, and acquisition of syndicated research data are just some of the services performed by advertising agencies’ research specialists” (Shimp 1997, p. 316).
4.2 Introduction to Adentity Marketing Communication

4.2.1 Company Presentation

Adentity Marketing Communication
Södergatan 26, 211 34 Malmö, www.adentity.se

Adentity Marketing Communication provides strategy, concept and communication services and can therefore be called a full service agency. The slogan of Adentity is “building strong market positions.” Adentity believes in strengthening companies by offering consistent value based communication in line with corporate ambitions and values. It employs eight people and exists since 2000. The interview was conducted with Lina Nicander, one of the two founders of the company and the responsible person for account management.

Adentity works independently from any agency network as it prefers to build flexible and ‘customised international networks’ depending on each client’s needs. International experiences have also been gained through the development of campaigns crossing both cultural and geographical borders. Adentity claims, that in today's competitive environment, the importance of ‘act local, think global’ is ever increasing and that, regardless of a company’s competitive ambitions, there are no safe national barriers to rely on.


For Sony Ericsson - a company dedicated to producing and marketing mobile phones - Adentity developed a global launch campaign for a new generation of accessories. For Kinder – a product series of the Italian chocolate and confectionary manufacturer Ferrero – integrated campaigns are constantly developed to support brand equity and Nordic sales through different channels from consumer advertising (above the line) to trade and in store promotion (below the line). The Kinder brand is the only client for which Adentity currently adapts ads to match the Scandinavian market. BRIO Toys - a Swedish manufacturer of wooden toys - commissioned Adentity to strengthen the BRIO Toys’ message and its brand position across markets. A global brand concept with a central
campaign was developed and channelled through TV and printed ads, campaign sites on the Internet and marketing support for trade fairs etc. For Tetra Pak - a Swedish company that develops and produces processing and packaging solutions for food - Adentity developed an international marketing concept and a campaign for one new and innovative product that has been executed in channels like film, industry and print advertisements, web and food fairs.

### 4.2.2 Company Working Process

Figure 4 illustrates the working process of Adentity. The model reflects the agency’s systematic approach that shall “ensure success by having all steps in line with each other” (Adentity Company Image Brochure, n. d.). This process and its steps can be roughly divided into three main parts: strategy, concept and implementation. It is identical for B2B or B2C activities and can be applied to an entire company or just a business unit.

![Figure 4: Adentity Working Process](image)

**FIGURE 4: ADENTITY WORKING PROCESS**

Source: Based on *Adentity Company Image Brochure (n. d.), p. 10.*

In the **strategic part** of the process all critical success factors of communication are analysed on a strategic level. This part begins with the definition of the **mission and vision** of the company or business unit. In most cases, the mission and vision are already existent and Adentity simply takes them over and into
consideration. However, if this is not the case, for instance, when the mission and vision shall be renewed, Adentity and the client develop a new mission and vision that reflects the company’s values and history, but at the same time addresses its aspired future objectives.

The **analysis of industry, customer, competitors as well as trends and development** is executed to thoroughly understand the market and its drivers, the competitive arena as well as the target groups. For Adentity, these analysis steps are crucial, because they enable the agency, on the one hand, to identify a company’s values and strengths and, on the other hand, to compare them to the market environment and its conditions to reveal the company’s weaknesses. With regard to advertising development this knowledge supports Adentity in finding the right commercial fit, because according to Mrs. Nicander (2006): “We can’t make a concept that would be the best for the market, but it doesn’t fit the company.”

After the analysis part, Adentity and the client conduct so-called **brand workshops** where discussions on customer segmentation, brand positioning and communication objectives are led. Here, next to Adentity and its direct contact person from the client, also responsibilities from each foreign market branch have to take part. The **brand strategy**\(^3\) will be formulated by Adentity on the basis of the decisions taken during these workshops together with the information gained in the strategic analysis.

The second part of this process is the **concept part**. It begins with writing and passing the **creative brief**, which contains all information on background, product features, objectives, target audience etc., to the creative department. On the basis of this brief, three different **creative concepts** of the campaign or advertisement will be developed by the creatives. These concepts will be evaluated and tested by consumers in the markets where they should run. This is usually done by showing the concepts to focus groups, conducting personal interviews or by using consumer panels in cooperation with research institutes. As a result, Adentity and the client can be more confident, that the campaign will

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\(^3\) A plan for the systematic development of a brand which enables the company to meet the agreed objectives. The brand strategy should influence the total operation of a business to ensure consistent brand behaviours and brand experiences (Interbrand, n. d.).
Case Study

be understood and perceived by the target group in the intended way. Taking the feedback into consideration, Adentity then adjusts its concepts by, for example, combining aspects of them or leaving one or two concepts out. It can also happen that Adentity has to come up with three totally new concepts to test again, before the final choice is presented to the client for acceptance.

The last steps of the concept pertain to implementing the campaign. First, the activity planning is prepared. This concerns decisions on the right media to use, how often and when the advertising will be shown etc. The last step of the process marks the final production of the campaign which is conducted or organised by Adentity for all countries where the advertising will run.

To summarise, one can see that Adentity has a wide range of expertise that starts at a very early strategic point and ends with the final production of the advertisements. The aim of this process is to strengthen a client’s market position by producing integrative communications. Depending on the client's needs, this process must not be executed entirely, as some clients do not need support in market analysis, but want to start at the point of communication concept development.

4.2.3 Requirements for Successful International Advertising Development

For Adentity, creating a successful international advertising campaign means to build a communication concept around the core values of the brand. This concept has to match the organisation by integrating the values and the vision of the company. In connection to this, Mrs. Nicander states, that a good concept – the basic idea of a campaign - should be able to sustain for a long time. Only then it would be possible, to build up a clear and unified position in all the markets that the company serves. Adentity also speaks in favour of focusing on consistent messages on regular, but not frequent intervals instead of doing plenty of things all at once. This has the nice side effect that a company can also limit its marketing resources.
In addition, it is important to be very familiar with the market and its drivers. On the one hand, it is essential to be informed about the competitors’ strengths and weaknesses, their products and how they market them in order to find a way how the client can differentiate himself to them. On the other hand, it is important to know everything about the consumer which could help to find the right way to communicate to him. How is his attitude towards the product? Which needs does he want to satisfy with it? What motivates him to buy it? What hinders him to buy it? What does he think about the company?

According to Mrs. Nicander, a successful international advertisement should also be easy to understand. Therefore, the essence of the communication platform should not be too complicated. It should be straight and it has to build on some ideas that appeal to the people. In case of BRIO Toys, Adentity has chosen a very simple, pure and traditional concept which was called “Connecting Generations”. To the agency’s point of view, the essence of the BRIO brand is that its products are of a high quality and value and serve a pedagogical or educational purpose. Furthermore, wooden toys are very traditional and should have a lasting value for the kid. “BRIO toys are not found in a garage sale. It’s really that the people have the idea that you inherit them, and you can also pass them on to your own kids” (Nicander, 2006). Therefore, it was Adentity’s primary aspiration to have this brand essence reflected in the communication concept.

Next to the market related factors that have to be considered to create a successful international advertising, there are also more company related factors that have an influence. This includes, for example, a huge amount of negotiations with the market responsibles of each country. To Mrs. Nicander’s view, a non-domestic agency is always regarded as an alien who is not familiar with the individual market conditions and consumers. One of the key factors of success is, therefore, to get all these people involved, to integrate and to convince them that you have a good idea which also supports their market position. As Mrs. Nicander said, just telling them what to do will not lead to something unless they are part of a very hierarchical company like L’Oreal. Otherwise they have their own budgets and can develop their own campaigns.

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4 The brand’s promise expressed in the simplest, most single-minded terms. For example: Volvo = safety (Nicander 2006).
On the question of what the three most important success factors of international advertising development are, Mrs. Nicander answered:

1) Bring the idea into something that is communicated in the end. Or, in other words, defend your market communication idea during the whole process from the beginning of the analysis to the concept phase into the final implementation, despite all the internal political discussions and the time perspective that might have an enormous influence. And finally, stick to your communication concept in all produced ads, brochures etc.

2) Get people on board from the very beginning on by working closely together with the client and the various market companies to get the concept accepted and implemented inside the company.

3) Ask the consumer about his opinion and test your communication concept before you implement it.

### 4.2.4 Client’s Influence on Advertising Creation

In general, Adentity focuses on long-term relationships with their clients, because the agency will then be able to build up a feeling about the work in this company, and how it can connect this company to the market to make the best out of the two.

Concerning the decision whether to standardise or adapt an advertising campaign, it is the client who plays the most influential role. If he has a general policy of local adaptation, or if he has the budget to do it, then he might decide for adaptation. However, if he has neither of it and wants to run a single campaign, then Adentity has to produce a standardised ad that can be used all over the world. It could be that in some cases, Adentity would prefer to adapt a campaign to certain countries, but “that's the name of the game” Mrs. Nicander said, meaning that Adentity does not have the power to change it anyways.

The decision if a campaign has to run globally is also taken by the client. Depending on the client's structure, it is the global marketing department that gives the order, or the marketing department at the headquarters. Then, it is the task of both Adentity and the client to get all market companies on board.
In addition, the whole repertoire of Adentity’s creativity might as well be restrained to some extent by the client, because everything the agency creates has to fit the company and its corporate culture and values. Therefore, Adentity cannot offer all kinds of ads to the client, because the risk to have them rejected and to loose the client after a short time is too high.

### 4.2.5 Approach to Cultural Differences

Hofstede’s cultural dimensions or other cultural theories are neither known nor applied at Adentity. Mrs. Nicander also believes that their application would not be very helpful because “theories are often more complicated than the reality” (Nicander, 2006). According to her, applying cultural models or theories in advertising would simply lead to the emphasis of stereotypes. And this could be dangerous, because these stereotypes would be immediately recognised by the people of the culture in question, who in return will evaluate the ad as too exaggerated and simply ridiculous. “It is like in an American film: there is a Swedish girl and she is blond and she is called Inga! That is too obvious and it offends the Swedes” (Nicander, 2006). The agency has also not developed its own set of cultural dimensions, as culture is seen as something which evolves over time and cannot be put into fixed categories that remain forever.

According to Mrs. Nicander, an ad agency has to be aware of the cultural differences when it comes to international advertising development or the adaptation of ads for the Swedish/Scandinavian market. But the cultural topic has always to be seen in connection to the whole context which consists of the company’s culture, the brand values\(^5\) and the product features.

For Adentity the first thing they start with, is to find out what the essence of the brand is and what the product’s benefits are. If it is a good brand - that is a brand with a clear image and a stable brand personality\(^6\) - then this brand essence should be recognisable in Sweden and Germany likewise. In addition, the product’s benefits should always be clearly communicated and should fit to the company’s culture, history, values and corporate image. For example, for Tetra

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\(^5\) The qualities, traits and characteristics for which a brand stands (Kotler, 2001).

\(^6\) “The way in which a consumer perceives the brand on dimensions that typically capture a person’s personality – extended to the domain of brands” (Aaker and Biel, 1993, p. 84).
Pak, Adentity has developed a brochure for a new and innovative product that keeps food fresh for a very long time. Keeping these product features in mind, Adentity developed a brochure which was very product-oriented and conveyed a feeling of freshness, modernity and cleanness. It also showed a man serving his family at dinner, because for Adentity a man serving is connected to the innovative character of the product. This could have caused problems in some countries, for example in the Arabic ones. However, Adentity decided to take this risk, because the product was the main driver of the content and the creative execution of the brochure.

However, besides the brand values, aspects such as typical eating and drinking habits, the right look of the people and their clothing and typical consumer settings are taken into account as well. These are visible aspects of culture which have to be applied in a right way in advertisements, because mistakes would be instantly recognised. In case of international ads, these visible aspects have to be avoided accordingly, because otherwise, the agency would get into the cultural dilemma as “you can recognise where this family lives and what kind of social level they have” (Nicander, 2006).

When Adentity starts to think and analyse the consumer, then the employees always think in target groups or the segment they focus on. For Mrs. Nicander, culture is just one feature of the target group and also not the dominating one, because sex, the age and the educational level are equally important. “So, it is not like we take the US and say the culture is like this. No, we look at what segment, what age. Or, when we take BRIO: we look at the educated parents between 28 and 35, driving a Volvo. […] That’s more really how you map out the segment or the target group. And that target group in the US is not so very much different from the Swedish segment” (Nicander, 2006).

To achieve this fit to a culture, Adentity’s employees rely to a broad extent on their experiences and simply ‘gut feeling’. They know which advertising appeals and which slogans or motifs work in Sweden; maybe because they are also Swedes and very familiar with their home market. When it comes to the development of international campaigns, they rely very much on the things that they learned from the client in the beginning and during their working process.
In the case of Kinder, Adentity has to adapt the campaign to the Scandinavian market. This is often done not just because of cultural reasons, but also because the agency also wants to make creative adaptations such as simply doing something different and focus on something else. However occasionally, the German ads simply do not fit the Scandinavian market as they are a little bit too exaggerated. As an example, Mrs. Nicander referred to the role of the mother in the German Kinder TV spots. According to her, the German housewives act like “super-housewives” and she believes that this role of the overall caring mother who is always at home to welcome her child is not the reality in Sweden and, therefore, not suitable for this market.

Naturally, Adentity is also familiar with the general do’s and don’ts of international marketing, like Mrs. Nicander put it: for example not showing women’s shoulders in Islamic countries. However in the end, it is always the consumer testing of the three communication concepts that gives Adentity the most interesting insights to a culture or target group which helps to make the final decisions. Mrs. Nicander firmly believes that an agency - and also the client - cannot and should not say what the consumer really thinks and what he or she might like. It is important to mention here, that Adentity conducts this testing for the Swedish or Scandinavian market as well.

4.2.6 Viewpoint on Standardisation vs. Adaptation

Adentity’s focus lies on the development of standardised global campaigns, because they believe that “the world is getting in some ways closer together” (Nicander, 2006) and that some target segments approximate each other.

This agency believes very much in having one communication platform or one central package, and not a different platform for every country. With regard to local adaptation, Mrs. Nicander says, that the client’s subsidiaries in the different markets have some kind of possibilities to adapt, because Adentity presents them a set of pictures from which they can choose, or it discusses with them the most suitable copy text for their country. Translations are of course always available. However it is absolutely necessary that the communication platform - the concept of the campaign - remains untouched.
In general, Mrs. Nicander believes, that if advertising matches the core values of the company and is in line with the global market trends like, for instance, health, then it can be rolled out in a standardised way across many markets. However, it is important to keep in mind that global marketing cannot be too specific on a country level.

Furthermore, the question to standardise or not also depends on the product itself. For some products the target groups in many countries are really alike. As an example, Mrs. Nicander mentioned technical devices for engineers or products aimed at intellectual, highly educated people. In these cases, it is reasonable to create a global campaign that communicates to these target segments “very spot on” (Nicander, 2006). Then, cultural differences do not play an important role anymore.

It would also be possible to employ advertising globally, if one can produce a campaign that is very much focused on the product, like an advertisement with a Sony Ericsson mobile phone, a nice graphical background and only one key message. In contrast to this, constraints to standardisation always come up when the company wants to show consumer situations, for example, how a typical family sits together and has dinner. Then, it would be indispensable to think about the ‘geographical and cultural signs’ in the advertising. Making a catalogue for IKEA that shows people next to the furniture would mean to have Asian people in the Chinese version and Arabian people in the Arabic version. Another solution would be to put different ethno types in the catalogue, so that each culture can connect to it.

4.3 Introduction to The Duffy Agency

4.3.1 Company Presentation

The Duffy Agency
Ängelholmsgatan 1A, 214 22 Malmö, www.theduffyagency.se

The Duffy Agency is an English-language ad agency with around 20, mostly multinational employees. It is a full-service agency offering the complete range of advertising services: strategy, research, copy writing, art direction, design, pre-testing and global implementation. Besides, the agency also provides
consultancy to their clients to help them to achieve their full potential on the market. Areas of expertise in this business are, for instance: brand identity and strategy, internal training and coaching, communication audit & assessment and business intelligence.

Duffy was founded five years ago by the American Sean Duffy. The agency is specialised in providing services for export companies and, therefore, has extensive knowledge about different cultures and consumer habits as well as how to effectively communicate to them. The clients are either large established multinationals or small ambitious start ups. However, they always have two things in common: they communicate outside their home market and want to build strong brand equity (The Duffy Agency: Company Presentation, n. d.). Duffy does not create or adapt advertisings to the Swedish market.

The Duffy Agency has a sister agency in Boston, managed by the brother of Sean Duffy, Kevin Duffy. Moreover, they are part of the ‘Transworld Advertising Agency Network’ (TAAN). TAAN is a global association that consist of over 50 independent advertising agencies across Europe, Asia and the Americas. The interview was conducted with Sean Duffy, CEO and account manager of The Duffy Agency.

Some of The Duffy Agency's most well-known clients are the Swedish companies Alfa Laval, SAS and the Danish NovoNordisk. The agency works with both B2C and B2B clients. For SAS, the agency developed a new brand identity easily adaptable to the needs of over 45 different markets. In addition, it created a modular advertising system allowing local market managers to select from a menu of topics to appear in their ads. Another ad campaign was developed for NovoNordisk, the world's leading producer of insulin. Press releases on the possible dangers of genetic engineering prompted NovoNordisk to explain their technology in a way that it can be easily understood by non-scientific people in Europe, North America and Asia. The Duffy Agency managed country adaptations, so that the explanation could be understood everywhere. For Alfa Laval - a leading global supplier of products and solutions for centrifugal separation, heat transfer and fluid handling - Duffy takes care of the beverage segment by developing several launch campaigns for new products. This included advertising, trade show booth design and collateral for both internal and external awareness campaigns.

4.3.2 Company Working Process

For each advertising campaign or project, The Duffy Agency sets up a team composed of employees of every function within the agency. The agency’s working process is depicted in figure 5 and consists of the steps: estimate, time plan, brief, concept, execution and review. This process is essential and nothing in the agency is executed without following this process.

![Diagram of Duffy Working Process]

FIGURE 5: DUFFY WORKING PROCESS
Source: Own figure, based on The Duffy Agency: Company Presentation, (n. d.), Malmö, p.15.

The process starts with the estimate. The estimate is a written order confirmation which contains a short description of the project and the client’s needs. This estimate has to be approved by the client before the time plan can be set up. The time plan states who in the agency has to do what, until when. It is an important means, as it helps to organise the project, to set deadlines and to keep the work focused.

The third step in the beginning of the advertising development is the brief. It usually comes from the client and consists of standard parameters such as the overall communication message, the medium to be used and other key
information or selling points. Some clients prepare the brief very accurate and in detail, while others define it more open. The Duffy Agency revises it and looks after, that it contains the following most important aspects concerning a campaign (Creative Brief, 2006):

- the description of the promoted item,
- the description of the target market,
- the description of the need the product aims to satisfy,
- the description of the emotions to address,
- the description of the competition,
- the description of the central message of the ad,
- the description of the communication objective,
- the description of the communication channels,
- the description of the guidelines/mandatories from the client.

Finally, the brief goes back to the client for approval. It then serves as the ‘road map’ for the communication concept development of the advertising campaign.

The concept step is typically started with the conduction of research. The exact amount of research is dependant on the budget and the timeframe set up by the client. Subjects of research are the client’s company and product, the competitive arena in the market, the market conditions and the consumer. In order to receive information on each aspect, the agency conducts, for example, personal interviews with the local departments of the client to find out what kind of advertising and which communication concept they need and expect. Furthermore, it carries out focus groups in relevant countries to learn more about the target group’s needs and whether they are open to the product solution for this need. An advantage of talking to the consumers is that The Duffy Agency’s employees find out how they express themselves. This important insight is very helpful regarding the ad’s copy creation for the specific country. Concerning the competition, the agency carefully looks at their products and advertisings in the market.

Bases on the research results the communication concept together with the creative execution is developed. According to Mr. Duffy, communication that motivates globally works on three levels:
1) *What you say – the strategic message*

The Duffy Agency greatly emphasises this point. It is essential to figure out first *what* you want to tell your consumers, before you start caring about *how* you do it. This is a mistake often done by clients. Therefore, Duffy first presents a sketch of the ad to the client, as it wants him to focus on the idea and not on the execution.

2) *How you say it – the original creative*

This part includes the choice of pictures, headlines, copy text as well as other creative features. The creative execution is developed by the creative team in accordance to the brief. This is the generic part of their work, or as Mr. Duffy has put it, “I think when people go to an ad agency, they expect them to be able to take photographs well and write a good copy” (Duffy, 2006). The final choice on all features is decided in cooperation with the client.

3) *Who helps you say it – effective adaptation*

Once the compelling message is created, it has to be adapted to suit the local language, regulations and cultural norms of each market. The Duffy Agency employs an extensive network of specialists who not only translate the message, but also ensure that its selling power is preserved.

After the concept is developed, it is tested and evaluated by focus groups in the various countries where the ad should run. As it would not be possible to conduct tests in every country, the agency selects representative countries of the major market areas like Asia, Europe and the Americas. This is called ‘market mapping’. After these countries are chosen, five main cities in each country are selected. Finally, in each city three focus group interviews are conducted. The focus group interviews are executed by the agency’s employees, as Mr. Duffy believes it is only possible to understand the motives behind the answers, if you talk to the people yourself. Taken the answers of the consumers into consideration, the advertising is adjusted and presented to the client for final approval.

The next phase is the *execution* of the campaign via the chosen media. An activity plan is set up to integrate all marketing efforts in a way, that it creates the biggest impact. The timing of the ads is worked out together with the client. The
objective of this plan is to safeguard, that the activities work in harmony and generate greater return to the marketing communication investment.

The final step is the review and evaluation of the campaign's success. By receiving feedback from the client and the market and looking at the good and bad parts of the campaign, The Duffy Agency's employees can learn from each project and improve their services continually.

4.3.3 Requirements for Successful International Advertising Development

Because of their specialisation, the Duffy Agency is absolutely aware of international differences concerning culture, market positions, consumer habits, target groups, media use, legislation etc. To its mind, an agency can only provide successful services on an international level, when it is able to consider all these different issues in advertising development.

For Mr. Duffy, one general objective of a successful advertisement is to build up awareness and perception. “If people don't know you exist, they can't buy your product. And if they know you exist but they don't like you, then they will not buy your product for sure” (Duffy, 2006). Thus, fulfilling both pre-conditions is essential for every company. According to him, global advertising also has to be in a way simple, so that it can be easily understood by every target group.

Furthermore, successful advertising means to develop a communication concept that supports brand building in the market. The activity of brand building can be described as the perception management of the brand in the market. A necessity in international advertising is to build up the same brand image and brand position in all markets. As a basis for this, it is essential to agree on one brand personality. According to Mr. Duffy, the brand personality consists of a set of images, a certain tonality of speaking, a certain look etc. which have to be consistent in every country. This is oftentimes a problem for the client, as his different market companies - and occasionally also the marketing employees in the headquarters - have a different picture of the brand. The task of the agency is
then, to define the brand personality together with the client and to deduct the brand building activities from that.

In connection to the brand, it is vital to know which feature of the product has to be stressed in the ad. The Duffy Agency differentiates between the core feature (e.g. being able to make phone calls with a mobile phone), the add-on-features (e.g. a mobile phone that has a camera, different ring tones, internet access etc.) and the brand features (e.g. the image of the mobile phone producing company). A product is always sold on all these three features which are all important. The task of successful advertising is to find out, which one is more important for the target group and how you can convey this in the ad.

Next to the brand and product, it is also important to be familiar with the target group such as knowing its information seeking behaviour and attitude. As an example for addressing the target group in a right manner, Mr. Duffy referred to medical ads. Their target group is, of course, doctors. During research, the agency’s employees learned that focusing on product information in medical ads is not effective, as doctors prefer the scientific articles in the magazines to learn more about new medical devices. They do not care what information is given in the ads. Accordingly, the agency decided to focus brand awareness building and brand positioning in the medical ads for their clients.

Because the possibility of failure multiplies with every country entered, the adaptation of advertising to the local market is also a key factor for success in international advertising. It is often an error of reasoning that Swedish clients believe, they could execute one campaign alike all over the world without taking market and culture related differences into consideration. Adaptation means not only to translate, but to recreate the ad to fit the specific country and culture. And this does not only include the creative aspects, but also the media strategy. Still, one has to be careful not to change the idea of the campaign - the communication concept. But according to Mr. Duffy, it might also be necessary to run separate campaigns with different communication concepts, if it is not possible to find enough similarities in the markets or with regard to the consumers’ needs.

Another factor influencing the success of international advertising campaigns is the fact that more negotiations are needed than in domestic ad creation. The
Duffy Agency has, on the one hand, its contact person in Sweden, but on the other hand, also a number of marketing responsibles in each foreign country who have to be convinced of its idea. In this context, Mr. Duffy referred to the ‘not invented here’ syndrome which describes the negative attitude of local marketing managers towards ads developed in another country. “Coming up with a brilliant idea is really not that hard, getting it implemented is really difficult” (Duffy, 2006). Thus, with regard to international advertising it is important to get all market responsibles on board, to win their confidence and trust and to gain absolute acceptance within the entire company.

A second, more company related factor that has to be kept in mind, is the fact that more strategic work is needed. To advertise in many different countries raises the possibility of failure. “The stakes are higher and you might have to struggle with a lot of strategic issues that you would not have in your home market” (Duffy, 2006). That is one reason why the agency has built up the consultancy branch to support their clients in making these strategic decisions.

On the question of what the most important success factors of international advertising development are, Mr. Duffy provided the following information (Company Memo, 2006):

1) The communication concept - the message - has to be differentiating, focused, relevant for the target group’s need, compelling enough to motivate, believable, consistent with the brand values and personality as well as sustainable/credible over time.

2) The execution concept - the way the message is communicated - has to stand out from its media surroundings, be focused and support the brand values and personality as well as relate to the way the target group communicates. Furthermore, it has to be ‘possible’ with regard to the given time, budget an resources available, and it has to be applicable to other parts of the world.

4.3.4 Client’s Influence on Advertising Creation

Within The Duffy Agency half of the clients give very strict guidelines, while the other half rather relies on the agency’s experience and does not influence the campaign creation to a great extent.
Interestingly, the clients who already have concrete ideas on the campaign are not very popular in the agency. This was explained by the fact that these clients are often consulted by design firms or graphic designers trying to incorporate the work of an ad agency. Thus, they develop not only the graphical guidelines for the company, but also its brand strategies or communication concepts. This, however, does not necessarily lie in the expertise of these firms, or as Mr. Duffy said: “The last person you want in the world to build your brand strategy is a graphic designer” (Duffy, 2006). But when these clients finally come to The Duffy Agency, everything from the concept to the design of the ads is already worked out. And the agency seldom has the influence to amend these already very fixed ideas, even if it believes it could develop a better solution. The employees try to stretch the guidelines and modify them as much as they can, but very often, they just have to execute them, because everything these clients care about is consistency.

The other half - in Mr. Duffy opinion, the ‘better’ clients - are more flexible and leave most of the work to the agency or work closely together with them. They do not only care about consistency, but are principally very marketing supportive and see advertising as something that is going to build brand equity\(^7\), or as something that brings them a lot of money. These clients know that the market constantly changes and that they cannot stick to once set up graphic guidelines. Their briefing consists of a first idea on a message and they assign the agency to build a communication concept and creative around it, so that it will become a good campaign. According to Mr. Duffy, the agency is able to provide better work for those clients than for the less flexible ones.

4.3.5 Approach to Cultural Differences

Neither the cultural theories of Hofstede, nor Hall are familiar to Mr. Duffy. Accordingly, their dimensions are not applied in the agency. Moreover, The Duffy Agency has not developed its own set of dimensions to classify cultures.

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\(^{7}\) Brand equity refers to the value of a brand. It is based on the extent to which the brand has high brand loyalty, name awareness, perceived quality and strong product associations. Brand equity also includes other “intangible” assets such as patents, trademarks and channel relationships (Tutors2u, n. d).
As a result to the explanation of Hofstede’s and Hall’s theories, Mr. Duffy stated, that these theories are nice and helpful ways to create an ad, but that there are, on the other hand, thousands of ways to categorise countries. According to him, these categories are basically stereotypes based on some observations made in the past. However, they can be a reasonable starting point for approaching culture, for instance, by believing that “Spain or Brazil are masculine and therefore the men are all machos” (Duffy, 2006). But by analysing these men, one will find out, that there are different reasons why the man in Spain is a macho, and why he is one in Brazil. And that is what every agency aims for: to understand the underlying motivation, the reason why. Therefore, The Duffy Agency always has to look at the target market itself. Relying on dimensions developed by someone else is not enough.

The Duffy Agency’s method to approach cultural differences is, that its employees form hypotheses based on the knowledge they already have. This can be a rough idea, stereotypes or something learned from experience. These hypotheses are always tested by going out to the market in question, talking to the consumers and collecting secondary data in form of already conducted research etc. Usually, not all of the set up hypotheses proof to be correct after the testing phase. But working like this, enables the agency to seek new and relevant insights on the target group. In relation to this, it is important to mention, that the agency’s employees also conduct campaign tests, to ensure that the advertising is perceived in the intended way. “I can guess what you are going to respond to in an ad, or I could just ask you: hey, do you think this is better or this? It’s much easier to ask you” (Duffy, 2006). Many clients agree to this point of view and are often inclined to spend a little bit more on testing to increase the probability of success.

On the question whether Mr. Duffy believes, that the appliance of cultural dimensions to encode advertisements and to analyse a country’s culture is reasonable, he answered very clearly: “I think that this is absurd. What does collectivism have to do with my choice of toilet paper?” (Duffy, 2006). To his mind, analysing backwards from the advertisements would wrongly suggest that ads are an accurate measure of cultural acceptance. To him, the result of an advertising development process has only little to do with what the most suitable message for each country or culture is. He continued by stating, that the creation of a campaign is dependent on many things such as the budget, the client’s
marketing abilities or the agency’s skills and competences. Simply looking at a country’s advertising and claiming to know how you have to communicate to this culture is no automatism. As an example, he referred to the Japanese ads of Levi’s, which were specifically made to upset the older Japanese people. “The more upset the older people got, the young people were more into it” (Duffy, 2006). In these ads one could not find anything typical for the Japanese culture. Furthermore, Mr. Duffy claimed, that the appliance of cultural dimensions can sometimes even be dangerous, since the people’s value appreciations change all the time and the data the dimensions rely on, is not up to date.

4.3.6 Viewpoint on Standardisation vs. Adaptation

According to Mr. Duffy, the trend is clearly towards standardised advertisements, since it becomes more and more important for companies to establish global brands. As a result, he said, the clients often cut the competences of their local brand managers and try to centralise their marketing activities.

However, Mr. Duffy sees negative sides in standardisation. According to him, employing standardised ads worldwide is an expensive business. “If you want the people to see the same things all over the world at the same time, then it will cost a lot of money” (Duffy, 2006). In addition, most of the standardised ads are not very special. They often only achieve consumer awareness because their exposure to the public is immense thanks to the company’s big media budget.

To Mr. Duffy’s mind, there will never be truly standardised campaigns. The answer to standardisation or adaptation will fall in between: on the one hand, there are the core brand values and the brand personality that always remain the same; on the other hand, marketing tactics are adapted to local market conditions. According to him, it is necessary to give the local markets the flexibility to “address a price issue in one market, address the quality issue in another market and maybe the safety issue in a third market, without disturbing your brand. [Consistency] is keeping enough of the same things in every market and give them the flexibility to adapt” (Duffy, 2006).

Providing the local markets with more flexibility results in the consequence that excellent local marketers are needed, who know what can be changed or not.
The problem of adaptation is not to change the language or to employ the right creative methods. It is also not a problem to achieve a comprehensive understanding of the local markets and their consumers. The problem is especially for mid-sized companies, not for Unilever or Nestlé – that they have no infrastructure within the organisation to execute locally adapted global campaigns. To Mr. Duffy's view, the one thing that needs to be changed is to “have better trained marketing people in the subsidiaries managing the advertising” (Duffy, 2006). Furthermore he demands, that it has to be possible to recognise that an advertisement is coming from a specific company, no matter if it is adapted or in which spot in the world it is shown.

4.4 Introduction to McCann Malmö

4.4.1 Company Presentation

McCann Malmö
Gustav Adolfs torg 8c, 211 39 Malmö, www.mccannmalmö.se

McCann Malmö has 25-30 employees and is a subsidiary of the McCann Worldgroup which is situated in New York City. The McCann Worldgroup, with a workforce of over 10,000 people, consists of subsidiaries all over the world and provides all kinds of marketing and advertising services. Their philosophy is “Truth Well Told.”

The US Journal Advertising Age ranked the McCann Worldgroup as number one of all top 20 agency networks in 2004, both in number of multinational accounts and in total number of brand assignments. Organised as a multi-office network, it wants to serve ‘blue-chip clients’ in the most productive way. The group’s focus lies on powerful selling ideas and vibrant creativity in advertising, like it states on its website (www.mccann.com, 2006).

In 1997, McCann’s global advertising network merged with a portfolio of best-in-class marketing communications companies like McCann Erickson or Momentum Worldwide. The agency in Malmö used to be an independent agency, before it was acquired in 1985. The interview was conducted with one of the founders of this agency, Christer Gripsholm. He is now the CEO of the McCann Malmö office. The second interviewed employee was the account director Martin Johansson.
The main international accounts of McCann Malmö are Unilever Ice Cream (GB Glace), Lätta, Microsoft, Nestlé baby food and the Öresund Bridge. For the majority of these clients, McCann Malmö adapts global advertising campaigns to the local Swedish or the Scandinavian market. For GB Glace - the Swedish market Unilever ice cream brand - global campaigns coming from the ice cream business headquarters in Milan, are adapted to the Swedish market. Thus, the message from the brand platform is customised to the Swedish culture and the Swedish consumer habits. For the Swedish margarine brand Lätta - also owned by the Dutch/British Unilever - a new brand platform for the Swedish market was created in tight cooperation with the central marketing unit of Lätta in Hamburg. For Microsoft Security – a division of the Microsoft Corporation – specific print ads for the Swedish market have been developed. Furthermore, global campaigns created by McCann San Francisco are adopted to match the Swedish market. Nestlé Baby Food commissioned McCann Malmö to produce the entire range of advertising for the Nordic countries. For the Öresund Bridge consortium - a half Swedish, half Danish company running and promoting the bridge over the Öresund - a new marketing campaign to improve the image of the brand and to increase the travel frequency was developed and launched in 2003. Up to today, this campaign is still running and very successful (Johansson, 2006).

(McCann Malmö: Company Brochure (n. d.); Grimsholm, 2006; Johansson, 2006; mccannmalmo.se, 2006).

4.4.2 Company Working Process

McCann as a global network agency puts very much emphasis on its working process. Thus, the subsidiaries all over the world apply a similar approach which is constantly enhanced by learning from each other.

McCann believes that in the last five years there has been a shift from a supply-based economy to a demand-based economy. Therefore, the agency regards demand creation as the key to growth and profitability (www.mccann.com, 2006) and has consequently developed its working process ‘Demand Chain’. This

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8 The brand platform consists of the brand values, the brand personality, the brand mission and vision and the brands tone of voice (how the brand speaks to its audiences) (Interbrand, n. d.).
process is the “the first systematic and cohesive approach to creating demand”, as Eric Einhorn (Einhorn, n. d.), Executive Vice President and Chief Strategy Officer of the McCann Worldgroup explains. He describes it furthermore as a “unifying process with a clear set of structured steps, a common language and a firm focus on the critical factor demand creation” (Einhorn, n. d.).

The ‘Demand Chain Process’, illustrated in figure 6, can be divided into five steps. It begins with the demand vision, continues with the formulation of the demand strategy, followed by the creation of the demand idea and the engagement strategy, and ends with the demand experience. The main objective of all five steps is the creation of demand for the customer through the expertise of the McCann Worldgroup agencies.

The demand vision answers the question, where the demand will be sourced. In this step, McCann works together with the client to audit his performance, barriers and opportunities. According to McCann, it is crucial that the vision of the company is in line with its communications. In case of a necessary new vision development for the company, the entire organisation has to be convinced of the vision and has to ‘live it’. Only then, it is possible to communicate this vision honestly to the public. McCann calls this “value based marketing” (Johansson, 2006).

In the demand strategy phase, the target group is defined. Furthermore, McCann estimates the brand and channel insights that shape the demand idea. Thus, the brand platform is created and market analysis is conducted. The central step in the demand chain is the development of a simple, powerful and big demand idea that will cut through to create the demand the client aims for.
The engagement strategy defines how the demand idea can drive an innovative pathway of consumer engagement. In the last phase of the demand chain process McCann uses its demand experience gained during former projects. They choose which creative programs can inspire the target group’s response and engage brand participation.

This model is rather superficial and not very detailed as it is adapted according to each local network agency’s needs. However, it describes the main working steps and emphasises the central theme of the agency: demand creation.

Regarding McCann Malmö, it was unfortunately not possible to receive a written document or presentation on their specific working process. But with reference to the knowledge gained during the interviews with Mr. Grimsholm and Mr. Johansson, it can be said, that McCann Malmö practices similar working steps like Adentity or The Duffy Agency.

The agency conducts market analysis by looking at the industry, at the client’s competitors and the consumers (analysis phase). Depending on the client’s need, McCann also offers support in strategic planning. This can range from formulating a new mission and vision for the company or brand, to providing an opinion about a newly developed product or, jointly creating the brand platform which includes the key brand values. Furthermore, McCann executes workshops and conducts personal interviews within the company to learn more about the organisation’s way of working and the employees’ attitude towards the product, as well as to build up acceptance for the agency’s ideas. On the basis of these insights, McCann sets up the communication concept and develops the creative brief. The agency conducts consumer tests with the help of research institutes to evaluate the communication concepts and its creative work. In the end, it is responsible for the production and implementation of the final advertising through selected media.
4.4.3 Requirements for Successful International Advertising Development

In general, McCann believes, that a carefully developed brand platform in cooperation with the client is necessary to build a successful worldwide communication strategy. This brand platform contains of the key brand values as well as the external brand image and has to be evident in all advertisings. It is the ‘heart of the brand’ and should never be changed, even when local adaptation is needed, so that the brand is perceived alike in different countries.

On the basis of this brand platform, the second promising factor is, to have a good and strong advertising idea that fits to the product and the company. In other words, the consumer’s attention and interest has to be caught by fascinating advertisements. According to McCann, this also includes taking a risk with the idea, meaning that it should be unique and stick out from the ordinary, rather boring advertisements. These ‘secure advertisings’ cannot be blamed, “but you also don’t get famous with them” (Grimsholm, 2006). Therefore, trying something new, instead of simply focusing on selling the product with whatsoever technique, is important in international advertising. Then, it can also run successfully in many countries.

Concerning the execution of this strong advertising idea, McCann believes, that the employment of humour is a good means to take hold of the consumer’s attention. According to Mr. Johansson, Swedish humour is very close to English humour, and it can therefore be claimed, that Swedish advertisements are often similar to the English ones. In contrast to Germany, where advertising is rather informative and ‘boring’, storytelling is another central factor. The people’s attention can be more easily caught by telling interesting stories, especially in Sweden.

Furthermore, successful advertising must not necessarily imply plenty of text. According to Mr. Johansson, there is also no connection between a specific culture and the amount of text in this culture’s ads. Instead, the amount of text depends on the message that is aimed to be conveyed, the brand and the product. If it is a simple product, that needs no detailed explanations (e. g. ice cream), or if you know that the consumer is very familiar with the product
because he uses it regularly (e.g. baby food), then it is better to work with pictures and only few words. Visual effects and pictures make the ad simple, but they provide plentiful opportunities to realise creative and interesting ideas.

Next to these advertising-related factors, there are market- or product-life-cycle related factors that have an impact on successful international advertising. The market share, respectively the market position in a country, is a fundamental factor to be aware of. According to Mr. Grimsholm, advertising has to be different if the product is the number one or two in the market, or if it is far behind market leadership. “You have to act a little bit different when you are climbing, or if you are not a market leader […]” (Grimsholm, 2006).

Concerning the consumer side, it is absolutely necessary, to have a comprehensive knowledge on the target group. How can it be characterised? What are the target group’s needs? How can the product solve this need? The more an agency knows about the target group, the better customised the communication can be, and, as a result, the more successful it is in the end.

With regard to company related factors, Mr. Johansson emphasised, that a key to success is to have one responsible person in the company who is able to take decisions for all markets. It is up to the agency to unite all market companies, but in the end, there has to be one decision maker from the client’s side.

So summarise, the three most important success factors of international advertising development are:

1) The company side: develop a communication concept for the product that fits to the brand and corporate values and consists of an interesting idea. Get the concept accepted within the company and try to receive the employees’ commitment.

2) The market side: know what your position in the market is and be aware of competitive products and advertisings.

3) The consumer side: be familiar with the consumers’ needs and their behaviour.
4.4.4 Client’s Influence on Advertising Creation

In general, it depends from client to client how precise the instructions concerning the creation of advertising are. There are on one hand briefings, which contain very exact information and guidelines. On the other hand, some briefs are less detailed and allow the agency to come up with its own ideas.

However, usually, the so-called ‘blue ship’ clients like Unilever or Nestlé have a great influence on the advertising creation process. These are very customer-oriented companies that know almost everything about the worldwide markets and target groups for their different products. Highly skilled marketing people are employed to develop the communication concept and the creative brief that might work best in all their markets. So, they give already very clear instructions and guidelines to their advertising agencies and have in general great control over the entire advertising process.

The question of standardisation or adaptation is also predominantly taken by them. Mr. Grimsholm referred to L’Oreal as an example of a very centrally organised company. Here, the central marketing department in Paris takes all decisions on global campaigns in cooperation with McCann Paris. When the campaign finally comes to McCann Malmö, they are only allowed to conduct translations. However, in some cases - and with well grounded justifications - McCann is able to negotiate and to convince its clients to adapt a campaign to the Swedish or Scandinavian market. As an example, Mr. Grimsholm referred to the brand Magnum for which the European communication concept and the creative brief is developed at the headquarters of Unilever Ice Cream in Milan. McCann regularly negotiates with Unilever to let the agency adapt campaigns to the Scandinavian markets, because GB Glace - the umbrella brand in Sweden - is perceived as a very traditional brand, and as such, not compatible with the often sexy and erotic advertisings coming from Italy. If these ads would run in Sweden without being adapted, then the brand value and image would decrease immediately. Unilever Italy and also Unilever Sweden frequently trust McCann in this perspective and allow adaptations (Grimsholm, 2006).

Another way of the client’s influence on the advertising creation is the concept of ‘local advertising agency leadership’. To reduce costs and to implement straight processes, the client gives the development of the brand platform to a so-called
‘lead agency’. This lead agency is one of the national subsidiaries of McCann, very often in the country of the client’s headquarters or his global marketing department. It has the main responsibility for the campaign development of a certain brand. McCann Malmö is the lead agency for the Unilever brand Lättta. Once the campaign is build up, the agency spreads it through Europe, where the different affiliates of McCann convert and adapt it to fit the local markets.

4.4.5 Approach to Cultural Differences

From McCann’s point of view, advertisers do not learn anything at college or university about cultural differences. They have to learn it all by themselves during the course of their practical work. None of the theories by Hofstede or Hall or other researchers were familiar to both interviewees. Besides, McCann Malmö has not developed its own set of cultural dimensions. Thus, any kind of cultural dimensions or models to classify cultures are not employed.

Nevertheless, one cannot say that cultural considerations do not play a role in the advertising development. But, according to Mr. Johansson, cultural considerations have to be seen in relation to the brand, the company’s history and current situation in the market as well as the product. “For Microsoft you can talk more global. For food, like Nestlé baby food, you cannot. For them, you have to take a lot of local considerations” (Johansson, 2006). Furthermore, there are legislative restrictions and target group differences that you have to keep in mind.

McCann Malmö has access to vast and efficient data resources of the McCann Worldgroup to learn more about a certain markets, their competition and consumers. This accumulated knowledge and the experience gained through a number of produced advertisements for many different clients is McCann’s insurance against ‘big failures’.

Research on consumer behaviour, trends, popular products and lifestyle changes is also regularly executed. It is part of a creative director’s job to know what is trendy or not. The McCann creatives analyse commercials and magazines from all over the world and keep track on the top 5 world-wide advertisings of each week to be aware of the market, consumer and advertising trends. In addition, McCann also conducts focus group interviews and consumer surveys to learn
more about the cultural distinctions of a target group. “Just relying on your own experience is not enough” (Johansson, 2006).

Last but not least, McCann also places a lot of emphasis on the testing of the creative concept. According to Mr. Grimsholm, it is important to ask the consumers what they think about the ad, in order to be sure that it is perceived in the intended way and that cultural ‘mistakes’ are avoided.

With these methods, McCann is able to figure out what kind of advertisings function in other markets or cultures. According to Mr. Grimsholm, knowledge on a culture can also be achieved easily by watching TV or by buying some typical magazine from that country: “You just have to watch five minutes on RTL television in Germany to see what is going on in Germany and what the Germans are like. And that’s an easy way to learn about it. Or, be there from time to time. Just buy Bunte, Brigitte [German magazines] and flip through them” (Grimsholm, 2006).

Concerning the Swedish market, the agency’s employees simply know which advertising appeals and slogans or motifs work in Sweden; maybe because they are also Swedes and thus very familiar with their home market. In addition, they rely on their vast experiences gained in former projects and simply on their ‘gut feeling’ when it comes to adaptations for the Scandinavian market.

On the question whether the Scandinavian countries are alike in their culture, Mr. Grimsholm said, that the Danish are more business-oriented, more formal and their companies are more hierarchically built up. With regard to Danish advertising, one could say that they are more hard-selling and have some kind of Danish humour that is a little bit different from the Swedish one. “Therefore you have to take care when you do things in Denmark. We are not laughing at exactly the same things” (Grimsholm, 2006). But the differences between the Scandinavian countries are not so big, that it would be impossible to run one identical campaign. One simply has to be aware of the small differences and try to avoid them.

However, besides cultural aspects, it is also important to keep trace to societal changes such as the role of the women and family in society, the attitude towards provocation in advertising and changing eating habits.
4.4.6 Viewpoint on Standardisation vs. Adaptation

Both McCann managers stated that producing standardised advertisements, which are applied without changes all over the world, is only possible for very few kinds of ads. As an example, they cited commercials with world-known testimonials (e.g. Nike, using famous football players during the Football World Cup 2006, or H&M, having Madonna on billboards right now).

Furthermore, it would be possible to employ standardised advertising, if it is possible to produce an ad that focuses very much on the product, for example, the product values and benefits of a car, without having any people, consumer situations or an environment in the ad that could point to a specific country. As Mr. Grimsholm put it, problems to standardise often emerge when it is necessary to show people in the advertisings and when you want to present ideas that are based upon history and cultural history of a product.

The possibility for standardisation also depends on the type of product. Standardising food advertisements is more difficult than advertisements for information technologies or cars, because the latter are identically sold on a world-wide scale, while food products principally differ a lot between the countries due to the diverse eating preferences.

To the agency’s point of view, a further aspect which greatly influences the execution of standardised campaigns is the organisation of the client. When the client’s organisation is strongly centralised, then it is much easier to develop a more standardised advertising campaign. H&M served Mr. Grimsholm as an example to support this view. The H&M headquarters in Stockholm decided last year not to produce any billboards of famous models in underwear anymore, stating that they would exploit female values. “Now we don’t have them in any markets anymore” (Grimsholm, 2006).

In case of a necessary adaptation of advertising campaigns coming from abroad, McCann uses just some of the ideas and themes around the brand which are written down in the communication concept. As it cannot change the entire concept of the global campaign, the agency is only able to make executional changes, meaning that it creates its own creative concept of the ad to fit the local market. According to Mr. Grimsholm, examples for slight changes in Microsoft
ads can be the look of the people or the setting around the computer. If the people and the setting look too American, then executional changes are undertaken to give the ad a more European or Scandinavian look.

The two respondents have deviating opinions about the future of standardisation. Mr. Grimsholm, the CEO, said that cultural borders - instead of geographical borders - are very important and will become even more important in the future. In his opinion, cultures today are even more drifting apart due to all the terror and violence in the world. The idea of global advertising becoming more frequent in the future because of an emerging 'one-world culture' is not supported by him. On the other hand, Mr. Johansson, the account director, believes that the trend goes more and more to standardised advertisements. One reason for this is the increasing mobility of people. Particularly the young generation will perceive global advertisements as normal due to their numerous travelling habits and their educational background received in different countries. According to him, good examples for the increasing number of standardised advertisements are the so-called 'Nordic campaigns' for the Scandinavian market. Many clients demand Nordic campaigns nowadays, because they see that standardisation works for their products in all countries: Sweden, Denmark and Norway.

4.5 Summary

To understand the field of investigation of this research a general introduction into advertising agencies is provided in this chapter. An advertising agency is defined as "a marketing services firm that assists companies in planning, preparing, implementing, and evaluating all or portions of their advertising programs" (Armstrong and Kotler, 2000, p. 427). Furthermore, possible ways to classify agencies are presented, before this section ends with the description of typical organisational functions such as account management, creative department and media and research unit.

The main part of this chapter consists of the description of the three conducted case studies. After an introduction into each agency and its main international clients, their working process is described. This process presents the main steps from the first contact with the client to the finished campaign. It helps to get an understanding of how the agencies conduct their business. Afterwards, the
content of the interviews is presented by structuring it into four answer categories. The first category is engaged with the requirements for successful advertising creation and presents the most important points each agency considers when it creates international advertisements for consumer markets. The case study description continues with the presentation to what extent and in which way the clients influence the process of advertising creation. A very important part for the purpose of this paper is the description of the agencies’ approach to culture. Here, the agencies’ knowledge of cultural theories is provided and their approach to culture is clarified. The fifth and last category of answers is the agencies’ viewpoint to standardisation vs. adaptation in advertising.
5. Theoretical Framework

This chapter presents the definition of advertising and highlights its objectives from the company and consumer’s view. In addition, the advertising communications process and its problems are discussed. After that, the term culture is defined and the landmark cultural theories of Hofstede and Hall are presented and critically reviewed. Finally, the aspects of culture and advertising are brought together by examining the relevance and application of cultural theories on advertising. This chapter concludes with a critical evaluation of the application of cultural dimensions on advertising.

5.1 Introduction

According to Cresswell (2003) the literature review should accomplish the purposes of:

- relating the study to a larger ongoing dialogue in the literature about the topic,
- filling in gaps and extending prior studies,
- providing a framework to establish the importance of the study,
- serving as a benchmark for comparing its results with other findings.

To the authors’ mind, the most suitable place to discuss the related literature to this study is in the end section of this dissertation. This is typical for the inductive or in this case abductive approach, where the literature does not guide the study, but where it will be used to compare and contrast the results of the empirical data (Creswell, 2003).

The following figure 7 gives an outlook of the literature review and shows how it will be connected to the empirical data (see chapter 6).
First, an introduction into the topic of advertising is provided by focusing on its definition, objectives and the way advertising works (communication process). Second, the topic of culture is introduced with a presentation of the definitions of culture used for this dissertation. This section is completed by unfolding the two most well-known traditions to classify different cultures set up by Geert Hofstede and Edward T. Hall. At the end, a critical evaluation of these dimensions will be provided. Herewith, the two variables of this study, namely ‘advertising’, and ‘culture’ have been explained intensively and may serve as a solid ground for further reading.

In the last section of this literature review, the aspects culture and advertising are brought together and the relevance of cultural dimensions for advertising is discussed. As an example of relating cultural dimensions to advertising, six research studies are presented that deal with content analysis of advertising by employing the cultural dimensions of Hofstede and Hall. These studies have been picked to represent the numerous amounts of similar studies in the literature.

The analysis chapter will, amongst other things, serve to connect and to compare the findings from the literature review with the collected empirical data. It will help to show, how the results of this study fit in with what has been researched before, and, enables to evaluate the importance of this paper.
5.2 Advertising

5.2.1 Definition

Nowadays, people are constantly confronted with advertising. It is one of the most visible forms of marketing communication (Hollensen, 2004, p. 561); you are confronted with it by opening the post box in the morning, by passing billboards on the way to work, by switching on the TV or by opening the evening newspaper. Advertisement is omnipresent and to the authors’ opinion, it influences the human behaviour subconsciously.

Advertising has to be seen in the broad context of marketing communication. Marketing communication is the ‘promotion P’ of the original marketing mix. The three other ‘Ps’ are product, price and place. Besides advertising, marketing communication also includes: public relations, exhibitions, sales promotions POS communications, direct marketing and personal selling (Hollensen, 2004; Shimp, 1997).

A reasonable definition of advertising for the context of this paper has been stated by Schweiger and Schrattenecker (2001, p. 102):

“Advertisement is the intended influence of market relevant attitudes and behaviours (…) with the use of advertising material and paid media”

The term ‘intended influence’ implies that the attempt to manipulate does not necessarily lead to success. This is especially true for intercultural advertising where companies try to communicate to heterogeneous groups of cultures differing in their values, norms and habits.

Advertising is often regarded as a relatively indirect and long-term oriented form of persuasion. It is based on information or emotional appeals about product or service benefits and is designed to generate awareness, establish a favourable mental impression, change attitudes and stimulate purchase intentions (Rossiter and Percey, 1998; Jones, 1998).
For all companies, advertising communications are an important means to build and maintain brand equity\(^9\). In contrast to this, promotions are a more direct and short-term oriented form of persuasion, as they focus on external incentives to stimulate immediate purchase.

Another important aspect according to Russel and Lane (1996, p. 39) is the fact that

“advertising is a form of mass communication and as such reaches numerous people simultaneously”.

Consequently, it is often the most important channel of communication for consumer goods (B2C). Principal means of mass media to carry advertisements are: daily newspapers, magazines, journals, radio, television, cinema and outdoor. The choice of adequate media is influenced by many factors, such as media availability and costs, media consumption habits of the target group, nature of the product or type of message (Armstrong and Kotler, 2000).

### 5.2.2 Objectives

Advertising objectives from the company perspective can be generally placed in two categories:

- Economic objectives (direct action)
- Communicative objectives (indirect action)

**Economic objectives** can be, for example, the successful launch of a new product (induce product trial) and the increase of sales either by obtaining new customers for a product or by intensifying the product usage of existing customers. These direct action objectives can be more easily measured in terms of sales increases which may be the result of advertising (Schweiger and Schrattenecker, 2001).

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\(^9\) Brand equity refers to the value of a brand. It is based on the extent to which the brand has high brand loyalty, name awareness, perceived quality and strong product associations. Brand equity also includes other “intangible” assets such as patents, trademarks and channel relationships (Tutors2u, n. d).
**Theoretical Framework**

**Communicative objectives** can be understood as secondary goals of economic goals. They describe, for example, the attempt to increase awareness for a product, to change a brand image through suitable argumentation, to change consumer habits through a memorable slogan or to attain a specific emotional brand conditioning through TV and print ads (Schweiger and Schrattenecker, 2001, p. 585; Hollensen, 2004, p. 561). Advertisements with these objectives are more concerned with communicating an idea that should result in increased sales in the long run (indirect action). No immediate effect can be attributed to such ads in most situations.

Depending on the marketing strategy of the company, various economic or communicative objectives will be decided on – objectives that may be direct action, indirect action, or some mixture of the two as determined by the needs of the organisation.

According to Schweiger and Schrattenecker (2001, p. 582) the following four goals of advertisement have to be met from the consumer’s point of view:

- Amusement and entertainment
- Emotional consumption experiences
- Information that support consumption decisions
- Norms and guidelines for consumption behaviour

### 5.2.3 Communication Process

Communication through advertising is basically comparable with interpersonal communication. The most important difference is, however, that advertising communications focus predominantly on influencing the receiver of a message. Paliwoda and Thomas (1999, p. 320) define the communication process as

> “the transmission of a chosen ‘message’ by a manufacturer (company) through a suitable medium to an identifiable target segment audience.”
The communication process in figure 8 highlights the key attributes of effective advertising communication.

A company (sender) creates the advertisement, either together with an advertising agency or with its in-house marketing department. After a suitable advertising message is chosen, the message has to be encoded. This happens in the case of a print ad with the help of pictures and text. The advertising medium (transmission channel) can be, for instance, a magazine. When the advertising message reaches the target person (receiver reads the magazine), the message has to be decoded (Schweiger and Schrattenecker, 2001).

Advertising is subject to a number of difficulties due its ‘one-way-communication’. The major risk lies in achieving the desired decoding of the message: “The individual decoding of the message by each receiver can lead to interpretations, which are not desired and expected by the sender” (O’Guinn, Allen and Semenik, 2003, p. 14). Therefore, several influencing factors have to be considered, such as:

- What does the consumer know about the product, the brand and the company?
- What does he know about similar products, brands and companies?
- What are his needs and his dominant values?
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However, mistakes can also occur during the encoding of the advertising message when the company, for example, chooses the wrong advertising medium, or there has been a misunderstanding between the company and the advertising agency. The consequence is often a deviation from the goals of the advertising company (Schweiger and Schrattenecker, 2001).

The factors that influence the encoding and decoding procedure negatively are also called ‘sources of interference’. Paliwoda and Thomas (1999) use the term ‘noise’ and refer to communication from rival companies.

With regard to intercultural advertising, it has to be noted that the decoding and encoding problem is even more prevailing. Frequently discussed factors affecting the international communication process are: language differences, economic differences, socio-cultural and competitive differences as well as diverse legal and regulatory conditions (Ibid.).

5.3 Culture

5.3.1 Definition

Culture as a concept is very difficult to define. There are various terms and definitions which can be found in the existing literature (Usunier, 1993). For the purpose of this paper, the definitions from Hofstede and Luthans seem to be the most appropriate.

Luthans (1995, pp. 534 – 540) defines culture as something that is:

- **Learned.** Culture is not inherited or biologically based; it is acquired by learning and experience.
- **Shared.** People as member of a group, organisation, or society share culture; it is not specific to single individuals.
- **Transgenerational.** Culture is cumulative, passed down from one generation to the next.
- **Symbolic.** Culture is based on the human capacity to symbolise or to use one thing to present another.
- **Patterned.** Culture has structure and is integrated; a change in one part will bring changes in another.
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- Adoptive. Culture is based on the human capacity to change or adapt, as opposed to the more genetically driven adaptive process of animals. Hofstede (1991, p. 4) also sees culture as something being learned and not genetically inherited. He defines culture as:

> ‘the mental programming’ or ‘the software of the mind’ which every person carries with him-/herself, and which shape his/her patterns of thinking, feeling and potential acting, but also ordinary things such as ways of eating or greeting or the ability to show or hide feelings.

According to Hofstede the programming starts in the early childhood and is difficult to erase later. “The sources of one’s mental programming lie within the social environment in which one grew up and collected one’s life experiences. The programming starts within the family, it continues within the neighbourhood, at school, in youth groups, at work place, and in the living community” (Ibid.). This ‘cultural programming’ decides about probable behaviours, yet it is not obligatory. To Hofstede’s mind (Hofstede, 1991, p. 5), culture is always a collective phenomenon. It is

the collective programming of the mind which distinguishes the members of one group or category of people from another.

By comparing the two definitions from Hofstede and Luthans one can draw the conclusion, that they are similar in some aspects, but they also complete each other. Especially relevant for the topic of international advertising seems to be the fact pointed out in both definitions, that culture is something which is shared by groups. This is extremely important for advertisements, because the advertised messages have to appeal to a group of people as large as possible. On the contrary, because culture is something shared by members of a group, it also defines boundaries between groups. So, when developing advertisements that are employed on a multinational level, or, that come from a client of a foreign culture, it has to be able to overcome these cultural barriers. Cultural sensitivity to differences, therefore, spells the disparity between global success and failure of international advertising.

In conclusion, it can be noticed that culture is a broad and extremely complex topic. To express it simple, brief and also helpful for the purpose of this
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dissertation, culture can be defined as: the learned ways in which a society understands, decides, behaves and communicates (Hollensen, 2004). “It includes shared beliefs, attitudes, norms, roles and values […]” (de Mooij, 2005, p. 36).

5.3.2 Classifying Culture

Dissecting and explaining any foreign culture is potentially a never-ending exercise. As an alternative to in-depth single-country studies scholars have attempted to classify cultures in relation to one another. According to de Mooij (2005) cultures can classified in relation to

- descriptive characteristics or
- cultural dimensions.

Descriptive characteristics are expressions of cultures that members of given societies view as being important. Examples are religion, family structure, public behaviour, leisure pursuits, humour or body language. These expressions offer good insights into the values and norms of a culture, “but they are less helpful for analysing cultures and predicting people’s behaviour” (de Mooij, 2005, p. 54).

Using national cultural dimensions to classify culture has its advantage over the descriptive characteristics due to its empirical data base. This method means that cultures can be clustered, thereby pinpointing which cultures are close enough to make similar and maybe even standardised management approaches viable. “Dimensions are generally developed from a large number of variables by statistical data-reduction methods (e. g. factor analysis) and provide scales on which countries are scored. […] they must be empirically verifiable and more or less independent” (Ibid.).

Two famous researchers that have classified cultures into dimensions are Geert Hofstede (1980, 1991 and 1994) and Edward T. Hall (1963, 1976, 1984, 1987 and 1990). According to de Mooij (2005) and other authors, their dimensions can be used to understand and explain consumer behaviour and advertising across cultures.
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A reason for the widespread use of Hofstede’s classifications of culture is to find in the simplicity of his straightforward dimensions, which appeal to both academic researchers as well as business readers. The anthropologist Hall differentiated patterns of culture according to context, space, time and information flow (de Mooij, 2005). His classifications are not as popular as the ones from Hofstede, but they complete them in a very good manner and have been, thus, selected for this paper to provide a well-founded understanding about cultural differences.

5.3.3 Hofstede’s Cultural Dimensions

According to Hofstede, a dimension can be defined “as an aspect of culture that can be measured relative to other cultures” (Hofstede 2001, p. 4). His cultural dimensions are introduced in this chapter and later supplemented by selected dimensions from Hall.

The main study that led to the devolvement of four cultural dimensions was conducted by Hofstede between 1967 and 1973. His research is based on the collection of 116,000 questionnaires distributed in IBM subsidiaries in 72 different countries (Hofstede, 1991). Another 23-country study from Hofstede and Bond was conducted in 1988 to overcome the 'Western biases' of the study. It resulted in the identification of the final fifth dimension (Hofstede, 1991).

According to Hofstede, the way people in different countries perceive and interpret their world varies along the following five dimensions:

- Power Distance (PDI),
- Individualism (IDV),
- Masculinity (MAS),
- Uncertainty Avoidance (UAI)
- Long - Term Orientation (LTO).

Power Distance (PDI)

The Power distance index measures the extent to which the less powerful members of the society accept and expect power to be distributed unequally (Hofstede, 2001). **Power and inequality** are fundamental facts of any society,
and one has to be aware that all societies are unequal, but some are more unequal than others (ITIM international, 2006). A high power distance indicates a higher inequality between people, whereas a low power distance indicates rather more equal positions between people. One issue within the people of a society is how they handle inequalities: whether they accept hierarchical orders, or whether they strive to equalise the distribution of power and wealth (Chanchani and Theivanathampillai, 2002).

In countries with a **low power distance**, power is associated with something negative. Equal rights and the same possibilities for everyone are highly admired. Dependence on others is avoided, whereby dependence on family is an exception. Influential people try not to show their power (Hofstede, 1991).

Power is seen as more positive in countries with a **high power distance**. Status is very important to demonstrate one’s own position in society. Dependency is an element of hierarchical relationships between people, for example one can examine strong dependency relationships between children and parents, students and professors or bosses and subordinates (Hofstede, 1991; Jeannet and Hennessey, 1998).

**Individualism (IDV)**

The individualism index, also known as **Individualism vs. Collectivism**, focuses on the degree to which the society reinforces individual or rather collective achievements and interpersonal relationships (Hofstede, 2003). Here, the fundamental issue is the degree of interdependence a society maintains among its members: whether people define themselves in terms of “I” or “we” (Chanchani and Theivanathampillai, 2002).

In **individualistic** countries people are self-centred and tend to form a larger number of looser relationships. They are expected to look after themselves and their immediate families only (ITIM international, 2006). People want to differ from others and values are to be found in the individual rather than in the group. Individual decisions are more important than group decisions and people seek personal time, freedom, alternation and adventure. Verbal communication is rather explicit (Hofstede, 1991).
In collectivistic societies, on the other hand, people are more integrated into cohesive groups: they are bound by strong personal and protective ties based on – unquestioned – loyalty to the group (mirrored by family ties). Harmony in the group is deemed to be very important and is favoured to self-realisation on other people's costs (Ibid.).

Masculinity (MAS)

The Masculinity index, also known as Masculinity vs. Femininity, refers to the understanding of the role of the sexes within the society. Masculine values such as achievement, performance, success, money and competition prevail over feminine values such as quality of life, maintaining warm personal relationships, service, caring for the weak, protecting the environment and solidarity (Ibid).

Masculine societies aim for maximum social differentiation between the sexes. Hence, the norm is that men are given the assertive and tough roles, whereas, women are given the caring, nurturing roles (Chanchani and Theivanathampillai, 2002). It is crucial to be a winner and status – which is important to demonstrate success – is often achieved through consumption and focus on materialistic success (Hofstede, 1991).

In countries with more feminine societies the social roles of men and women overlap and people are seeking consensus rather than conflict (Keegan, 2002). Both men and women are supposed to be modest and tender. To be a winner is not that important and status symbols are rather seen as negative. People stress the quality of life and the environment over materialistic ends. Further, a feminine society seeks to integrate weak members into the society (Hofstede, 1991).

Uncertainty Avoidance (UAI)

The uncertainty avoidance index indicates to what extent the individual, and accordingly, the society, tolerates uncertainty and unstructured situations. Such situations are novel, unknown, surprising and different from the usual. The index also reflects the degree to which people in a society are able to deal with
situations of that ilk, or if they prefer formal rules, laws and fixed patterns as means of enhancing security (Hofstede, 1991).

Individuals in uncertainty avoiding countries are more emotional and motivated by an inner nervous energy. Tension and anxiety are released by talking loudly, using hands while talking or embracing more emotionally. Here, security is an important element of motivation. Honesty is an extremely central value. Communication is more formal and conflicts and competition seem to be threatening (Ibid.).

The opposite types, uncertainty accepting cultures, are more tolerant for a variety of opinions. Here, individuals are less rule-bound and more flexible, therefore, they accept changes and tend to be more open to innovations, risk etc. In these societies generalists are preferred and people tend to rely more on their common sense. Conflicts and competition are not perceived as a threat (Ibid.); emotions are not common to be shown.

**Long-term Orientation (LTO)**

The Long-term Orientation index and its opposite – short-term orientation – present the attitude scale towards time and is closely related to the teachings of Confucius - the society’s search for virtue. Time orientation can be defined as the way members in an organisation exhibit a pragmatic future-oriented perspective rather than a historic or short-term point of view (Hofstede, 2003).

A short-term orientated culture is characterised by truth orientation, personal steadiness and stability. Here, people have great respect for traditions and reciprocation of greetings, favours, and gifts. Protecting one’s “face” is important (Chanchani and Theivanathampillai, 2002; Hofstede, 2003).

A long-term orientated culture presents a society with persistence and perseverance in achieving results, respect for hierarchy, social status and the status of relationships as well as thrift (Chanchani and Theivanathampillai, 2002). Societies of that type attach a strong value to reverence for nature and have a distinct sense of shame (Hofstede, 2003).
5.3.4 Hall’s Cultural Dimensions

The anthropologist Edward Hall contributed substantial work to the topic of cultural differences. Since 1977 he elaborates studies that help people and especially businessmen to understand the culture of other nations. He believes, that misunderstandings between cultures are related to certain parameters being valid for all cultures. He has distinguished patterns of culture to explain cultural differences (Rogers, Hart and Miike, 2002). The most important ones for the context of this dissertation and in relation to the dimensions of Hofstede are context and time.

Context

Hall has suggested the concept of high and low context as a way of understanding different cultural orientations (Hall, 1976, ref. in Keegan, 2002). Context is the information that surrounds an event, and to his mind, every culture combines different proportions of context and event to produce a given meaning (Hall, 1990). He describes the difference between low-context and high-context communication as follows (Hall, 1976, p. 8):

> A high context (HC) communication or message is one of which most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message. A low context (LC) communication is just the opposite; i.e. the mass of the information is vested in the explicit code.

In a high-context culture only little information resides in the verbal and written part of a message. The context of communication and the place in society, personal background, associations and basic values of the communicator play a more important role in communications. Symbols or indirect expressions are often used to convey meaning (Keegan, 2002; de Mooij, 1998). Generally, this kind of communication is fast, economic and efficient. However, it is dependent on the correct ‘programming of the people’; otherwise it can be inaccessible (de Mooij, 1998).

In contrast, in a low-context culture effective communication is direct and unequivocal. People rely on spoken and written language for meaning. There is a
positive attitude towards words, because words carry most of the information in communication (de Mooij, 1998). Information on an individual's character, background or values is less important

Time

A further attribute to identify different cultures is the handling of time. Hall differentiates between polychronistic and monochronistic cultures.

People in monochronistic cultures handle one thing at a time. Time is a linear construct and, accordingly, people have to be well organised and proceed methodical. Then, time can be segmented into many small units to which tasks or appointments can be easily assigned to (Hall and Hall, 1987). In this way, time in monochronistic cultures becomes almost something tangible. People can feel time, waste time and loose time. Punctuality is much valued and the fulfilment of schedules is given priority over human transactions. Thus, people seem to be rather reserved. For this reason, communication is done more at the low-context level, because there is no possibility to develop a mature code of communication and explicit information is needed (Hall and Hall, 1987).

Members of polychronistic societies tend to do various things at once; sometimes it seems, without having a clear structure. In contrast to monochronistic cultures, completing human transactions is more important than holding to schedules. Consequently, time schedules are flexible, serve as a rough orientation and are often not kept. Time is not seen as linear like in monochronistic cultures, but more as a construct that never ends and that extends in every direction. Important is what happens right now. Polychronistic people are more committed to each other at work as well as in private; they have a strong tendency to build long-term relationships. Owing to this, communication is done at a high-context level, because information is already present, due to the time spend together and the mutual interest for each other (Hall and Hall, 1987).
5.3.5 Critical Review of the Dimensions

Hofstede’s study has of course its strengths and weaknesses. To start with the strengths, a great advantage is that even if the empirical data is more than 30 years old, no study since then has been based on such a large sample (116000 respondents). Moreover, the study’s sample selection has been controlled across countries and the dimensions are elaborated with great detail making significant comparisons between national cultures possible. To keep it simple, the study seems to be the best there is (Hollensen, 2004).

Nevertheless, the weaknesses of this study cannot be neglected. Firstly, the respondents of the survey worked within one industry and even within a single multinational company. Accordingly, critics state that Hofstede’s cultural dimensions might be influenced by the powerful corporate culture of IBM.

Closely related to this, the second criticism is that the questions asked dealt mainly with work-related values of the employees. This model might be therefore not adequate for comparing cultures on consumption-values as it would be more suitable for this dissertation.

Thirdly, with all national cultural studies it is important to keep in mind, that ‘culture’ and ‘nation’ are not synonymous. National and cultural boundaries overlap partially, and there will always be cultural differences in almost all nations. As examples countries like Belgium, Spain and the United States with their cultural diversity can be quoted (Hollensen, 2004).

And finally, it is important to be aware that Hofstede’s study implies that culture is a rather static and not dynamic phenomenon (Chanchani and Theivanathampillai, 2002). Looking at the ever changing world of today, the authors are very sceptic about this way of looking at culture.

Weaknesses can also be found in Hall’s studies. However, he confirmed the view that ‘culture’ and ‘nation’ cannot always be used as synonyms and stated that there are ethnic differences within every country. As examples he points out the United States, Germany and France which consist of various ‘mini-cultures’ within their regional structures (Hall, 1990).
Furthermore, Hall’s dimensions of context and time are solely based on his experiences from serving in the Foreign Service. In addition, his observations and analyses have been first published in his books “The Silent Language” from 1959 and “The Hidden Dimensions” from 1969 and are, therefore, quite old, even older than Hofstede’s studies.

Dahl (2004a) argues that both concepts of context and time are easy to understand and useful, but lack a substantiated statistical proof. The easy applicability makes Hall’s dimensions very helpful on the one side, yet on the other side, also very ambiguous. This ambiguity derogates the use of the concepts within the framework of a more analytical approach, particularly for comparing cultures that are seen as culturally close. Furthermore, the applicability to a broadly based research is narrowed by the limit of the dimensions to only aspects of culturally based behaviour, rather than a broad description of underlying values.

5.4 Culture and Advertising

5.4.1 The Standardisation vs. Adaptation Debate

Even if this paper does not aim to centralise the topic of standardisation vs. adaptation of advertising, it is necessary to discuss it marginally. By approaching advertising in the context of culture, the authors inevitably were confronted with the standardisation debate. In other words, by moving towards the topic of international advertising, culture automatically comes into play and the issue of standardisation vs. adaptation arises.

In the international advertising environment, the complex issue of standardisation vs. adaptation has been a controversy for many years now which still remains unsolved. The main issue of standardisation was first brought up by Levitt (1983) in his landmark article “The Globalisation of Markets”. In this paper he declared that the world markets are irrevocably homogenised, that people everywhere are becoming more alike and that the influence of local culture is decreasing to the extent that global companies not only can, but must offer the same products in the same way all over the world.
Of course, globalisation today is more relevant than ever and companies face a continuing internationalisation of competition. As a result, they are forced to think about the application of adequate global marketing concepts to market their products successfully on a world-wide basis.

The underlying difficulty for companies doing business abroad is that they have to deal with consumers of different cultures and, thus, different habits, beliefs, norms and attitudes. The inevitable question that every international company consequently has to answer is, whether they should adapt their advertising concept to the country-specific conditions and culture, or whether they should standardise the concept (strategy, execution and language) on an international level?

The term ‘standardisation of advertising’ is understood as having at least one of the three possible components of a campaign alike in all countries. These three basic components are: strategy (the creative selling proposition), execution (the elements in the ad and their structure) and language (Duncan, 1995). The advantages of standardisation are lower advertising costs, better global advertising coordination and a more consistent worldwide image (Armstrong and Kotler, 2000; Jeannet and Hennessey, 1998).

Certainly, standardisation has drawbacks. Most importantly, it ignores the fact that local markets differ greatly in their cultures, demographics and economic conditions. Many opponents of standardisation therefore argue that one, global campaign simply does not work due to all the differences in the world. According to them, it is easier to influence one homogeneous group (i.e. one culture) than heterogeneous groups (i.e. different cultures) which differ in their values, attitudes and needs.

As a solution for this dilemma, advocates of adaptation suggest global advertisings with the possibility and flexibility for local adaptations. In this sense, global advertising strategies are developed, which bring efficiency and consistence into worldwide campaigns; but besides that, advertising programs are adapted, to make the campaigns more responsive to consumer needs and expectations within local markets (Armstrong and Kotler, 2000).
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For the context of this paper it is important to be aware of the standardisation issue because it is a constant companion throughout the investigation of advertising in connection with culture. However, after this brief description of the standardisation debate, which is an important aspect, but only a side topic for the purpose of this paper, the authors will put the focus on the meaning and the application of the before described cultural dimensions on advertising.

5.4.2 The Relevance of Cultural Dimensions for Advertising

The main research area of this paper is the interrelation of culture and advertisement. Culture determines the way people think and behave. Due to the developments and rapid changes in nowadays’ societies, cultural values become more and more important and are manifested in the mindset of the respective culture, even if they may change in the long-run. Therefore, it is essential to consider cultural differences not only when interacting with people of another country, but also when ‘communicating’ with such. Applied to the matter of advertising, international marketing and advertising people must understand these differences because they influence the way advertising is made and perceived.

The art of advertising is to develop symbols or advertising properties that must be understood by a target audience. In international advertising, these signs and symbols have originated in one culture and cannot be decoded in the same way by members of other cultures. Understanding the concept of culture and the consequences of cultural differences is therefore crucial for marketing and advertising people. Anholt (2000, p. 66) describes why the knowledge of cultural dimensions is important for advertising:

> For advertising agencies and their clients, culture mapping [i.e., working with the Hofstede dimensions] really comes into its own: it’s absolutely made for mass marketing, an area where individual personality is of very secondary importance, and what you really want is reliable, true, but gross generalisations. You need to know what most people in a country are like, and how most of them will behave in response to certain stimuli.

De Mooij (2005) confirms this, by stating that classifying cultures with the help of cultural dimensions has proved to be the most constructive method to support the
differentiation of advertising strategies across countries. Cultural classifications are useful because they vocalise and label cultural differences and similarities. In addition, they permit to compare cultures with respect to consumption-related values. Consequently, Hofstede’s and Hall’s dimensions can explain the variety of values and motives used in advertising across countries.

As a conclusion, de Mooij (2005) recommends the use of cultural dimensions to develop globally successful advertising campaigns. Since consumer behaviour differs among cultures and nations respectively, focusing on cultural values may be of great help when entering the market. Moreover, adapting and adhering to the culture determining values as a marketing tool may likely lead to the intended effect

“[…] because all aspects of consumer behavior are culture-bound, and not subject merely to environmental factors but integrated in all of human behavior, there is an increased need to identify and understand this integration and its impact on global marketing and advertising” (de Mooij, n. d.).

The aspect of culture-designed marketing and advertising is considered in terms of information provision: one can only get the right response by understanding the cultural differences (Hall and Hall, 1997). Admittedly, “the message can be the same in every case” (Ibid., p. 30), but each culture has its own preferences in this regard: “Using the wrong format” and not knowing whether the recipient is rather number-, words-, or visually-oriented “can only release a negative, frustrated response (Ibid.). In this context, Hall (1997) also addresses the media use. According to him, one has to adapt to the preferences of the respective culture, as an advertising medium that is effective in one country may have to be translated into another advertising medium to reach another country (Ibid.).

5.4.3 Application of Cultural Dimensions on Advertising

According to Dahl (2004b), cross-cultural advertising research is frequently employed to explain cultural differences among countries or cultures. For many researchers, there exists a direct link between advertising communications and the dominant cultural values of a society. De Mooij (2005, p. 35) claims, that “advertising is cultural artefact” and that marketing strategies of a company are
always culture-bound. Okigbo et al. (2006) define advertisement as a “social
semiotic” or a system of meanings that allows to draw inferences to the cultural
values of a country. Advertising in this context can be regarded as a mirror: It
reflects the cultural values of the country where it comes from, because it has
been influenced by those values when it was developed. De Mooij (2005)
stresses the importance of this link between cultures and advertising, because
only if advertising reflects the people’s values, it is able to build a relationship
between the consumers and the brands.

Drawing from the research presented above, one can postulate that advertising is
being embedded in national culture. The processes taking place within
advertising as a field are directly influenced from ‘outside’ by the cultural
environments in which advertising is being created. In other words, national
cultures are regarded as a context, while advertising is an object within this
culture. This is depicted in figure 9 below.

![Figure 9: The Relation Between Culture and Advertising](image)

FIGURE 9: THE RELATION BETWEEN CULTURE AND ADVERTISING
Source: Own figure

The method applied to establish links between the aspects examined and the
culture from which the advertising was obtained, is content analysis of the ads.
For this purpose, advertising samples from one country or a number of countries
are collected. Then, these advertisements are analysed by looking at the different
explicit advertising aspects such as themes, information content, advertising
style, type of argumentation, gender roles and a number of other, sometimes
more specific factors. In contrast to this, a large number of researchers have
focused on the more implicit appeals in the ads, like ‘self-respect’, ‘belonging’ or ‘personal self-improvement’.

Cross-cultural research can be roughly organised into three categories:

- Sociological research
- Ethnology inspired research
- Cross-cultural psychology inspired research

For the purpose of this dissertation only the last research perspective is relevant. Cross-cultural psychology inspired research attempts to explain observed differences in ads by relating appeals and observations to cultural dimensions and, hence, tries to predict differences in various countries. It is remarkable, that most researchers have applied the previously described works of Hall (1963, 1976, 1984, 1987 and 1990) and/or Hofstede (1980, 1991 and 1994) in order to describe and potentially predict observed differences and/or similarities (Dahl, 2004b).

Okigbo et al. (2005) conducted an exploratory content analysis of American advertisements with the help of Hofstede’s dimensions individualism, masculinity and power distance and Hall’s dimensions time and context. The study illustrates the content analysis results of 2,258 advertisements from 32 issues of eight popular magazines. The purpose of this research was to find out, whether US cultural values are embedded in US advertising messages and motifs.

To summarise the key findings of this study, one can say, that the authors were able to confirm that common US cultural attributes are reflected in advertising elements such as dominant appeal and creative styles etc. The aspect of individualism has been detected in the dominant appeal of ‘self-gratification’ by using the product. Individualism was furthermore noticeable in ad design, headlines and slogans often aiming at the desire to ‘stand out from the crowd’ or to change one’s image and appearance. Lastly, many creative strategies have focused on emphasising personal taste or individualised product benefits. The cultural attributes of action and achievement (masculinity) were also prevailing. In many cases the emphasis was laid on the outcome of using a specific product, often supported by the use of colour photographs. The focus on product outcome and thus ‘personal self-improvement’ also provided evidence for the future orientation of US citizens. Moreover, low-context patterns of communication have
been accounted for, although only 36% of the ads have employed rich text. However, in total 98% of the ads have used illustrations which allow the message to be decoded easily, maximise the amount of information and serve as a time-saving device.

As a conclusion, Okigbo et al. advise the advertising practitioners to be familiar with not only the target group’s values, but also the cultural values of the whole society to produce more effective advertising that does not alienate the mass audience.

A comprehensive summary of further research studies that have applied Hofstede’s and Hall’s dimensions on advertising is provided by Dahl (2004b). His paper aims to summarise the research in cross-cultural advertising studies so far by providing an overview of the current state of knowledge. In the following, a selection of his quoted studies is presented to emphasise, that cultural advertising research based on Hofstede’s and Hall’s dimensions has been frequently conducted to this day.

**Al-Olayan and Karande** (2000; ref. in Dahl, 2004b) applied Hofstede’s individualism index as well as Hall’s context concept in their cross-cultural content analysis of magazine advertisements from the Arabian States against the US. They analysed the advertisements for a number of different features such as information content, usage of price appeals and depiction of men and women. Al-Olayan and Karande were able to prove that the majority of Arabic commercials show either solely the women’s face or depict women in a long dress, which is typical for a rather masculine society.

In addition, they identified that considerably more US commercials than Arab commercials are comparative (comparative ads are directly comparing one’s product to the product of a competitor) and showed that US adverts tend to contain more information clues (low-context) than the Arab ones. Furthermore, their research indicated a larger presence of price information in US advertisements. Hence, Al-Olayan and Karande stressed the negative relationship between the price/promotion information and a high-context society like the Arab societies.

**Milner and Collins** (2000, ref. in Dahl, 2004b) made use of Hofstede’s masculinity dimension to establish a link between values of a county and the
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portrayal of gender roles in television advertising. The study was conducted in the US, Sweden, Russia and Japan. It provided evidence that TV advertising in feminine cultures shows more depictions of relationships between the different sexes than advertisements broadcasted in masculine societies. Milner and Collins also tried to demonstrate the emphasis on productivity in masculine societies and the portrayal of fewer gender differences in feminine societies by analysing the commercials, but failed with this attempt.

Following their findings, Milner and Collins draw the hypothesis that Dutch advertising (feminine culture) would probably contain more depictions of relationships between men and women than Mexican advertising (masculine culture).

Another study by Tai (2004, ref. in Dahl, 2004b) has applied Hofstede's masculinity, long-term orientation and individualism dimensions to draw a link between cultural values and the preference for one of two possible message strategies. To achieve this, service advertisings in the US and in Hong Kong were analysed. Tai checked whether there was a preference for 'informational strategies' that means a focus on providing a unique selling position (USP), the use of comparative advertising or an accurate description. Or, whether there was a focus on 'transformational strategies', like relying mainly on enhancing the brand or user image. The study showed that the use of informational strategies was more often applied in the US while transformational strategies were more applied in Hong Kong. Tai therefore concluded that masculine societies as well as societies ranking low on individualism or having a long-term orientation rather employ transformational message strategies.

Cho et al. (1999, ref. in Dahl, 2004b) analysed the cultural value differences in TV commercials of the US and Korea by using Hofstede’s individualism and time orientation as well as Hall’s context dimensions. To achieve a more fundamental framework for the analysis, they developed their own coding scheme that was used to examine both the theme of the commercial as well as its execution. Cho et al. demonstrated that individualism as a thematic theme as well as an individualistic execution was more often used in US commercials than in Korean commercials. In addition, US commercials are more short-term oriented by focusing on instant enjoyment and pleasure, while Korean adverts are more high-context than their US counterparts. The authors failed to demonstrate Korean
commercials show more past-oriented themes and the US more future-oriented ones.

To end with a last example of cultural dimensions used to analyse advertisings, the study of Albers-Miller and Gelb (1996, ref. in Dahl, 2004b) will be presented. They attempted to measure the extent to which Hofstede’s dimensions are reflected in advertising practices and appeals by relying on a list of 30 formerly published advertising appeals. Subsequently, hypotheses on the relationship between these appeals and Hofstede’s dimensions were formed. For instance, the researchers expected the relative occurrence of ‘self-respect’ to correlate with the individualism index value of a country. For example, the higher a country scores on the individualism index, the more self-respect appeals are used in the advertising of that country. About 200 commercials of four different product categories were selected from popular business publications in Brazil, Chile, Finland, France, India, Israel, Japan, Mexico, South Africa, Taiwan and the US and coded by using the selected 30 appeals. As a finding, Albers-Miller and Gelb could prove 18 of 30 hypothesised appeals as statistically significant. For the masculinity dimension, four of the six hypothesised appeals were found to be significantly correlated, for the individualism dimension three appeals were found to be correlating; for the power distance dimension six out of eight and for uncertainty avoidance five of eight hypothesised appeals were found to be significantly correlated. Even if not all of the 30 hypotheses were confirmed in this study, the researchers concluded that there is a possible non-random relation between the cultural dimensions and advertising values of a country. In other words, the employment of appeals in advertising could potentially be a function of cultural dimensions.

5.4.4 Critical Evaluation of Cultural Dimensions applied on Advertising

One can see by the six chosen cross-cultural research studies, that the cultural dimensions of Hofstede and Hall have been frequently used to analyse advertising and to describe and potentially predict observed differences and/or similarities among cultures. Their results seem to indicate that there is some relationship between culture and appeals used in advertising. Also, they seem to
prove that the application of cultural dimensions on a country’s advertisements allows the drawing of correct conclusions on the cultural values and norms of this country.

The advantage for the advertiser deriving out of this can be explained as follows:

If it can be observed that the usage of the advertising appeal ‘dear’ is positively correlated with a high power distance in many countries, then it can be assumed that the frequency of the occurrence of ‘dear’ in advertising can be generalised. That means this appeal can be mostly used in countries having a high power distance score (Dahl, 2004b, p. 23).

However, the findings of these cross-cultural research studies also have to be seen in a critical light. According to Dahl (2004b), a large amount of them focuses on countries which are culturally very distant from each other. Popular countries picked to conduct advertising content research are often located in the Far-East and the West. It can be argued, that the observed differences are not so surprising, because these countries do not only differ in terms of culture, but also in terms of lifestyles, incomes etc. As a result, the question arises, whether cultural dimensions are useful to measure to what extent small differences between cultures have an influence on these countries’ advertising. Is there any significant difference at all in advertising of culturally close countries? For instance, Dahl (2004b) claims, that there is so far only little research evidence that supports how European advertising styles differ.

Dahl (2004b) continues by claiming that these cross-cultural studies often lack a systematic procedure to link the observed cultural similarities and differences to the cultural dimensions applied. As a result, generalisations are often impossible to make beyond the countries in which the research has been carried out. The usefulness of the research is, thus, limited to only a selected number of countries, and, therefore, has only a limited business benefit.

Furthermore, the different national advertising samples collected might also contain more ‘home made’ advertising, which as such, might reflect different values than advertising which is ‘imported’. Yet, this does not necessarily have to lead to any differences in consumer perception or advertising attractiveness to the consumer.
In general, it can be said, that analysing the content of advertising focuses only on the seller side, or on the advertisements, and neglects to find out how the consumers - the buyer side - in those countries perceive the ad (Dahl, 2004b). Last but not least, there is a risk in transferring the cultural theories to advertising, because the data they are based on has been originally produced in a different context. Hofstede’s dimensions are derived from a research carried out in the work environment of IBM. Thus, as already stated in chapter 5.3.5, it is questionable, if his dimensions can be transferred to the general population at large in any culture. Furthermore, it is questionable if they can be applied without further consideration for context.

5.5 Summary

In this chapter, the theoretical framework of this dissertation is provided. It starts with an outlook of the literature review and shows how it will be connected to the empirical analysis in the following chapter.

After that, advertising is defined as “the intended influence of market relevant attitudes and behaviours with the use of advertising material and paid media” (Schweiger and Schrattenecker, 2001) and its economic and communicative objectives are described. The last part of the 'advertising section' consists of the detailed description of the communication process which starts with the sender, goes on with the encoding and decoding through the advertising medium and ends with the receiver.

The chapter continues with the elaboration of this dissertation’s central theme, culture. First, two appropriate definitions of culture by Luthans and Hofstede are presented to provide a common understanding of the term. Then, cultural dimensions as a method to classify cultures in relation to one another are explained. This section is followed by the presentation and description of the five cultural dimensions power distance, individualism, masculinity, uncertainty avoidance and long term orientation by Hofstede. His dimensions are supplemented by Hall’s context and time dimension which have been identified as being applicable to advertising as well. The concepts of both authors are subsequently critically reviewed, by presenting their problems and weaknesses.
The last section of the theoretical framework brings the aspects of culture and advertising together and begins with a brief introduction into the standardisation vs. adaptation debate, as this is inevitably connected to the topic of international advertising. The section goes on with the presentation of the relevance of cultural dimensions for advertising. Following the works of Anholt (2000), de Mooij (2005) and Hall (1997), it can be stated, that cultural dimensions are able to explain the variety of values and motives used in advertising across countries. The discussion continues by presenting studies of various different researchers that have, in fact, applied cultural dimensions on advertising. Their results confirm, that the application of cultural dimensions on a country’s advertisements allows drawing correct conclusions on the cultural values and norms of this country. The section ends with the critical evaluation of these cross-cultural research studies.
6. Empirical Analysis

The analysis of the case studies is presented in this chapter. Cross-case investigations are thoroughly conducted to answer the research questions of this paper. Furthermore, the empirical findings are connected and compared to the previously presented literature and support the drawing of conclusions. Based on the information derived from the case studies, a model is developed which presents the influencing factors on the development of international advertising and puts the aspect of culture in relation to them. At the end, an outlook on the future relevance of cultural differences in advertising is provided.

6.1 Application and Relevance of Cultural Theories

One of this paper’s research purposes was to find out whether the investigated advertising agencies are familiar with the cultural theories of Hofstede and Hall and apply them accordingly. On the basis of the information gained during the conduction of the case studies, this question can be explicitly denied. None of the agencies employs Hofstede’s or Hall’s or any other scientist’s cultural theories during their development process of international advertising. Furthermore, neither The Duffy Agency, nor McCann or Adentity have developed their own set of cultural dimensions.

Mrs. Nicander (Adentity) and Mr. Duffy (The Duffy Agency), whose agencies both develop many advertising campaigns for international markets, think, that the application of cultural theories or dimensions would simply lead to the emphasis of cultural stereotypes. Both of them share the view, that culture is something that evolves over time and cannot be put into fixed categories that remain forever. Furthermore, they believe, that these theories are based on cultural observations made at some point in the past. Thus, it can be said that they are not sufficiently reliable or useful, because an advertising agency has to have up-date information on their target groups in the various countries. Mrs. Nicander also said that from her experience so far, theories would always make the reality more complicated than it actually is.
Mr. Duffy, however, stated that cultural theories like Hofstede’s could be a reasonable starting point for approaching cultural differences in advertising. However, his statement can not be seen as an indication that he would sincerely consider to apply Hofstede’s or any other kind of cultural model or theory. His answer has to be seen in the light that The Duffy Agency starts every working process with the formulation of hypotheses on the target group of a country. These hypotheses might be based on cultural stereotypes stemming from cultural theories. However, they could also be grounded on rough ideas or experience gained in previous projects. Fact is that Mr. Duffy did not know Hofstede’s area of expertise and his research results, and cultural theories set up by scientists are not relevant for his daily work. To his mind, it is absolutely necessary that his agency employees go out into the markets themselves and seek to learn as much as possible about the target group for every campaign.

It has to be mentioned, that during the interview with Mr. Grimsholm or Mr. Johansson (McCann) the relevance of cultural dimensions for their daily work has not been discussed in detail. This is owing to the reason that McCann Malmö is preliminarily concentrated on the adaptation of international ads to the Swedish or Scandinavian market. Therefore, this agency is not confronted with huge cultural differences, and cultural considerations rather play a minor role in their thinking. As most of the employees are Swedes, one can say, that the ads are unconsciously adapted in a right manner to match to the Swedish culture.

Conclusion

Although cultural theories in general - and in detail the ones from Hofstede and Hall - have been often applied to analyse advertisements and to explain the variety of values and motives used in advertising across countries, they are not applied in the practical work of advertising agencies to develop international advertisements. The authors found out, that methods to classify cultures are not applied to support the differentiation of advertising strategies across countries, as stated in the literature by, for example, de Mooij (2005). One of the main results of this study was the discovery, that advertisers do not consider cultural theories as supportive and useful guidelines for the development of suitable ads for culturally different target groups.
Cultural dimensions such as the ones from Hofstede are regarded as emphasising stereotypes. But, for any advertising agency it is absolutely crucial to know what the consumer of each target group is really like. It could be that a target group in one country meets the cultural norms of this country and can be regarded as a stereotype. But on the other hand, it could also be, that the target group in this country does not fit to the cultural picture of the country, or that they want to be addressed in a way that it confronts the norms and beliefs of the majority population as it has been explained in the example with the Levi’s advertisements in Japan (see chapter 4.3.5). For an advertising agency, the theories of Hofstede and Hall or any other scientists are, therefore, no safe guidelines that they can trust automatically.

Moreover, cultural theories are viewed as being out-of-date, because they are based on observations made in the past. An advertising agency, however, has to be informed on the consumer’s needs, values and attitudes of today. Also, the agencies have made the experience that the consumers’ value appreciations change all the time depending on their life situation: for instance a university graduate finds a job, has more money then and changes his spending habits, a woman gives birth to a child which changes her sense of responsibility, or simply, a new product comes out which makes peoples’ life easier. These are things that have an influence on the target group’s current needs, value concepts and, finally, its perception of ads. Thus, for each campaign an agency creates, it has to know in what the target group is currently engaged, and what kind of needs they have.

In connection to this, it can be furthermore claimed, that cultural theories as the ones from Hofstede and Hall are too broadly defined. They are not able to reach a deep level of knowledge on a target group, as they focus on the general values, norms and beliefs of the majority population of a country. For an agency it is, for instance, not helpful to know that Sweden is a feministic society and that the quality of life is more important than materialistic possessions, when the graduate feels important now and wants to buy a car to finally have a status symbol after his years of study where he did not have the money for it. Cultural theories are not useful for an agency, because they do not provide sufficient information on the underlying motivation and the reason why a consumer acts like he does. Or in other words, culture-level data cannot be easily transferred into a prediction about the behaviour or attitudes of any one individual.
Furthermore, concerning the content or the execution of an ad, it cannot be
generalised that advertisings of a low-context culture have to contain lots of
written text, because people of this society rely on written language for transfer of
meaning and have a positive attitude towards words. During the conduction of
this research, the authors have learned that the amount of words an
advertisement consists of, depends more on the brand, the product and the
message that is intended to be communicated than on the cultural attitude
towards words or context. A simple product like ice cream or a product which is
very familiar to the consumer needs no detailed explanations. And, ads with only
a short headline or slogan can sometimes catch more attention than an
advertisement than contains 100 words.

Another insight gained during this research was the fact that culturally sensitive
issues in advertisements have preliminar ily to do with visible cultural aspects,
such as: the right clothing of the people, their ethnic look (eye and hair colour),
role of women, typical consumer settings as well as common drinking and eating
habits. These cultural signals are instantly recognised by the target group if they
are wrong and do not fit to the culture of the country. Examples could be that
people in an advertisement from Microsoft look too American because of their
clothes, or, that only European models are shown in a shampoo commercial
broadcasted in China.

Furthermore, culture is regarded as just one feature of a target group, and, it is
also not the dominating one. Socio-demographic information such as age,
gender, family status, education and income or psychographic aspects such as
lifestyle, personal interests, attitudes and personality and behavioural information
such as purchasing habits are equally important when mapping out the target
segment. And all three agencies have stated that after investigating these
aspects, you could find out for example that the target group in Japan and the
USA shares the same needs, and thus, cultural differences do not play a role
anymore.

In the authors’ opinion, it is essential to keep in mind, that the cultural dimensions
from Hofstede or the cultural patterns of Hall have been produced in a different
context than advertising. Hofstede’s dimensions are derived from a research
carried out in the work environment. As already stated in the literature review, it is
questionable if his dimensions can be transferred to the general population at
large in any one culture. With regard to the results of this study, it is also questionable, if they can be applied without further consideration for context.

In addition, the application of cultural dimensions on advertising research assumes that cultural dimensions are suitable to explain human behaviour and interaction as well as advertising. Due to the fact that advertising is preliminarily a one way form of communication, this assumption might be problematic. As a conclusion, one can say, that the application of cultural dimensions in advertising development might only provide a robust, but not perfect guide-line as they remain on a culture-level, not on a target group level. Furthermore, advertising does not necessarily reflect the reality or every day life, but could also portray an idealised world. Thus, a family appeal might arguably prove to appeal more to people from an individualistic society, because they find the ideal of an idyllic family life more attractive than the collectivistic society members who already have this. Or in other words, the picture of a family enjoying dinner together may precisely be appealing because it is not the norm in the society.

6.2 Approach to Cultural Differences

Although agencies do not apply cultural theories when creating international advertising campaigns, they all have confirmed that cultural differences are, however, an important aspect to consider. In order to answer the first research question of this study, the agencies approaches to cultural differences are presented in the following.

Table 3 depicts the statements given by each agency concerning the way they approach cultural differences and gain knowledge on the culture of a target group. The tick indicates that the application of a certain means has been mentioned by the interviewee of a certain agency, or has been retrieved from documentary data. However, the authors cannot exclude, that an agency applies a certain means, even though there was no indication given during the interview or derived from any other source of information. An example of this could be the knowledge of general do’s and don’ts such as the restricted possibilities to show women in advertisements employed in Islamic countries. This aspect has only been expressed by Adentity. But to the authors mind, it can be safely stipulated,
that McCann and The Duffy Agency are also aware of the general do’s and don’ts.

**TABLE 3: MEANS TO APPROACH CULTURAL DIFFERENCES**

| Source: Own table |

All three agencies agree that they conduct consumer analysis in the beginning of the project to gain all necessary knowledge on the target groups’ attitudes towards a product, their motives, needs and typical characteristics. This also includes finding out, whether the consumers are different in terms of cultural aspects such as general values, norms and beliefs. Adentity, The Duffy Agency and McCann conduct focus groups, surveys or personal interviews with consumers to learn more about their cultural distinctions, as well as their attitude towards the company, the brand and the product. In addition, information on these aspects is sometimes also provided by the client, especially when he is a large multinational corporation consisting of vast marketing resources to conduct consumer research in various countries.

Furthermore, Adentity, The Duffy Agency as well as McCann refer to their experiences made in former projects when it comes to cultural considerations. Experiences could be to keep, for example, the insights from previous consumer testing of advertising concepts in mind when creating a campaign, so that the agency prevents to make the same content-related or executional mistakes again. In addition, after a campaign has run, all agencies receive feedback from
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the client or from the consumers concerning its success or get a response from the market. Market responses could be for example, that an advertisement wins an award or is mentioned in the press because it is regarded to be an outstanding piece of work. These reactions on a campaign are very helpful as they enable the agency to evaluate its work and to continually improve its services. For Duffy this step is so important that they have integrated them in their documented working process which they apply in every project.

Closely related to experience is the fact that Adentity and McCann talk about ‘gut feeling’. Yet, this statement has to be seen in relation to the adaptation of the international ads to the Swedish market. Adentity adapts campaigns for the Kinder brand, while McCann’s main business focuses on the adaptation of ads to the Swedish market. Both agency employees have explained that they sometimes ‘just know’ what kind of appeals or messages work in Sweden. They could not really explain why they simply know it, but to the authors’ opinion this is mainly because they are part of the Swedish culture, and as such, unconsciously familiar with the major Swedish values, attitudes ways to think and act etc.

In contrast to this, it is not surprising that the Duffy Agency has not stated to rely on ‘gut feeling’. Its work focuses on producing large international campaigns which are often employed in many different countries. It might be of course, that a project team member of the agency comes from a country where the ad should run. Then he will certainly give his ‘culturally formed’ opinion on certain advertising features. However, the agency always to develop advertisings that perfectly fits to a market and the culture of its consumers, therefore, its employees cannot simply rely on ‘gut feeling’, but they have to know the cultural facts.

McCann, as part of a network of agencies, has one distinct advantage over the independent agencies Adentity and The Duffy Agency. The agency has access to not only its experiences and knowledge gained from previous projects or its research studies, but also to the ones from other network affiliates. This multiplies McCann Malmö’s knowledge base immensely and is extremely helpful when it has to develop campaigns for other than the Swedish or Scandinavian markets.

Another interesting approach of McCann to attain insights on what kind of advertisings function in other markets or what a country’s culture is like, is to watch TV or to flip through typical magazines of the country in question. By doing
so, the agency’s employees immediately spot the small and big differences to the Swedish advertisements. Due to this comparison, they develop a feeling of how an advertisement has to be in this country or how a Swedish ad has to be changed to run successfully in this country.

Finally, all three agencies emphasise, that it is absolutely essential to conduct consumer testing of the advertising before it is finally implemented. This is an important means to safeguard that the advertisement is perceived in the intended way and that ‘cultural mistakes’ in the final ad are avoided. All agencies agree to the fact that it is always better to ask the consumer on his opinion, than to just simply guess what he or she is going to respond to in an advertisement. For Adentity, consumer testing of the three different communication concepts is even one of the most important steps during its working process. Presenting the concepts to the consumers of the countries where the campaign will run provides the agency with the most interesting insights to each culture. As Adentity’s focus lies on the development of more or less standardised global campaigns, this information helps its employees to find out, if the advertising concept, the message and the execution appeal to the consumers in the majority of the target countries. Furthermore, it can be stated, that they learn how flexible they have to be with regard to adaptations in certain countries. And they can assemble a portfolio of executional possibilities of adaptation like different pictures for the country markets in question.

Conclusion

Surprisingly, the issue of culture or cultural differences has never been mentioned first by the interviewees when they were asked to name success factors of international advertising. But when they were confronted with questions that had to do with cultural differences of their target groups, it became clear, that all three agencies regard culture as an important factor to consider in international advertising.

The agency that explicitly emphasises the importance of respecting cultural differences in order to create efficient market communication is The Duffy Agency. This is also the only agency that has clearly stated that adaptation due to cultural differences is absolutely necessary to achieve the result wanted with a
campaign. Sometimes this might even demand to change the communication concept for some countries. This is, on the contrary, absolutely out of question for Adentity which believes very much in having one communication platform for all countries and allowing only executional changes.

Based on the knowledge gained during the conduction of the case studies, the authors cannot claim that the issue of culture is approached by applying a constant and systematic method or technique that focuses on the discovery of cultural differences, or that supports the agency in how to deal with them. To the authors mind, cultural knowledge is also very often embedded at an unconscious level in the agency. This is especially apparent in the case of McCann when they ‘think’ they have to adapt an international campaign, so that it matches their home market. Furthermore, each investigated agency relies on experience from previous projects when it comes to cultural similarities or dissimilarities between the target groups in various countries.

Even though the approach to culture is not guided by a systematic method, the issue of being aware of cultural differences is always there throughout the whole development process. However, in some process steps this awareness is more concrete than in other steps. For instance, in consumer analysis, cultural differences, or simply different value appreciations, beliefs, norms and general attitudes are investigated next to socio-demographic, psychographic and behavioural target group characteristics.

Furthermore, cultural considerations certainly play an important role during the creation phase, when it comes to the specific design of the ad and the selection of pictures etc. Here, the agency has to pay attention to the right application of the visual cultural signals, such as the ethnic look of the people, adequate clothing or specific consumer setting. In case of a standardised campaign these easily recognisable signals have to be avoided.

The step in the process which explicitly deals with culture is the testing of the advertisements. Here, consumer evaluations of the ad in all relevant countries are conducted to uncover decoding problems in the communication process. These evaluations work as a final test and help to prevent to use anything in an ad that could lead to a misunderstanding or simply disliking due to cultural differences. This final test is also the last chance for the agency to find out
whether the gained knowledge during the whole process is true and still up-to-date, and, whether they have been successful in bringing the idea into something that is finally communicated in the end. This is a very important step before the final implementation. Nevertheless, it cannot be said that is the most important step, as other steps are equally important.

6.3 The Client’s Influence

When analysing the approach of an advertising agency to cultures, it is important to have a look at the relation between the client and the agency, and the client's extent of influence on the whole process of advertising development.

During this research the authors have learned, that a client's influence has to be seen in a spectrum ranging from low to high influence. Because the agency is commissioned by the client to develop an advertising campaign or something else, there is always a close cooperation between the two partners. However, the dominating position in this relationship differs, depending on the specific expertise on each side, the duration of the relationship, the level of trust, the general objective of the advertising as well as the company’s attitude towards the control of its marketing communication activities.

It is in general difficult to say, which kind of companies tend to have a bigger influence on the process, and which not. L’Oreal as a very hierarchical company has an immense influence on the work of its agencies. Also, Microsoft usually develops standardised global ads in cooperation with one lead agency of McCann which can only be slightly adapted by McCann affiliates world-wide. On the other hand, it could also happen, that Microsoft decides to commission a local network affiliate to develop an advertisement especially for its domestic market.

Generally, it can be claimed that the decision to standardise or to adapt an advertising campaign lies in the hands of the client. An agency might suggest adaptations for specific markets, but in the end, the client has always the last word.

With regard to the development of the communication concept and the creative executions, big multinational companies more often have concrete ideas and give
clear instructions. The agencies possibilities to become creative are, thus, often restricted. An agency’s creativity is also restricted, because the ad not only has to fit the markets and the consumers’ needs, but also has to be in line with the company and its corporate values, history and culture.

6.4 Influencing Factors on International Advertising – Model Development

During the interviews all three agencies stated that cultural aspects are not the most important influencing factors on the decision how an advertisement has to be in the end. Furthermore, cultural considerations have to be seen in connection to the whole context of the international advertising development process.

On the basis of the information given by the agencies, the model which is depicted in figure 10 was developed. It presents the various influencing factors on international advertising development. In addition, with regard to this paper’s research objective, the relevance of cultural considerations is set in relation to these factors.

The model consists of the influencing factors: advertising agency, brand, product, market, target group and client’s company which will be explained in the following. Each of these influencing factors has been addressed by Adentity, The Duffy Agency and McCann. The model is therefore representative for all three investigated agencies.
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Brand

Adentity, The Duffy Agency as well as McCann have stated that a successful international advertising campaign consists of a communication concept that builds around the core values of the brand. According to Adentity, the essence of the brand - the brand’s promise – has to be clearly communicated in an international ad. McCann talks about the brand platform that has to be carefully developed and that has to be evident in all advertisings and should never be changed. For them, the brand platform consists of the brand values, its personality and image. Duffy speaks of a successful international communication concept when it supports brand building in every market. This means that international advertising has to build up the same brand image and, thus, brand position in the markets. To achieve this, the personality of the brand should be consistent in every country.

The main conclusion that can be derived out of the given answers from all interviews is, that regardless which strategy the company follows – adaptation or standardisation - it is essential that the brand is perceived alike all over the world.
A successful advertising aims to achieve a consistent global look and feeling of a brand. In order to achieve this, the advertising agency has to ensure, that all ads convey the same image of the brand, which is based on is unique and consistent personality.

**Product**
The product is usually the core of the advertising, as most of the ads are produced to support the marketing of a product. It is important to mention here, that the term product can also refer to a service which is being marketed by a company. The Duffy Agency has been quite elaborated in explaining the influence of the product on the advertising development. According to them, every product (or service) is sold on three features: the core features, the add-on features and the brand-features. For every advertising agency it is essential to find out, which feature is the most important one for the target market, because then, this feature has to be emphasised in the ad. Adentity stated that a product’s benefits should be always clearly communicated. Furthermore, the way of communicating these benefits should always fit to the company’s culture, values and image. Depending on the client’s needs, the product might sometimes be the dominating factor concerning the decision on the advertising content and execution.

For Adentity and McCann the impact of the product on the final advertising content and look can also be derived out of the answers to their viewpoint on standardisation. Both agencies say, that the decision to standardise or not, is influenced - among other things - by the type of product, or whether the product fulfills the same target group needs in many countries.

Moreover, based on the overall knowledge and insights gained from the interviews, it can be assumed that the product’s degree of innovation or the consumers’ familiarity with it, have an influence on the advertising message or composition.

**Target group**
Having a comprehensive knowledge on the target group in each country is a prerequisite for a successful international advertising development. Information
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on the target group can come from the client or can be collected by the agency. To the authors’ mind, knowledge on the target group can be separated into socio-demographic information such as age, gender, family status, education and income, psychographic aspects such as lifestyle, personal interests, motives, attitudes and personality, behavioural information such as purchasing behaviour and, finally, culture.

According to Adentity, all aspects on a target group are equally important when it maps out the target segment. The Duffy Agency emphasises the cultural aspect of the target group a little bit more than the other two agencies: adaptation due to cultural differences is absolutely necessary to achieve the result wanted with a campaign. According to The Duffy Agency, information on the target group also includes being informed about its information seeking behaviour and its attitude towards different types of media.

Interestingly, all three agencies have stated that for some products the target groups are truly alike all over the world. Thus for the marketing of some products or services, cultural differences do not play a big role anymore.

Market

All three agencies share the opinion, that it is necessary to be familiar with the target market. This includes analysing the competition to identify their strengths and weaknesses, to learn about their products and how they market them, in order to find an advertising solution that enables the client to differentiate himself from the competition and to have a unique position in the market.

According to McCann, the market share of a company has to be considered as well. Advertising has to be different if the product is a market leader, or if it has to fight against bigger competitors. The Duffy Agency’s viewpoint on the consideration of the market during international advertising development has not been explicitly mentioned. However, in the concept phase of their working process they also conduct research on the competitive arena in the market as well as on general market conditions. These general market conditions could be, to the authors’ believe, information on the market volume for a product, the rate of saturation, purchasing amounts of a certain product type per month etc. Another important aspect to be aware of, are legislative restrictions. Local
advertising regulations and industry codes directly influence the selection of media and the content of promotion materials. On the other hand, some governments maintain tight controls on content, language and sexism in advertising.

Company
The fifth influencing factor which has been stated and emphasised by all three agencies is the company - the client of the agency. It is important that the final advertising matches the corporate culture and history as well as the company's image. For Adentity, it is particularly important that the communication concept fits the organisation by integrating its values and its vision. This agency always drives to find the right concept, which is not only the best for the market, but which also fits to the company.

To achieve the match between the company and the ad, all three agencies agree that it is important to be very familiar with the organisation and the business of the client. This accounts as well for the client, because both partners have to work closely together and have to be aware of each others' strengths and weaknesses in order to bring all expertise together in the best possible way. On the other hand, the advertising agency has to be familiar with the company and its way of working to be able to create an ad that differentiates the company, its brands or products from its competitors.

A further aspect that is of crucial importance in relation to the client's company is the fact that more negotiations between the agency and the client are needed. This is due to the fact that next to the direct contact person for the agency, also a number of market responsibles in each foreign country have to be convinced of the advertising concept. According to Adentity, The Duffy Agency and McCann uniting all market companies and reaching a final decision so that everyone is satisfied, is often the most difficult task for them during the entire process. It has a lot to do with corporate politics, endless discussions, winning the people's confidence, trust and commitment as well as gaining an absolute acceptance within the entire company of the client. Particularly McCann and The Duffy Agency stressed the need for one responsible person in the company who is able to take the final decisions for all markets.
Advertising Agency
The factor that surrounds and influences all before mentioned factors, is the experience, knowledge and ‘gut feeling’ of the advertising agency. Through the constant development and production of international advertisings, the agencies continuously build up a ‘pool of knowledge’ of what works in a specific market, and what does not work. Part of this knowledge and feeling is consciously existent, but the authors’ believe, that a huge part is often unconsciously applied in new projects. Constantly learning from old projects, but also following current market and consumer trends and keeping track on the best ranked advertisings in the world, is what each agency has to do to be up-to-date and to produce successful ads. This constant learning process that renews itself with every new project started is indicated with the black line and the arrow that surrounds the other factors.

Furthermore, the divergent employees’ educational and ethnical background, their working experiences and individual personality and interests influence the work of the entire agency to a great extent. It is the employees’ creativity and skills on which each agency is heavily reliant, and which is present in the advertisings the agency produces.

Conclusion
The third research question of this paper was, to find out whether the cultural theories of Hofstede and Hall could be expanded by using the insights gained from the practical work of the advertising agencies. This question can be answered by saying that it is not possible to expand these theories, because the conducted interviews and the collected documentary data have shown, that the agencies do not apply any method to classify cultures for the development of advertising. Furthermore, their approach to culture is more practical and on a more target group-oriented level than the theories from Hofstede and Hall and, thus, cannot be combined with them.

Nevertheless, the authors were able to build a model that presents all influencing factors on international advertising and puts cultural considerations in relation to them. The most astonishing finding of this study was, that culture is only one out of many influencing factors and, in general, not necessarily a dominating factor.
This insight stands in great contrast to the gained knowledge from the literature, which states that all marketing communications are influenced by culture, and that it is possible to draw interferences from advertisings to a culture of a country (de Mooij, 2005; Dahl, 2004b). The fact that there is a direct link between advertising communications and the dominant cultural values of a society - as stated in the literature - cannot be confirmed by the results of this study. By looking at the model developed on the basis of the practical insights on how advertising agencies develop international campaigns, it becomes quite obvious, that agencies pay attention to much more factors than just culture when they develop international advertisings. Therefore, one cannot say with absolute assertiveness, that the end-product of this process - the advertising with its message and final outlook and design - reflects cultural values. It reflects much more than that. Depending on the individual circumstances of each campaign it could be, that sometimes cultural differences have to be taken into account, while in other cases, the product, the brand or the corporate values have to be stressed and have to stand in the focus of the advertising. Thus, to be provocative, it could also be just pure coincidence, that it is possible to draw conclusions on a culture’s values by analysing its advertisings. Using Mr. Duffy’s word’s to make this statement clear: “What comes out at the end of an ad has very little to do, with what the best message in each part of the world is. It has to do with money, politics inside the company; you have the client’s ability, the agency’s ability and that the art directors came to work on time that day…” (Duffy 2006).

Moreover, the authors have learned that agencies - or companies - purposefully develop advertisements that stand in absolute contrast to the cultural values of a country. The example that illustrates this is the Levi’s case in Japan where the advertising was made to upset the older population, which would in return animate the youth to buy the Jeans in order to revolt against the traditional Japanese values and norms. The view of all agencies was as well, that for some products the target groups and its needs, motifs to buy the product, their educational background etc. are so alike, that cultural differences do not play a crucial role anymore. This makes it possible to communicate to them by developing globally standardised advertisings. These ads do not reflect the people’s cultural values of all countries, but they are nevertheless successful, because the target groups are so similar when it comes to other - in these cases more important - traits.
To conclude, it can be said, that the authors have contributed to the literature by developing a model that shows which factors are taken into consideration by an advertising agency during the development of international advertising. As far as the authors know, such a model has not yet been described in the existing literature.

### 6.5 Future Relevance of Culture in Advertising

Another interesting aspect when analysing culture in connection to advertising is to find out, whether the advertising agencies believe that cultural considerations in future advertising will become more important or not. The answer to this question can be derived out of the answers concerning the interviewees’ personal viewpoints on adaptation or standardisation of advertising.

Mr. Duffy (The Duffy Agency) sees a clear trend towards standardisation as global companies are more and more forced to establish global brands\(^\text{10}\) because of the increasing economic, technical and cultural integration, which is also called globalisation. However, to Mr. Duffy’s mind, there will be never truly standardised campaigns: on the one hand, it is essential to communicate consistent brand values and brand personalities on a world-wide level; on the other hand, there will always be a need to adapt marketing tactics to local markets and cultural conditions. Thus, he believes that cultural differences will remain in the future and will have an impact on advertising.

In contrast to this, Mrs. Nicander (Adentity) believes that the world is getting closer together, target segments approximate each other and, thus, cultural differences will become smaller and smaller in the future. She speaks in favour of global advertising campaigns that have one communication platform (standardised), but allows to a certain extent minor possibilities to adapt to local markets.

Mr. Johansson (McCann) shares Mrs. Nicander’s view and believes that the trend goes more and more to standardised advertisements due to the people’s

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\(^{10}\) A global brand tries to maintain the same name and brand image regardless of country and, thus, develop a strong global brand awareness (Czinkota and Ronkainen, 1998, pp. 556-558).
increasing mobility. He claims that particularly with regard to young target groups, cultural differences will diminish progressively. Mr. Grimsholm (McCann) - his boss - has a totally different opinion than his employee and believes that cultures will drift more apart in the future. According to him, cultural borders instead of geographical borders are very important today and will become even more important in the future.

These viewpoints show that it is not possible to provide a clear answer to the question whether cultural considerations in future advertising will become more important or not.

6.6 Summary

In this chapter, cross-case investigations have been conducted to uncover common patterns and regularities, central themes and intergroup differences between the cases. Furthermore, the answers to the research questions have been derived from the collected empirical data consisting of interview transcripts and documentaries. The derived results from the empirical data have been compared to the findings from the literature.

The main findings of the empirical analysis are as follows:

- None of the agencies employs Hofstede’s or Hall’s or any other scientist’s cultural theories during their development process of international advertising.
- Neither The Duffy Agency, nor McCann or Adentity have developed their own set of cultural dimensions.
- The application of cultural theories, models or dimensions is regarded as not sufficiently reliable or useful for the development of suitable ads for culturally different target groups, because:
  - they emphasise stereotypes,
  - they rely on data gained in the past,
  - they cannot provide sufficient answers to the underlying motivation, the reason-why an individual consumer or a certain target group acts and thinks in a certain way.
Empirical Analysis

• Even though the approach to culture of an agency is not guided by a systematic method, the issue of being aware of cultural differences is always present during the whole development process. However, in some process steps this awareness is more concrete than in other steps.

• Means to handle the issue of cultural differences applied by all three agencies are: consideration of insights gained from consumer analysis (on behalf of the client or the agency), relying on experiences from previous projects and the conduction of consumer tests of the advertisements before implementation.

• Cultural aspects are not the most important influencing factors on the final outcome of an international advertisement. Cultural considerations have to be seen in connection to the whole context of the development process.

• The six influencing factors on the development of international advertising are: the advertising agency, the brand, the product, the market, the target group and the client’s company.
7. Conclusion

This chapter begins with a short summary of the dissertation and continues with providing a synopsis of the answers to this paper's research questions. Subsequently, the choice of methodology is evaluated, and the model developed during the course of this research is critically reviewed. Practical as well as theoretical implications of the research findings are exposed. The chapter concludes with suggestions for future research and the final reflections of the authors.

7.1 Summary of the Dissertation

Culture drives how people communicate and what they communicate. In addition, culture influences the people's perception of advertisements. Understanding the consequences of cultural differences is, therefore, crucial for marketing and advertising people when it comes to the development of international advertising.

The main purpose of this dissertation was to investigate the approach of advertising agencies towards cultural differences during the development process of international advertising. Furthermore, the authors wanted to find out, if the cultural theories of Geert Hofstede (1980, 1991 and 1994) and Edward T. Hall (1963, 1976, 1984, and 1990) are applied in the agencies and serve as cultural guidelines during the development process of international advertising. Or, whether the agencies have developed their own methods to classify cultures, based on their tremendous experience with the exposure to consumers of different cultures. In the case of the latter, it was aimed to establish a new cultural model based on the grand theories of Hofstede and Hall but expanded by the cultural insights gained through the empirical investigation in several advertising agencies.

Three case studies have been conducted to achieve a comprehensive understanding on the processes of creating international advertisements, to learn more about the agencies' approach to cultural differences and to gain a holistic view on the numerous strategic, creative and especially culture-oriented considerations that have to be taken into account, as well as, the motivations that
stand behind them. Four semi-structured interviews have been conducted with account managers and CEOs of three advertising agencies. In addition, documentary data such as company presentations and brochures, internal memos as well as content from the agencies' homepages have been collected and analysed to be able to investigate the research topic from various angles.

Cross-case analysis led to the detection of common patterns and regularities, central themes and intergroup differences between the cases. As a result, the authors were able to create an understanding from the information received and to answer this paper's research questions. In addition, comparisons to relevant literature findings have been made, which show that the results of this study stand in contrast to them. This will be yet again explained in the coming section 7.2. Furthermore, on the basis of the derived understanding and interpretations of the case studies, a model was developed that depicts the various influencing factors on international advertising development, and, sets the cultural considerations in relation to them.

7.2 Summary of the Research Results

During the course of their research, the authors were able to answer all three research questions and, thus, fulfilled the objectives of this study.

Research question 1:
• How do advertising agencies approach cultural differences during the development process of international advertisement for consumer markets?

Based on the knowledge gained during this research, it cannot be claimed that the issue of cultural differences is approached by applying a constant and systematic method or technique that focuses on the discovery of cultural differences, or that supports the agency in how to deal with them. Classifications of cultures - either derived from the theory or from practical experience - do not seem be applied by the advertising agencies. Nevertheless, all three investigated agencies regard culture and cultural differences as an important factor to consider in international advertising. The awareness of those differences is always there throughout the entire development process. However, in some process steps this awareness is more concrete than in other steps. To the
authors’ mind, cultural knowledge and cultural awareness is also often present at a more unconscious level.

The only step where the factor of culture is explicitly addressed for the purpose of evaluation is the consumer tests performed by the agencies before the final implementation of the advertisement. Here, consumer evaluations of the ad in all relevant countries are conducted to uncover decoding problems in the communication process. This final test before the implementation is an agency’s insurance against failure. It allows the agency to safeguard that the ad is perceived in the intended way and prevents misunderstanding or disliking due to cultural differences of the target groups.

Furthermore, the advertising agencies are not free to decide themselves to what extent cultural differences should play a role in international advertising. There is always a close cooperation between the agency and the client. The client’s influence has to be seen in a spectrum ranging from low to high influence. Very often, especially with the big multinational clients, the decision whether to standardise or adapt an ad, whether the focus of an advertisement should be on the brand, the product or the consumer etc. lies in the hands of the client.

Thus, one can conclude that even though advertising agencies are aware of cultural influences when they develop the advertising, there is nor structural knowledge, nor a structured approach to it. The development of international advertising is rather found to be process driven than solemnly culture driven, which is a surprising finding since the literature states that culture is above the procedural practicalities in the advertising development.

Research question 2:

- Are advertisers aware of the cultural theories of Geert Hofstede and Edward T. Hall and do they apply them in the international advertising creation process?

One of the main results of this study was the discovery, that the advertisers do not consider cultural theories as supportive and useful guidelines for the development of suitable ads for culturally different target groups. This is owing to the reason that cultural theories emphasise stereotypes, rely on data gained in
the past and are too broadly defined, meaning that they cannot provide sufficient answers to the underlying motivation, the reason-why an individual consumer or a certain target group acts and thinks in a certain way.

These viewpoints of the agencies stand in great contrast to the findings derived from the literature where, for example, de Mooij (2005) recommends the use of cultural dimensions to develop globally successful advertising campaigns, because they are a good means to vocalise and label cultural differences and similarities, and, permit to compare cultures with respect to consumption-related values. Moreover, Anholt (2000) states that the cultural dimensions of Hofstede are perfectly made for mass marketing, where the individual personality is of secondary importance, and it is necessary to draw gross generalisations. The insights gained from this research, however, have shown that cultural dimensions focus on a level, which is too far away from the individual needs and value appreciations of the target group. They can therefore only serve as a first starting point or a very robust and broad guideline whose accuracy has, nevertheless, to be tested in the end.

The authors of this dissertation regard the application of the cultural dimensions of Hofstede and Hall on advertising as quite problematic and not necessarily leading to clear results. It has to be kept in mind, that they have been produced in a different context than advertising. Hofstede’s dimensions are, for example, derived from a research carried out in a work environment. As already stated in the theoretical framework, it is therefore questionable, if Hofstede’s dimensions can be transferred to the general population of any culture. With regard to the results of this research, it also seems to be questionable, if they can be applied without further consideration for context. The context in the case of advertising would be the environment of the advertising agency and the various factors that have an influence on the end product - the advertisement.

Furthermore, cultural dimensions are usually developed to explain interactions of people and human behaviour. Thus, it can be assumed that the applicability of the cultural dimensions on advertising as a preliminarily one-way form of communication might be problematic. Another critical aspect that speaks against the use of cultural dimensions to develop or analyse advertisements, is the fact that advertising does not necessarily reflect the reality. It could also portray an idealised world, that appeals to members of a society because it speaks directly
Conclusion

against their values and norms (e.g. the Levi’s case describe in chapter 4.3.5), or because it promotes values which are not the norm in the society (e.g. the use of a family appeal in an individualistic society).

Research question 3:

• How can one expand the cultural dimensions from Hofstede and Hall by using the cultural insights gained from the practical work of the investigated advertising agencies?

This question has to be answered by saying that it is not possible to expand the cultural theories of Hofstede and Hall by using the insights gained from the practical work of the advertising agencies. The agencies’ approach to culture is much more practical and more focused on the target group-level, than the theories from Hofstede and Hall and, thus, it cannot be combined with them.

During this research, the authors, however, have learned that cultural aspects are not the most important influencing factors on the final outcome of an international advertisement. Moreover, cultural considerations have to be seen in connection to the whole context of the development process. The authors were able to develop a model which explains this context by describing all influencing factors on international advertising. The main influencing factors are: the advertising agency, the brand, the product, the market, the target group and the client’s company.

This model disproves the literature, which states that culture can be regarded as the context that surrounds the development of advertising and that has a direct and irrevocable influence on it. Drawing from the insights gained from this research study, the processes that take place within the field of international advertising are not directly influenced from a cultural environment surrounding everything (see figure 9, in chapter 5.4.3). Instead, culture is only one feature of the target group. It is one out of many factors that influence the process of advertising development. Therefore, one cannot say with absolute assertiveness that the advertising with its message and final look reflects cultural values. Depending on the objectives and individual circumstances of each advertising campaign, it could be, that sometimes the importance of cultural considerations
exceeds the importance of other factors, while in other cases the product or the brand stand in the focus.

Thus, as a result of this research, it has to be questioned, whether Hofstede’s and Hall’s dimensions are able to explain the variety of values and motives used in advertising across countries. The direct link between the advertising communications and the dominant cultural values of a society as stated in the literature (de Mooij, 2005; Dahl 2004; Okigbo et al., 2006; Cho et al. 1999 etc.) cannot be confirmed by the research findings of this study.

### 7.3 Reflection on Methodological Considerations

During the collection of the data it became clear that the research questions of this paper could not be answered in the intended way. Furthermore, the clear purpose of this research had to be altered by the nature of the data collected. Instead of proving that advertisers know and also apply the cultural theories of Hofstede, Hall or any other scientist, or have developed their own set of dimensions, it came out, that the agencies do nor this, nor the other. The research process instead led to the development of a model that depicts all influencing factors on international advertising. This model also includes culture, but only as one out of many aspects. The choice of the abductive approach was, therefore, ideal for this research study as it allowed to follow this flexible and evolutionary approach to the research topic.

A deductive approach would have been inadequate and misleading, as it would have constrained the scope of research from the very beginning by adopting restrictive theoretical propositions that do not reflect the interviewees’ views and experiences. Instead, the avoidance of any predetermined theoretical basis enabled to search for and recognise meanings in the data that fit the context of advertising and are relevant for the participants, and not only for the researchers and their objectives.

It was furthermore important, not to ‘jump’ into the field of research without having some kind of knowledge on advertising, culture and cultural theories in order to be able to relate the given answers to the theory. Therefore a complete unbiased approach as stipulated by the inductive approach was not entirely possible.
7.4 Criticism of the Model

One cannot exclude the possibility of missing factors in the model, which could not be drawn due to the respondents possibly limited answers and the time constrain during the interviews and, as a consequence, limited amount of questions asked.

In addition, the development and provided description of this model has to be seen in relation to the fact that the purpose of this study is exploratory. This means that this research shall provide new insights into and comprehension of the research topic. Moreover, it shall give answers to the questions ‘why’, ‘how’ and ‘when’ something occurs (Malhorta and Birks 2000). To this date, the approach of advertising agencies to the creation of international advertising campaigns has not been discussed in the established literature. The aim of this study was, therefore, to fill this gap of research by analysing the role of cultural considerations within this process. To be able to achieve this, the authors allowed concepts and abstract ideas to emerge from the data. Yin (2003) describes this as developing propositions by recognising regularities, an approach which is closely related to exploratory case studies. The model derived from the empirical data can, thus, be regarded as a set of propositions that need to be further investigated or even tested in a subsequent study, in order to be able to define the causalities between the various factors of the model.

It is therefore important to mention, that with the present development status of the model, one cannot say what effect each factor has on the performance of each advertising, and it is also not possible to make assumptions on the concrete relationships of the factors. However once again, this was not intended as this study is of exploratory nature. To the authors’ mind, testing this model and searching for fixed causalities between the factors could be very difficult to achieve. It can be assumed from the insights gained during this research, that the importance of the influencing factors on international advertising change with every client or every advertising campaign that has to be developed.

To conclude the criticism of the model, it has to be said, that the authors have presented the established model to all three advertising agencies to check, if they would agree to the set up portfolio of influencing factors on international advertising. A short feedback has been received from Mr. Duffy and Mrs.
Conclusion

Nicander, both stating that the model depicts the main factors which are generally considered in the majority of their projects.

7.5 Practical and Theoretical Contribution

7.5.1 Practical Contribution

This paper attempts to contribute to practice by setting a framework for the use of culture in advertising. Through the use of the model developed and the questions raised and answered, practitioners in the field can find guidance in the assessment of importance and use of culture as a factor in advertising.

Moreover, the model can serve as a guideline for further inquiries into the field. By assessing the correlation between the factors in the model, professionals can possibly derive new insights on the success of their developed advertisings. Furthermore, the model could be used to reflect on and eventually improve an agency’s work practices.

7.5.2 Theoretical Contribution

This dissertation contributed to the existing theory in four aspects. First, this research study has shown that culture is not the central theme during the development process of international advertising. It cannot be regarded as an environment or context having a direct and irrevocable influence on the processes that take place within the field of international advertising, as stated in the literature (see figure 9, chapter 5.4.3). Instead, cultural differences are only one feature of the target group. Furthermore, the model depicts that cultural considerations are only one out of many influencing factors on the outcome of international advertising. As a result, cultural factors are not necessarily predominant in this process, because given the individual circumstances of each advertising campaign to develop, it could be, that sometimes the importance of product or brand considerations exceed the importance of cultural considerations. Therefore, one cannot say with absolute assertiveness that the advertising with its message and final look reflects cultural values.
Second, the results of this study stand, surprisingly, in great contrast to the literature findings which state that cultural dimensions are perfectly applicable on the development process of international advertising (Anholt, 2000; Hall, 1997; and de Mooij, 2005). This study has shown that the cultural dimension of Hofstede and Hall or any other researcher are not known to all three agencies and also not applied. Furthermore, the advertisers do not consider cultural theories as supportive and useful guidelines for the development of suitable ads for culturally different target groups. This is owing to the reason, that they emphasise stereotypes, rely on data gained in the past and are too broadly defined, meaning that they cannot provide sufficient answers to the underlying motivation, the reason-why an individual consumer or a certain target group acts and thinks in a certain way.

Third, in connection to this, it has to be questioned, whether Hofstede’s and Hall’s dimensions are even able to explain the variety of values and motives used in advertising across countries. This study rather challenges the studies of cross-cultural research, as the findings cannot confirm that cultural dimensions are applied during the advertising development and, thus, are automatically reflected in the final ad. Or in other words, no correlation between the final ad and the means to develop an ad was found, which could lead to the conclusion, that cultural dimensions have been used to develop the advertising. Thus, the direct link between the advertising communications and the dominant cultural values of a society as stated in the literature (de Mooij, 2005; Dahl 2004; Okigbo et al., 2006; Cho et al. 1999 etc.) cannot be confirmed by the research findings of this study.

Finally, this dissertation was able to contribute to the literature by developing a model that shows which factors are taken into consideration by an advertising agency during the development of international advertising. As far as the authors know, such a model has not yet been described in the existing literature.
7.6 Future Research

Starting from this study, further research can be conducted in the following areas:

- Since this study is not able to generalise the results for the whole advertising agency industry, it would be interesting to conduct the same investigations with other advertising agencies to see, if the findings of this study could be confirmed.

- By taking more agencies into account, the ‘Model of Influencing Factors on International Advertising’ could be further developed, tested and applied.

- Since the application of cultural dimensions on advertising creation and the content analysis of advertising do not provide any reliable answers on how advertisements have to be developed to be successful, it could rather be interesting to conduct further research led by the question: How do consumers of different nations perceive advertisements, and why do they differ in their perceptions?

7.7 Final Reflections

The research theme chosen was proved to be very interesting and challenging. To the authors’ knowledge, the approach of advertising agencies to cultural differences has not been discussed in the literature so far, therefore, it was exciting to investigate in this issue at first hand. Thanks to the great willingness of the interviewees in the agencies to talk about their daily work, the authors were able to derive worthwhile findings out of the information provided.
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**Internet**


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Johansson (2006), Martin Johansson, Account Manager, McCann Malmö, Date: October 24, 2006, Location: Gustav Adolfs torg 8c, 211 39 Malmö.


Documentations


Company Websites

www.adentity.se

www.mccann.com

www.mccannmalmo.se

www.theduffyagency.com
Appendix

Appendix 1  Cover Letter Example
Appendix 2  Key Questions Sent to the Interviewees in Advance
Appendix 2a  Interview Guide for the Interviewers
Appendix 3  Top Four Marketing Organisations with their US-based Network Agencies
October 10, 2006

Dear Christer,

With reference to our telephone conversation of this afternoon, I am sending you more detailed information on our dissertation topic and the core questions that we would like to discuss with you.

We are two German students studying International Business Administration at the University College of Kristianstad. At the moment we are devoting our time writing our master dissertation which will be discussing the success factors of international advertisements (B2C). Besides describing the process of creating or adapting an advertisement for Sweden, we are interested in the various strategic, creative and especially consumer-oriented considerations that an advertiser has to take.

To receive the information needed, we conduct interviews with Swedish businessmen/women of advertising companies in order to learn more about their practical experiences on the creation of advertisements.

The duration of the interview is expected to be around 60 minutes.

The study should preferably not be confidential. Thus we would like to refer to your company and quote your answers in our dissertation. However, we are also willing to guarantee for your company’s or your anonymity if you wish so.

We would be very grateful, if you could arrange a meeting preferably this week or in the course of the coming week.

Should you have any further questions, please do not hesitate to contact us!

Best regards

Nicole Aillaud    Olaf Hähnel

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Appendix

Appendix 2 – Key Questions sent to the Interviewees in advance

Questions

1) How does the process of creating an advertisement (B2C) look like (from the beginning when the client gives the order to the end when the ad is printed/released)?

2) Where are the crucial points of this process? At which steps are many or most of the mistakes done?

3) How exact are the guidelines from your clients in general when they assign you with the development of an ad?

4) What in your opinion differentiates the Swedish against the German/English/Danish consumer
   - in general?
   - when it comes to advertising?

5) How does and advertisement/ad campaign has to be when it should be successful in Sweden? Which are the three most important ones?

6) What are the differences between creating an ad for Sweden and one that is employed on a multinational level?

7) What are the striking factors that a good advertising agency has to be aware or informed of when it comes to the consumer or the market?
Appendix 2 a – Interview guide for the Interviewers

**Opening questions:**

- For how long have you been working for this company / in this position?
- What is your educational background?
- Have you ever worked abroad?

**Introductory questions:**

- How does the process of creating an advertisement (B2C) look like (from the beginning when the client gives the order to the end when the ad is printed/released)?
- Where are the crucial points of this process? At which steps are many or most of the mistakes done? Why?
- How exact are the guidelines from your clients in general when they assign you with the development of an ad? (E. g. information content, the composition of an ad, the colours and pictures used instructions on conveyed brand image, corporate identity?)

**Key questions:**

- How does an advertisement/ad campaign has to be when it should be successful in Sweden? Which are the three most important ones?
- What in your opinion differentiates the Swedish against the German/English/Danish consumer?
  - In general?
  - When it comes to advertising? What are the differences between creating an ad for Denmark and one that is employed on a multinational level?
- Do the factors of success change when it comes to the creation of an international advertising campaign/ad?
- Do you do consumer or market analyses? What do you exactly observe and analyse? Do you do that continuously or only when you have received an order from a client to create an ad?
- What are the striking factors that a good advertising agency has to be aware or informed of when it comes to the consumer or the market?
When culture as a topic has been mentioned by the interviewee:

- When you think about culture: what comes to your mind?
- What kind of role do cultural considerations play when creating or adapting an advertisement?
- Can you give some positive/negative examples from your experience so far?
- Do you think there is any classification of cultural aspects possible?
- Do you use/apply a certain framework or set of dimensions to deal with the various cultural significances of each country?
- What are your perceived cultural values/characteristics on Sweden?
- In the process of creating an ad: In which phase do cultural considerations play a role? Why?
- Compared to other factors (e.g. design questions, sticking to a clients ideas etc.) how important are cultural dimensions for you?

Standardisation/adaptation:

- What do you think, which aspects of culture create a problem in international advertising?
- On an international level: do you think a standardised advertisement could really work?
- Have you ever taken part at the development of a uniform ad for a multinational campaign?
- What are your experiences with universal appeals like beauty, humor etc. which are understood independently from any cultural context?
- Focusing Europe, how big is the need to adapt ads because of cultural differences?
  - In the Scandinavian market?
  - Continental / Great Britain?
  - North-South-Europe?
- When do you think adaptation makes sense? For which products (consumer goods, durable/non-durable/industrial)?

Ending question:

- Do you want to add something to what we have been discussing?
Appendix 3 – Top Four Marketing Organisations with their US-based Network Agencies