Opening for Business: J. Walter Thompson and McCann Erickson Compared

Robert Crawford

Faculty of Arts and Social Sciences, University of Technology Sydney, Australia

When the McCann Erickson agency arrived in Australian in 1959, Broadcasting and Television observed that history was repeating itself: ‘The J. Walter Thompson agency brought such specialist skills … 30 years ago, which by practice and adaptation have become accepted techniques here. In 1959 the process is being repeated’ (Blanket, 1959, p. 1). The arrival of both agencies signalled two important phases in the formal integration of Australia into advertising’s global networks. To this end, they illustrate Armand Mattelart (1991, p. ix) claim that ‘The question of advertising has long ceased to be a national question, and indeed its transnational dimension constitutes its history as a network and a network of networks’. Research on these networks has largely focused on the relationship between the United States and various ‘host’ nations, particularly the well archived activities of J Walter Thompson (JWT) and its international expansion in the interwar period (see Scanlon, 2003; Hultquist, 2003; Pouillard, 2005; Nixon, 2008; DeJulio & Vinti 2009) While Stefan Schwarzkopf (2011) has questioned this focus on Americanisation and its inherent modernist underpinnings, these ambitious global operations nevertheless provide an important starting point for understanding how different these networks emerged, operated, and evolved over time.

JWT’s entry into has been well documented with studies exploring the agencies’ respective establishment, their advertising campaigns, as well as the unique networks connecting them with the head office (Crawford, 2005, 2010; Davis, 2008, 2012). In some ways, the Australian experience seemed unremarkable insofar as it followed established procedures for entering a new market. However, Arthur Hobbs, who had been dispatched to head the Australian venture in 1929, soon encountered obstacles. Staffing was a key issue. Australia’s size and remoteness had meant that many Americans were reluctant to move there. While Hobbs cobbled together an executive that was either American or JWT-trained , their inexperience meant that recruiting local staff was a case of ‘trial and error’ (Jarvis, 1963). The prized GM account also proved troublesome. The client’s local office was unimpressed with JWT’s international deal and actively undermined what it saw as a foreign agency. As the Depression kicked in and sales declined, the client questioned the wisdom of having an American agency handle its advertising at a time when it ‘had spent many thousands of pounds trying to establish themselves as an Australian entity’ (Jarvis, 1963). JWT would lose the account. Despite having access to other lucrative accounts such as Ponds creams and Flit insect spray, JWT needed to secure local accounts. Melbourne was unable to withstand the economic downturn and closed in 1931 and Sydney only survived by two strokes of fortune.

Research was identified as a key part of the agency’s strategy – both as a means of assessing advertising and generating awareness of JWT. The concept of market research was not new in Australia but local agencies generally paid lip service to it. JWT consequently sought to publicise its research department as a point of difference. A series of advertisements inserted into the industry press in 1931 thus explained that ‘J. Walter Thompson was one of the first organisations to realise the value of scientific method in advertising’ (Newspaper News, 1931).

Capitalising on the agency’s international network proved more complicated. Sydney’s links with the remainder of the JWT network were an admixture of informal and formal connections. While New York was clearly understood to be the centre of JWT’s operations, Australia’s colonial ties with Britain meant that London was also important. One staffer thus recalled that ‘All this time we had maintained frequent touch by correspondence with New York and London Offices, and in 1938, I decided to visit them. The Company finances were still fairly thin, and it was a case of paying one’s own expenses’ (McNair, 1963). Australia was in many ways a distant outpost. However, the agency sought to minimise this tyranny of distance by creating and distributing advertising ‘portfolios’. Such portfolios featured suggested layouts and copy in manuscript form. These set campaigns offered a logical solution for ‘accounts which we should like to handle but which were extremely difficult to handle on a profitable basis’ (Staff Meeting, 1930). They enabled JWT to serve clients with limited distribution networks and also offered services internationally that might lead to the American office
transferring its local account to JWT. The Sydney office’s unique relationship with the international network was also reflected in its 1931 advertising campaign. Direct references to the agency’s American background were avoided. Advertisements instead highlighted the fact that the Australian operations had been open for 18 months. They also underscored the agency’s local roots by drawing attention to the percentage of staff that had been born in the British Empire. While this appeal was presumably responding to a perception that JWT was an American interloper that was seeking to steal business from struggling local firms, it nevertheless revealed that the agency saw itself as a local international agency – one that was as connected to local networks as it was to global networks.

McCann Erickson’s global expansion has not attracted the same level of attention from historians as JWT (Alter, 1995). However, its global expansion was no less impressive. Following accounts into Europe and South America in the interwar period, McCann Erickson would only arrive in Australia in 1959. Up until Marion Harper’s appointment to the agency’s CEO post in 1948, the agency’s expansion followed the JWT mould. However, the new CEO embarked on a new approach that would see McCann Erickson buying into local operations.

In September 1959, it was announced that the Hansen Rubensohn had succeeded in wooing McCann Erickson to form Hansen Rubensohn-McCann Erickson (HR-McCE). The announcement generated great excitement in industry circles. "Newspaper News" (1959) focused on the merger’s impact on the local advertising scene: 'The new Australian-American agency will be able to draw heavily on the unique facilities for training and research which the McCann Erickson organisation supports at its New York headquarters'. Significantly, Australia was identified as the springboard for the agency’s entry into Asia. As the announcement was made jointly in Sydney and New York, it also made front page news in "Advertising Age" (1959) where the move was interpreted as an ‘effort to overtake JWT in overseas business’.

By overtaking an established agency, staffing was not an issue. The agency’s Australian executive would remain in situ. However, the new owners soon made their presence felt. In addition to strategic American appointments in the agency’s executive structure, short-term visits from senior American staff quickly became an established practice. The visit of Pat Weaver, McCann Erickson’s chairman, in October 1960 to launch a day-long seminar illustrated how such visits and appointments were also a key part of the McCann Erickson’s task of indoctrinating ex-Hansen Rubensohn staff into the McCann Erickson way. This flow was not one way. In 1961 five members of the HR-McCE team were sent to New York. Upon his return, a member of the visiting party explained that seminar had focused on ‘the marketing area, specifically on research. There has also been heavy concentration on creativity’ (‘Advertising Agencies’, c.1961). Significantly, the team had been acquainted first hand with McCann Erickson’s philosophy of ‘the personal approach’. Delivering the ‘personal touch’ better also saw HR-McCE restructure its operations so that it could offer consistency across the board. The establishment of a research division was a key priority. Michael Larbalestier, a graduate of the London School of Economics, was thus brought out from Marplan, the McCann Erickson-owned research agency in London, to direct the new division. The creative department would be next, divided into three separate groups, each with its suite of accounts and separate ‘set of writers and visualisers’ ("HR-McCann News Bulletin", 1962).

The task of the agency’s organisational restructure and international exchanges was to attract clients. For all of the blur that surrounded the agency’s launch, the real reason for its expansion was not overlooked: ‘Major reason for the Australian affiliation is McCann’s need to supply advertising, marketing and merchandising service to its many clients which have set up local operations’ (Blanket, 1959). Accounts such as Nestle had provided a common link between the two agencies from the very outset. However, it was Coca-Cola that played an integral if somewhat muted role in McCann Erickson’s decision to expand into Australia. In an attempt to develop greater integration between its American advertising and its international campaigns, Coke moved its account to McCann Erickson in 1955. As broadcasting laws prohibited the screening of imported commercials on Australian television, Coca-Cola needed its agency to have an Australian presence. Within weeks of the merger, HR-McE had secured the account. Staffers working on the Coke account were conspicuous in terms of their travel to the US. Unlike JWT’s relationship with GM, Coca-Cola account would go on to become a cornerstone of the HR-McCE’s creative legacy.

In their attempt to forge a distinctive presence that responded to local and international pressures and opportunities, JWT and McCann not only provide an insight into the state of Australia’s advertising industry; they also offer a unique perspective of the ways that global networks were perceived, experienced, and sold – to clients, to other agencies, and to themselves.
References


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