

The Role of Global Advertising

Learning Objectives

1. Explain how major multinational advertising agencies have become a key component in international communication.
2. List the top 10 advertisers:
 - Procter & Gamble
 - Unilever
 - General Motors
 - Toyota
 - Ford Motor Company
 - Time Warner
 - Daimler Chrysler
 - L'Oréal
 - Nestlé
 - Sony
3. List the top 6 global advertising agencies:
 - Omnicom (US)
 - WPP Group (UK)
 - Interpublic (US)
 - Dentsu (Japan)
 - Publicis (Europe)
 - Havas (Europe)
4. Describe the history and services offered by the top global advertising agencies.
5. Understand the impact and role of advertising.

Chapter Outline

Omnicom Group, Inc.

Ketchum PR Agency: ethics issue

WPP Group

Interpublic Group

Dentsu, Inc.

Publicis Group

Havas Advertising

Key Terms

Global advertising

Total quality advertising (TQM)

Martin Sorrell

Ketchum PR Agency

Hoshiri Mitsunaga

“Communications Excellence”

Saatchi & Saatchi

The Leo Group

Leo Burnett

“Global Vision/Local Touch”

Omnicom Group, Inc.

WPP Group

Interpublic Group

Dentsu, Inc.

Publicis Group

Havas Advertising

Activities

- Working in small groups, ask students to brainstorm about movies that they have seen in which US-based products have been seen in international settings. After completing the brainstorming exercise, ask students to explain the positive or negative effects US-based products have on international countries.

- Show students several advertising clips that are run on international television. After watching the clips, ask students to explain what they think are the differences between US advertising and international advertising.
- Take-Home Assignment: ask students to search for one of the top 10 agencies on the World Wide Web to find the company's slogan or motto. Each student should briefly explain how the company determined the slogan or motto and what it means to the company's clients.

Test Questions – Chapter 9

Multiple Choice

- 1) WPP's most important territory is _____.
 - a. United Kingdom
 - b. United States*
 - c. Japan
 - d. Europe

- 2) Which advertising agency's brands are consistently recognized as among the world's creative best?
 - a. Omnicom Group, Inc.*
 - b. WPP Group
 - c. Havas Advertising
 - d. Leo Group

- 3) Which advertising agency purchased rival True North Communications of Chicago?
 - a. Bcom3 Group
 - b. WPP Group
 - c. Interpublic Group of Companies, Inc.*
 - d. Omnicom Group, Inc.

- 4) Advertising agency Dentsu created a slogan that reflects the company's commitment to _____.
 - a. Multi-Communications
 - b. Total Communication Service

- c. TotalCom
 - d. Communications Excellence*
- 5) Who is the largest advertising agency in France?
- a. Havas Advertising
 - b. Coridant Communications Group
 - c. Publicis Group*
 - d. Grey Global
- 6) Which advertising agency is a result of a merger in 2000 among BDM, the Leo Group, and the MacManus Group?
- a. Bcom3 Group*
 - b. WPP Group
 - c. Omnicom Group, Inc.
 - d. True North Communications
- 7) The corporate motto “Global Vision/Local Touch” belongs to which advertising agency?
- a. WPP Group
 - b. Havas Advertising
 - c. Grey Global Group*
 - d. The Leo Group
- 8) Critics of cultural imperialism blame the US ad agencies for their global reach on behalf of multinational clients. Yet the actual picture is quite different. What is the actual picture?
- a. only the top 3 agencies are US based
 - b. only 6 of the top 10 agencies are US based*
 - c. only 2 of the top 10 agencies are internationally based
 - d. None of the above
- 9) Which of the following statements is false?
- a. All major agencies are based in core or semiperipheral nations.*
 - b. All major agencies must be based in or have major subsidiaries in the United States.
 - c. US multinational firms purchase the bulk of global ads.
 - d. Mid-sized ad firms are poorly positioned to succeed.

- 10) Which of the following agencies is NOT among the five largest?
- a. Omnicom Group, Inc.
 - b. Interpublic Group of Companies
 - c. Havas Advertising*
 - d. WPP Group
- 11) Which agency includes the subsidiaries Young & Rubicam, J. Walter Thompson Group, Ogilvy & Mather, and Grey Global?
- a. WPP Group*
 - b. Interpublic Group of Companies
 - c. Omnicom Group, Inc.
 - d. Dentsu, Inc.
- 12) Which of the following companies is the world's largest advertiser?
- a. Disney
 - b. Time Warner
 - c. Procter & Gamble*
 - d. Ford Motor Co.
- 13) The PR agency _____, a subsidiary of _____, received unwanted media attention in 2005 for hiring a prominent conservative commentator, Armstrong Williams, to hype a US federal-government program, without disclosing that he was being paid by the government to do so.
- a. Ketchum; Omnicom*
 - b. TBWAWorldwide; WPP Group
 - c. TBWAWorldwide; Omnicom
 - d. Young & Rubicam; WPP Group

True/False

- 14) Market-driven economies do not necessarily require advertising in order to succeed in merchandising goods and services. (F)
- 15) Many multinational corporations seek out a single ad agency with global reach to provide a broad range of advertising-related services. (T)
- 16) Less than 5 US-based firms are among the top 10 advertisers in the world. (T)

- 17) Advertising serves a fairly substantial purpose in totalitarian countries. (F)
- 18) Mergers and acquisitions are the hallmark of global advertising. (T)
- 19) Havas failed to win the bidding war with WPP for Grey Global. (T)

Short Answer/Essay

- What are the three reasons why so many advertising mergers have taken place?
- Explain the historical roots of Dentsu dating back to 1901.
- Leo Burnett, the founder of the Leo Group, is responsible for creating some of the most successful marketing icons in the United States. Name the top four famous icons.
- There are links between global advertising agencies, world-system and electronic colonialism theories. Explain three points stated in your textbook.