



# **Role and Challenges to the Advertising Industry in Global Creative Economy**

Workshop on the Management of  
Intellectual Property Rights in the  
Advertising Industry

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# Road Map

- The Global Creative Economy
- Advertising in the Global Economy
- Contribution of the Advertising Industry
- Challenges of the Advertising Industry

# The Global Creative Economy

- Where creativity, culture and technology meet to produce good and services that are globally traded and through exploitation of IP they generate income, export earnings and create employment.
- Copyright-based industries are activities or industries where copyright plays an identifiable role

# The Global Creative Economy contd.

- These industries/activities are categorized according to level of copyright dependability
  - Core copyright-based
  - Interdependent
  - Partial copyright
  - Non-dedicated support industries

# The Global Creative Economy contd.

- Core Copyright-Based Industries
  - Press and Literature
  - Music, Theatrical Production, Operas
  - Motion Picture and Video
  - Radio and Television
  - Photography
  - Software and Databases
  - Visual and Graphic Arts
  - **Advertising Services**
  - Copyright Collecting Societies

# The Global Creative Economy contd.

## ■ Interdependent

TV sets, Radio, VCRs, CD Players, DVD Players, Cassette Players, Electronic Game Equipment and Other Similar Equipment; Computers & Equipment; Musical Instruments; Photographic & Cinematographic Instruments; Photocopiers; Blank Recording Material; Paper

# The Global Creative Economy contd.

## ■ Partial

Apparel, Textiles and Footwear; Jewelry & Coins; Other Crafts; Furniture; Household Goods, China and Glass; Wall Coverings and Carpets; Toys and Games; Architecture, Engineering, Surveying; Interior Design; Museums

## ■ Non-Dedicated

General Wholesale and Retailing, General Transportation, Telephony and Internet

# The Global Creative Economy contd.

Country	GDP	Employment
Bulgaria (2011)	4.54	4.92
Jamaica (2007)	4.81	3.03
Lebanon (2007)	4.75	4.49
Mexico (2006)	4.77	11.01
Philippines (2006)	4.82	11.10
Canada (2004)	5.38	6.87
Hungary (2010)	7.42	7.28

Country	GDP	Employment
USA (2011)	11.10	8.19
Australia (2009)	10.30	8.0
Croatia (2007)	4.27	4.64
Romania (2008)	5.55	4.19
Colombia (2008)	3.30	5.80
Russia (2007)	6.06	7.30
Ukraine (2008)	2.85	1.90
Netherlands (2009)	5.90	8.80



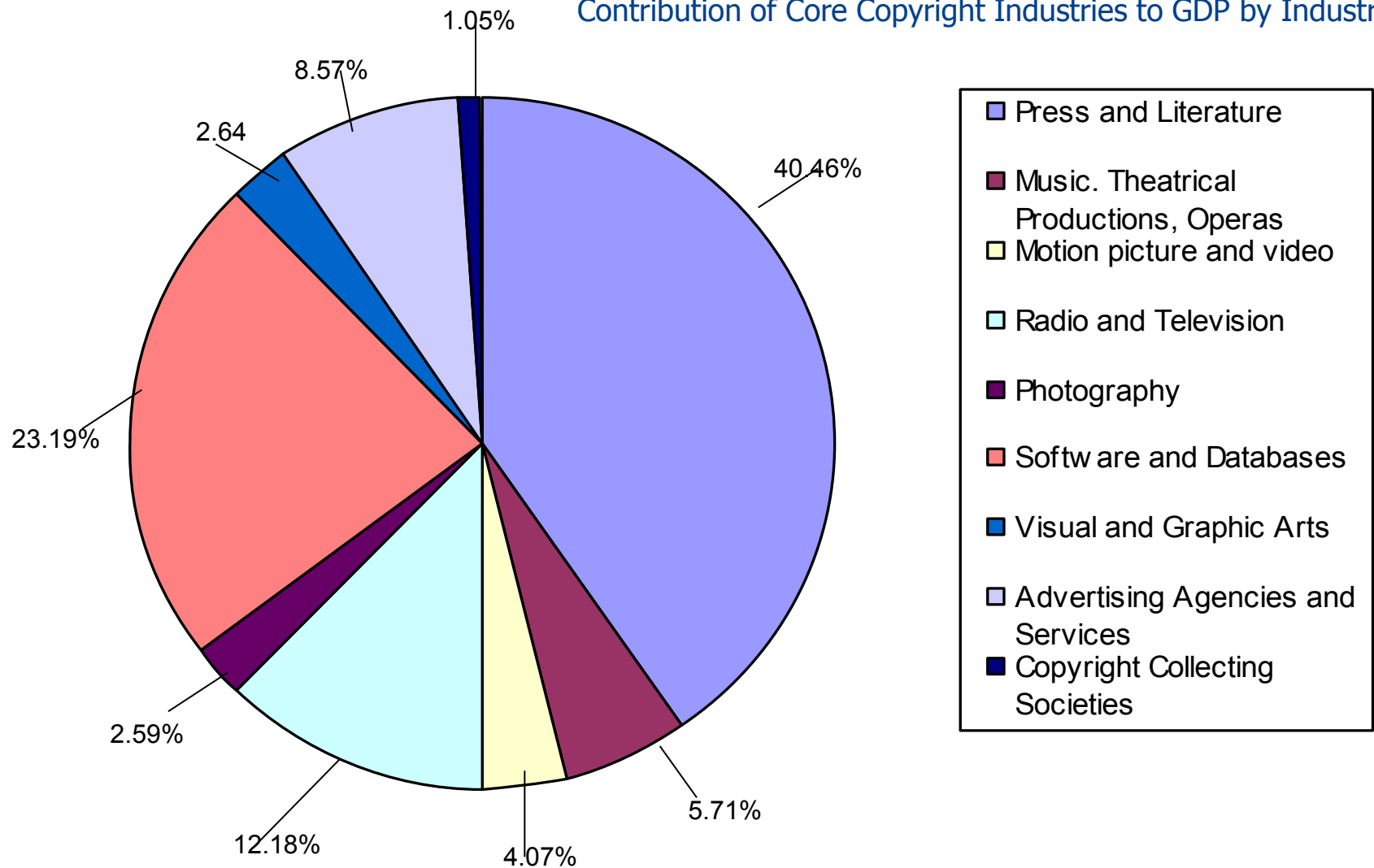
# The Global Creative Economy contd.

Country	GDP	Employment
Latvia (2004)	5.05	5.59
Malaysia (2008)	5.70	7.50
Bhutan (2011)	5.46	10.09
Singapore (2007)	6.19	6.21
Brunei (2011)	1.58	3.20
Trinidad and Tobago (2011)	4.80	5.00
Finland (2010)	4.83	5.12

Country	GDP	Employment
Kenya (2009)	5.32	3.26
Panama (2009)	6.35	3.17
Peru (2009)	2.67	4.50
Slovenia (2010)	5.10	6.80
China (2009)	6.37	6.52
Pakistan (2010)	4.45	3.71
South Africa (2011)	4.11	4.08
Lebanon (2007)	4.75	4.49

# The Global Creative Economy contd.

Contribution of Core Copyright Industries to GDP by Industry



Source: WIPO Studies on the Economic Contribution of the Copyright Industries

[http://www.wipo.int/export/sites/www/copyright/en/performance/pdf/economic\\_contribution\\_analysis\\_2012.pdf](http://www.wipo.int/export/sites/www/copyright/en/performance/pdf/economic_contribution_analysis_2012.pdf)

# Advertising in the Global Economy

## ■ Evolution of Advertising

- As a general activity
  - Use of clay tablets (scribers and shoemakers)
  - Specific stamps ( manufacturers of tableware and amphora clay vessels)
  - Town criers (proclaiming arrival of vessels carrying grain, wine and spices) i.e Greek and Phoenician merchants
- Objective: Publicity i.e to attract public interest, attention on the arrival of new products

# Advertising in the Global Economy contd.

## ■ Evolution of Advertisement

- Increase in competition (availability of alternative products and/or sources)
- Expansion of possible markets
- Progress in technology

# Advertising in the Global Economy contd.

- As a product
  - Use of television commercials
  - Business signs
  - Pamphlets
  - Press announcements. Radio
  - Telephone solicitations
  - Door drops
  - Billboards
  - Internet (banners and pop-ups)
  - Rich media advertisement

# Advertising in the Global Economy contd.

- Increased complexity thus reduced in-house prepared advertisements
- Transformed Advertising to a product in its own right
- Big businesses have emerged to sell this product

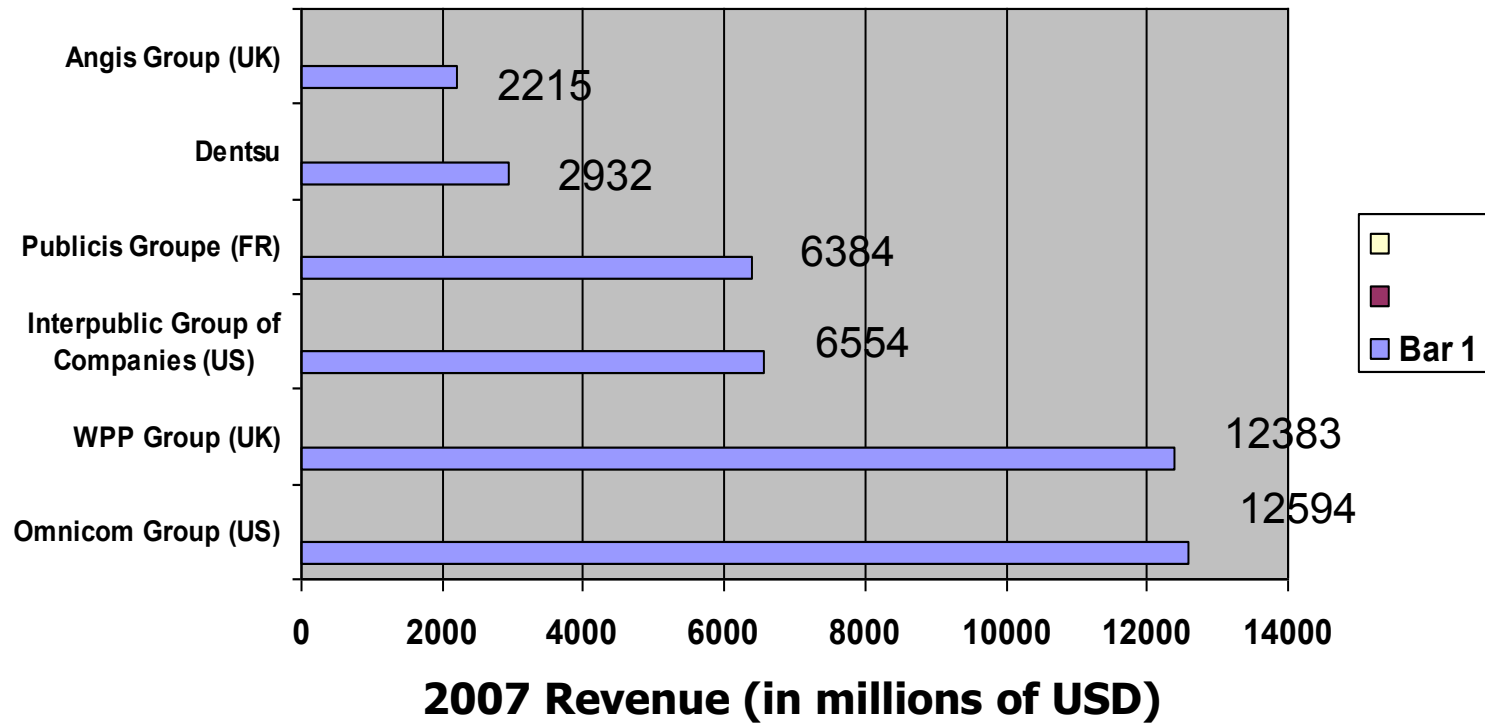
# Advertising in the Global Economy contd.

## ■ Objective

- To attract attention of customers/create interest and finally make a decision to buy (in short influencing choice). The advertisement should bring out the specific aspects of a business in order to facilitate, identification, differentiation, and value

# Advertising in the Global Economy contd.

## Top six marketing and advertising companies 2007 by revenue

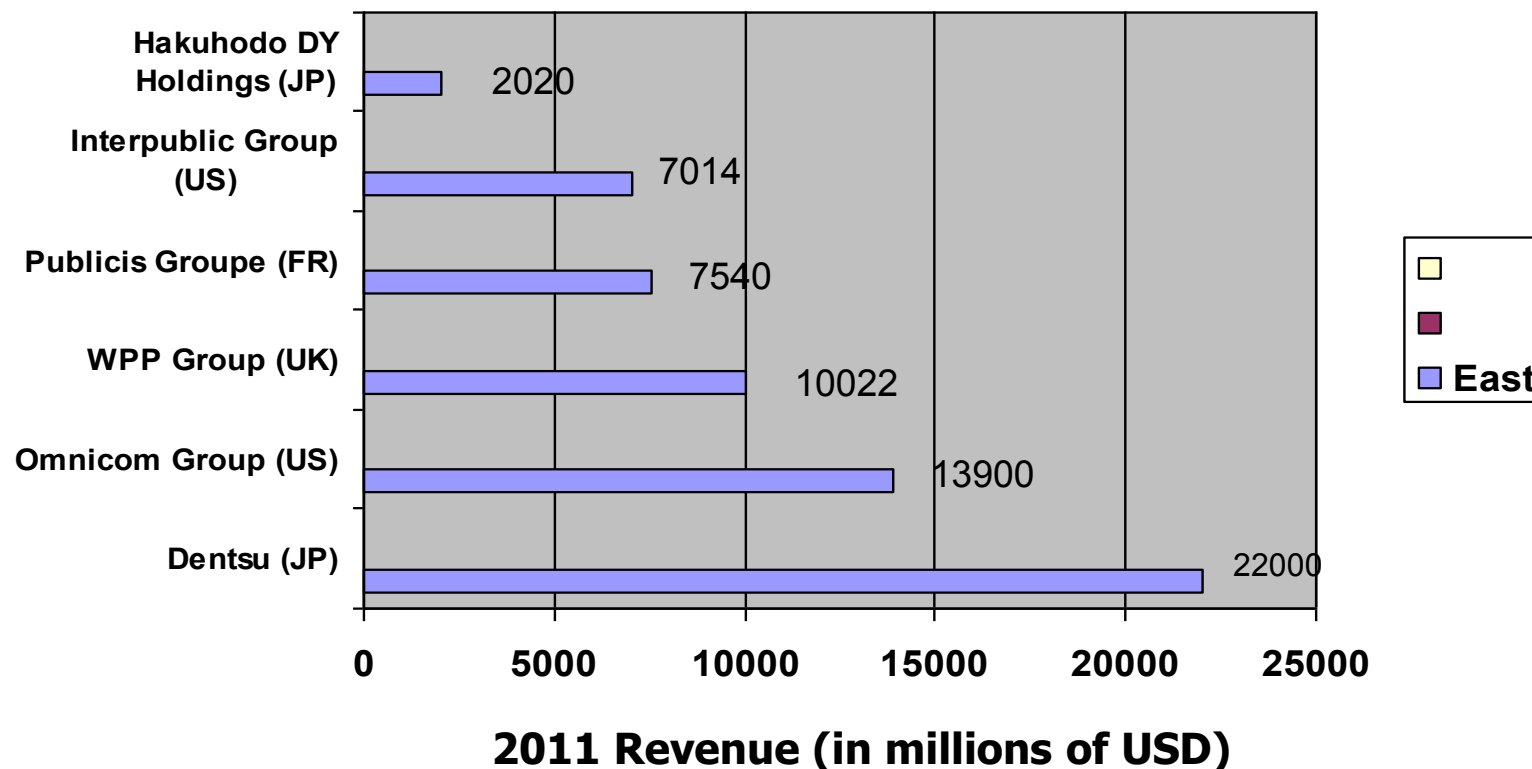


Source: Managing Intellectual Property in Advertising Industry pg. 21



# Advertising in the Global Economy contd.

Top six marketing and advertising companies 2011 by revenue



Source: Relevant companies 2011 Financial Reports

# Contribution of the Advertising Industry

Country	Total CBI GDP	Core Copyright Industries to GDP	Advertising agencies to GDP	Total CBI Employment	Core Copyright Industries Employment	Advertising Agencies Employment
Bulgaria (2005)	2.814	1.571	0.161	4.305	2.294	0.379
Croatia (2004)	4.3	2.994	0.246	4.65	3.221	0.199
Hungary (2002)	6.67	3.96	0.265	7.10	4.15	0.313
Romania (2005)	5.55	3.55	NA	4.19	2.34	0.34

Source: WIPO Studies on the Economic Contribution of the Copyright Industries

# Contribution of the Advertising Industry contd.

- Advertising industry crucial to several other core copyright industries such as
  - Press and literature
  - Radio and television
  - Other forms of media
- In the process indirectly generates employment in these industries

# Contribution of the Advertising Industry contd.

- In 2008 the Institute of Practitioners in Advertising (IPA) estimated that in the UK Advertising was funding 75% of commercial television, 95% of national press, 80% of magazines and 95% of commercial radio\*

\* Source: [http://www.creativeskillset.org/advertising/industry/article\\_3593\\_1.asp](http://www.creativeskillset.org/advertising/industry/article_3593_1.asp)

# Contribution of the Advertising Industry contd.

- Small and Medium-sized Enterprises (SMEs) also participate in the industry
- In 2011 it was estimated that around 12,950 Advertising businesses existed in England
- 91% had 10 employees or fewer
- 22% of people who work in the Advertising industry in the UK are freelancers

Source: [http://www.creativeskillset.org/uploads/pdf/asset\\_16298.pdf?3](http://www.creativeskillset.org/uploads/pdf/asset_16298.pdf?3)

# Contribution of the Advertising Industry contd.

- Companies continue to spend more on advertising
- U.S. is the single biggest contributor of new global ad dollars
- In 2011 US Ad spending was USD 144 billions\*
  -

•<http://kantarmediana.com/intelligence/press/us-advertising-expenditures-increased-08-percent-2011?destination=read-about-us>

# Contribution of the Advertising Industry contd.

- In 2011 Adwords was the biggest Google's source of revenue (than \$36 billion)\*
- Developing markets share of global ad spending was 33.2% in 2011 and *will grow to 37.1%* over the next three years\*\*

\* <http://www.wired.co.uk/news/archive/2012-10/09/google-adword-credit-card>

\*\* <http://www.zenithoptimedia.com/zenith/global-advertising-growth-continues-as-latin-america-and-asia-pacific-compensate-for-weakening-europe/>

# Challenges of the Advertising Industry

- Creation of risk-free winning advertising (it is difficult to differentiate facts and exaggeration in adverts) i.e. misleading advertisement
  - In the UK, advertisements by Christine Dior (mascara) and L'Oreal (anti-wrinkle cream) were once banned by Britain's Ad Standards Authority (ASA) as they appeared to be misleadingly exaggerated the likely effects of the advertised products.



# Challenges of the Advertising Industry contd.

- Advancement in Digital technology has made it possible and easy to copy advertising content, assemble, reshape and distribute it worldwide.
- Existence of copy-cats and illegal use of creative ads, products and content by unfair competitors

# Challenges of the Advertising Industry contd.

- Choice of IP tool to protect content
- Online Behavioral Advertising (OBA)
- On the positive note the online display advertising (facilitated by use of cookies to monitor surfing behavior of users) may lead to targeted advertising

Finally

Thank you for your kind attention

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