

A Comparison of Thai and Japanese Advertising Industries*

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Abstract

Though Japan and Thailand are both Asian countries, the style of communication in advertising differs. A major factor is the difference/composition of the advertising industry. This paper attempts to review the history of the advertising industry; and show the differences and similarities in both countries.

The Japanese advertising market is much larger than Thai advertising market. Second, the Thai advertising industry has been dominated by Western advertising agencies, while the Japanese advertising industry has been led by Japanese companies. Third, there are also the differences of the operation and organization of advertising agencies. These differences influence the advertising communication style in both countries.

Keywords: Thai advertising, Japanese advertising, advertising industry, comparative study

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Introduction

Though Japan and Thailand are both Asian countries, the style of communication in advertising differs. A major factor is the difference/composition of the advertising industry. This paper attempts to review the history of the advertising industry; and portray the differences and similarities in both these countries.

1. Thai Advertising

1.1 Thai advertising history

From a historical viewpoint, categorized by media, the Thai ad history can be divided into three phases: Print Era, Radio Era and Television Era (The Advertising Association of Thailand, 2002).

First, Thai advertising in the Print Era was very simple, monotone, and just informed an easy and direct message to the consumer. Thai advertisements first appeared in February, 1845 (King Rama III), in the *Bangkok Recorder*, the first Thai newspaper, whose publisher was Dan Beach Bradley, an American missionary. It advertised quinine and was printed in the Thai language. The most advertised product in the beginning of Thai ad history was medicine, since every household at that time could produce the necessities of life, except medicine. When the market was bigger, the advertising style was developed and became more interesting. Lettering techniques,

logo types, display types, drawings and photography were utilized in ad production.

Second, Radio was introduced to Thailand in later (1900) and first broadcast in 1930. Thai radio advertising used song and music to explain all product information to consumers in every class, even those who could not read, and to make audiences understand the information in the easiest way. At first, the radio broadcast system was only A.M. which could broadcast nationwide, thus the advertised products were mass products which focused on every class of consumer, especially low-level consumers. After that, when the F.M. radio system was introduced, pop music and foreign music radio programs were broadcast. The advertised product type changed to fashionable products, such as apparel, etc. Though the content of radio advertising would be more interesting and creative, development of Thai radio spots did not progress so much due to the nature of this media, which could transmit only voice.

Third, as in other countries in the world, Thai advertising history suddenly changed when television, a media that could provide visual and audio, was broadcast. In Thailand, television was first on air more than 50 years ago by channel 4, *Bang Khun Prom*. In the early television era, advertising was an announcement by announcer or slide with narration about the product. Then, animation was utilized in movie advertising by Thai ad production.

After the birth of television in Thailand, when advertising expenditure was increased, the advertising agency system from foreign countries was introduced to the Thai advertising market.

Thai advertising agencies from television era till now have been dominated by foreign companies. At first, most advertising professionals were foreigners and worked in multinational ad agencies. Since then, advertising knowledge and know-how were taught and trained by foreigners who worked in ad agencies in Thailand to Thai ad professionals. Many famous Thai ad creative directors were trained by multinational ad agencies such as, Lintas (now Lowe), Leo Burnett, Tedbets, Oglivy & Mather Advertising, McCann - Erickson, Meridian, etc.

In terms of advertising content, the ad characteristic was high creativity with copy and an easy-to-understand slogan. The ad production was not developed so much in the beginning.

In this era, there were two interesting issues in Thai ad history; government regulation and comparative advertising. When advertising created excessive creativity, Thai government tried to control content, visual, audio and language of advertising to protect consumer's rights and Thai traditional culture. The Advertising Association of Thailand coordinated with government to create understanding between advertising agencies and government organizations. Then, the government was lenient and the advertising industry, especially

creativity, became more understandable and popular.

After that, although government still controlled advertising content, due to a more competitive market, comparative advertising was utilized as a tool in Thai advertising. The most popular case was print advertising of Colgate (toothpaste), which used a picture of the competitor's product to obviously compare with its own product. It was a big issue about advertising at that time. Till now, the comparative advertising was rarely found in Thai ad history.

Next, as a result of technology, advertising production technique has played a key role in Thai advertising, such as visualization, visual edition, computer graphics, etc.

Following the extension of Thai advertising industry, two main advertising awards were also established in Thailand; TACT AWARDS and BAD AWARD. First, TACT (Top Advertising Contest of Thailand) AWARDS was founded in 1977 by a group of professors from the faculty of Commerce and Accounting, Thammasat University, the faculty of Business Administration, NIDA, and the faculty of interior design, Silapakorn University. The Advertising Association of Thailand also supported this award. Second, Bangkok Art Director Association created BAD AWARD in 1985. While TACT AWARDS focused on marketing as a criterion of judgment, BAD AWARD emphasized creativity and production.

During the bubble economy before 1997, advertising expenditure increased

tremendously and ad professional was the dream occupation of new graduates. The advertised product extended from consumer products to more segmented markets. The advertising strategy and message were directed to more specific targets. For example, corporate image advertising, or advertising messages specific to only women, men, children or teenagers. Music, sport, animals, sex appeal and children were used in advertising to impact the audience. Musical ads, black and white film, comedy and surrealistic advertising were also created as advertising formats. Some advertising production budgets were as high as 30 - 40 million baht. The degree of Thai advertising was developed rapidly. Thai advertising could receive ad awards in global level, such as Cannes award, Ad Fest of Asia Pacific ad competition, etc.

However, after the bubble economy burst in 1997, advertising expenditure suddenly decreased and ad agencies might adapt the organization and working system. The advertising production flashed back to basics to save the budget for client's company. To substitute the high budget in the bubble economy, brand building, big Idea creating, IMC (Integrated Marketing Communication) and other tools from each advertising agency were utilized to communicate to consumers in every channel effectively.

Moreover, as an effect of globalization, Thai advertising agencies must adapt in many ways to survive in the Thai economic

crisis and globalization trend. The adaptation of Thai advertising agencies in the economic crisis and globalization will be explained next. In summary, categorized by media, Thai ad history can be divided to Print, Radio and Television eras. The ad style was developed from time to time due to the nature of media, technology and the Thai economy. Next, the evolution of Thai ad industry will be discussed.

1.2 Thai advertising industry

In the section on Thai advertising history, the author divides the history into three eras depending on the historical development of media, while, in this part, the evolution of the Thai advertising industry is also divided into three eras but is categorized by industry growth.

From the 1940s to the present, the Thai advertising industry has experienced three distinct phases; Foreign era (1943 - 1976), Thai era (1977 - 1987) and Growth era (1988 - present) (The Advertising Book, 1999, The Advertising Association of Thailand, 2002, and Punyapiroje, Morrison, and Hoy, 2002). Foreign interests dominated the Thai advertising industry during its periods of most rapid growth. As mentioned in the history section, Thai advertisements first appeared during the 1840s in the Bangkok Recorder, the first Thai newspaper, whose publisher was Dan Beach Bradley, an American missionary. The advertiser was Mr. Hunter, who was an English merchant and sold quinine.

First, the “Foreign Era” (1943 - 1976) began when Mr. Groake, an American, established the *Groake Advertising Agency*, which has disappeared now. Following this, various international advertising agencies opened branches in Thailand and began to dominate the Thai advertising industry (Chirapravati, 1996). Eleven out of fifteen agencies during the foreign era were owned by Europeans, Americans and Japanese. These agencies were established mainly to serve non-Thai advertisers or transnational corporations which were developing business interests in Thailand. For instance, Grant Advertising and Cathay Advertising, which changed the name to Tedbets, were two leader agencies. Since then, Dedham and Lintas, which were in-house ad agencies of two huge consumer product multinational companies, Dedham and Lever Brothers, were established. After that, these two agencies separated to be independent companies in the name of S.S.C. and B. Lintas and Leo Burnett Dedham, which later changed to Lowe and Leo Burnett, respectively. Then, Link McCann (McCann-Erickson) was established.

Second, during the Thai Era, 1977 - 1987, many Thai advertising practitioners, who had been trained by advertising agencies in handling transnational clients, established their advertising agencies. Consequently, the number of advertising agencies administrated by Thais increased. There were also joint ventures among international agencies and between international and Thai companies.

Third, the current era is considered the “Growth Era” (1988 - present) because of the dramatic increase in advertising expenditures. Existing agencies at the beginning of this period - both Thai and foreign - could not meet the increased advertising demand of the country. As a result, many new transnational advertising agencies made headway into Thailand and rapidly expanded to meet the need of both native and foreign clients (Chirapravati, 1996).

Although the Japanese have been credited with owing the majority of manufacturing businesses in Thailand, Western companies have come to dominate the Thai advertising landscape (Chirapravati, 1996). Seven of the eleven leading advertising agencies in Thailand currently are overseen by Westerners, independent of Japanese or Thai partnerships. However, these Western agencies do not handle only foreign clients as they did in the past; their client roster has expanded to include local clients as well as other Asian (mainly Japanese) clients. Further, Thai nationals are now employed in Thailand’s advertising industry (Punyapiroje, Morrison, and Hoy, 2002).

Thailand was ranked sixth among the world’s 20 fastest growing countries for advertising expenditures between 1987 and 1996 (“Global Adspend Trends,” 1998). Though there was the Persian Gulf War in 1990, this did not affect the Thai economy and Thailand’s ad industry much. Next, the bubble

economy in Thailand extremely boomed. The Real estate industry became the main client of advertising agencies. Advertising billing was increasing tremendously. In May 1992, there was a short civil war in Thailand, but most agencies could survive this, because the overall Thai economy was still developing well. After that, during 1995 - 1996, as the economy slowed down, the big and middle advertising agencies tried to provide special marketing services to maintain their clients (Advertising Association of Thailand, 2002).

However, an economic depression has affected the country since 1996, and Thailand's advertising expenditures have been relatively flat until recently (The Advertising Book, 1999). The Advertising Association (1998) stated that economic conditions across most of Asia have deteriorated significantly since 1996. Currency and banking crises have seriously harmed economies from Thailand to South Korea. The effect on the advertising industries of the region is likely to be quite severe, at least the short term. The crises have caused thousands of bankruptcies increasing unemployment and destroying investments. Consumer's confidence has been understandably dented and spending is likely to be severely hit. In this environment, advertisers are likely to cut budgets quite drastically.

Following the economic crisis in 1996, the Thai advertising industry has changed and advertising agencies must adapt themselves to survive in the market. While the economy and

advertising have been rebounding, the precarious economic situation has influenced some changes in the advertising industry. Consequently, to survive in the crisis situation and globalization, Thai advertising agencies adapted their organization in many ways. For instance, transnational corporations took over or merged with local Thai ad agencies. The small ad agencies could not maintain their business. Additionally, client demand for better ideas and strategies have resulted in increased pressure on advertising to "perform" (Punyapiroje, Morrison, and Hoy, 2002). The new marketing services were provided. This economic crisis has not only affected on ad agencies, but also below-the-line firms, production houses, research companies and modeling agencies (The Advertising Association of Thailand, 2002).

On the other hand, public relations agencies or the public relations departments of ad agencies still survived because PR could implement on a low budget, not as high a budget as the cost of production and media of advertising (The Advertising Association of Thailand, 2002).

Moreover, not only the economic crisis but also globalization also has had an effect on the Thai advertising industry. First, IMC (Integrated Marketing Communication) was a new concept of marketing communication to use not only advertising (above-the-line) but also other marketing tools (below-the-line) such as events, public relations, sales promotion, direct marketing, data base, research service,

etc. to communicate a marketing message from company to target. In accordance with this idea, Thai advertising agencies adapted themselves to the “full service communications agency” to provide more than advertising service. A lot of Thai advertising agencies created a new department to provide new marketing services to clients. These new services could meet client needs since below-the-line activities could be implemented on a low budget and could reach more specific targets. According to Anantachart (2001), the result from his study showed that the concept of IMC was widely accepted among Thai marketers. More than three-fourth of total 254 Thai respondents were familiar with the concept and mentioned that they have currently practiced IMC. Parts of this adoption would imply to such globalization of the IMC concept. Besides, it can be addressed to the adjustment of business in Thailand. Local and international companies tried to survive through the economic crisis by managing their resources effectively and efficiently (Anantachart, 2001).

Second, in line with trends from other countries, Thai ad agencies also separated each department in the firm to be a new company, to create stronger bargaining power and to easily organize the company. For example, media independent company was separated from the media department. Creative agency that provided only creative ad service was also founded.

Third, the multinational companies used the power of network in the world to

create “tools” for the company. For instance, Ogilvy & Mather has 360 Degree Branding. Leo Burnett uses Brand Belief System, while J. Walter Thompson has Total Branding. Dentsu Young and Rubicam utilizes Brand Communication and TBWA Thailand has Disruption to Change the Rules.

Fourth, in the globalization of the world economy, the stock of advertising agencies of world - class level has merged to create business power by huge holding companies, as in other industries. There are three main groups of “super advertising agency” in the world; WPP, Publicis and Omnicom Group (The Advertising Association of Thailand, 2002). These three tremendous groups of global advertising industry merge worldwide advertising agencies to create the power and specialization in marketing communications.

The merging of advertising agencies at the global level directly affects international and local advertising agencies in Thailand. For example, Ogilvy & Mather, J. Walter Thompson and the Young and Rubicam part of Dentsu Young and Rubicam were merged into WPP Group. Furthermore, due to low investment and lack of knowledge, Thai advertising agencies must seriously adapt the organization and working system to compete against the world - class network of these super advertising agencies.

In conclusion, categorized by industry growth, the Thai advertising industry can be described in three eras; Foreign era, Thai era

and Growth era. From the previous information, the Thai advertising industry is dominated by foreign firms, especially Western companies. This influence affects Thai advertising style unavoidably. In addition, the adaptation has affected the advertising working process and characteristic in Thailand.

2. Japanese advertising

2.1 Japanese advertising history

Japanese advertising history can be divided into two phases depended on the historical development of media in Japan; Print Era and Broadcasting Era (Moeran, 1996).

First, in the Print Era, there was a difference between print advertising before the advent of newspapers and advertising after that. In Japan during the early eighth century, regulations were passed giving permission to market stall operators to use their own and their products' names on specially erected signs, while in the ninth century people used to advertise lost property on wooden posts. The Heian period (794 - 1185) scrolls depict shops with *noren* (暖簾) divided cloth curtains hanging over their entrances. These latter had the name or logo (屋号) of the shop printed on them and have acted as a form of "corporate identity" in Japanese manufacturing and business until this day (Moeran, 1996).

In the middle of the thirteenth century, an itinerant priest, Ippen, first made use of paper as an advertising medium by writing the Buddha's name on several hundred thousand

sheets and distributing them to those he met on his travels.

The form of promotion came into being with the rise of the merchant class and the development of an urban lifestyle during the Edo period (1603 - 1868), when dry goods businesses turned to advertising in order to attract customers to their stores. For example, in 1638 Echigoya put out between five and six hundred thousand posters, and in 1840 a further 700,000, in successful attempts to attract more customers to its store.

After the advent of newspapers, the newspaper gave rise to the development of the Japanese advertising industry. The first modern newspaper in Japan was in English: *The Nagasaki Shipping List and Advertiser*, put out by A.W. Hansard in Nagasaki, twice weekly from June 23, 1861. In the following year, the first Japanese language newspaper was published with translations of foreign news items, and, soon after, advertisements appearing in English-language newspapers were also translated into Japanese. The first Japanese advertiser was a Yokohama baker and confectioner, Nakagawaya, who placed an advertisement in the *Bankoku Shinbun* in March 1867. Japan's first daily newspaper, the *Yokohama Mainichi*, started publication from January 28, 1871 (Moeran, 1996).

In Japan, newspapers played a crucial role in the promotion of advertising and institutional organizations during the early stages of Japanese industrialization. As Japan

modernized and industrialized, it began to manufacture and sell the same sorts of commodities that were being made and sold elsewhere. There was a 'democratization of goods' as they became standardized, easier to use and were consumed in increasingly public ways.

Kukido-Kumi, the first advertising (newspaper) agency in Japan, was established in 1880 but has disappeared now (Udomchan, 1998). There were more complex relations between advertisers and newspapers in Japan, different from other countries.

Western influence was to be found in the Japanese advertising industry's business methods, particularly in the role played by agencies in procuring advertisements for newspapers. From the 1890s, Japanese advertising agencies acted on behalf of newspapers throughout Japan, solicited orders for advertising, forwarded the copy and collected payment in the form of commission, a system which survives to this day. This procedure is the same as practices of American (and Thai) advertising agencies.

Sub-contracting in selling advertising space (or commercial time) also happened in this period. This kind of contract still goes on in Japan today and has given rise to the term 'monopolistic agency' (専属代理店).

The growth of print media like newspapers and magazines in Japan was accompanied by technological developments that greatly increased the speed of printing

itself, and advertising financed the capital investment necessary for the mechanization of newspaper production during the first decade of the twentieth century (Moeran, 1996).

From January 1902, the *Houchi Shinbun* began to use color printing for two or three advertisements every month, and the *Osaka Manichi Shinbun* first printed an advertisement with photograph in 1906. The graphic revolution led to dramatic changes in people's lifestyles and in their perceptions of the world about them (Moeran, 1996).

Second, in the Broadcasting Era, on March 22, 1925, radio became Japan's first broadcasting mass medium, although the military government kept tight control on the dissemination of information and was against any form of commercial broadcasting.

Japan's first experimental live television programs were broadcast by NHK (日本放送協会) in 1951, the same year as the first two independent television station were finally established. In 1952, the first independent television station license was issued. Then, in 1953, both NHK and NTV (Nippon Educational Television Company) started the regular airing of television programs in February and August respectively. Two years later they were joined by a third station - Tokyo Broadcasting (TBS). By 1960, 43 stations were in operation. Most of these stations joined Japan's first television network (JNN) in 1959. Later, other networks were formed: NNN and FNN in 1960, ANN in 1970 and TXN in the mid-1980s.

In spite of the rapid development of broadcasting media in the 1950s and 1960s, most advertisers and advertising agencies were initially cautious about committing themselves to the new advertising medium. The reasons were, firstly, that television sets were extremely expensive (in 1953 a black-and-white set cost all of 530,000 yen); secondly, that production of television commercials was also very costly and the number of audience was very small; and thirdly that, as a new medium, television forced agencies in particular to reconsider their ad methods.

However, with the remarkably rapid rate of Japan's economic development, advertising agencies joined television because they saw an opportunity not just to expand their business, but to establish a niche. The advertising agencies in Japan became heavily involved in program production and programming itself.

Television has become the most popular media of advertising in Japan as elsewhere. The expenditure on television advertising overtook revenues for radio in 1959 and those for newspaper in 1975. *Shinseisha* and *Shojikisha*, two Japanese advertising agencies at that time, collapsed since they could not adapt to the advent of television. On the other hand, Dentsu became the leader of the advertising industry because it could utilize the Account Executive (AE) system of America effectively (Udomchan, 1998).

2.2 Japanese advertising industry

Between 1955 and 1995, advertising expenditure in Japan registered overall annual growth which more or less paralleled that of the economy as a whole. With the exception of the year following the Tokyo Olympics (1965), the industry showed double digit growth from the beginning of Japan's post-war economic 'miracle' until 1970. However, in 1992, the bursting of the bubble economy brought the advertising industry to its first 'minus growth' year since 1965.

Japan had had the largest national consumer market in the world after the United States and Germany till recently; the advertising market in Japan had been second only to the American market. However, unlike other countries whose advertising industries have been dominated by American agencies, Japan has managed to create and sustain the growth of powerful and independent advertising agencies (Moeran, 1996). According to Morean (1996), there have been at least three interconnected reasons.

Firstly, together with Japanese politicians and businessmen, advertising people have marketed the idea that the Japanese themselves are somehow 'different' and their culture 'unique' enough to make foreign companies consider entering Japan's domestic market without first accepting that such cultural differences exist and that they must make a commitment to long-term business relations.

In addition, foreign companies recognize that American-style hard sell may not necessarily work, and that Japanese consumers may have to be wooed by other means than those which they have been accustomed to use elsewhere. Moreover, those working in the Japanese advertising industry have successfully persuaded the rest of the world that Japanese products and practices are rather special. As a consequence, many writers have come to regard Japanese advertisements as being somehow more 'intuitive' or 'atmospheric' than they are elsewhere in the world and even link such 'mood' advertising with orientalist arguments about Japanese 'cultural dispositions.'

Secondly, advertising agencies have been able to maintain their control over the domestic market because of the growth of their clients. Without the strength of their clients, Japanese ad agencies would have yielded to the influence of their American counterparts.

Thirdly, some Japanese advertising agencies have, over the years, invested heavily in media organizations. There is a complex set of inter-locking shareholdings among agencies, newspaper and magazine publishers, and radio and television stations. These kinds of connections enable some agencies to have special lines of 'communication' to particular media organizations. Through their alliances with both advertisers and media, Japanese agencies do their utmost to remain firmly in control of the advertising industry.

From this view point, it can be said that Japanese ad agencies have powerful influence to control the 'cultural industry' in Japan. This point is very interesting because this kind of agency behavior does not appear in the Thai ad industry. This also reflects how connections or relationships of people are a very important matter in Japan, which is a high context culture.

Moreover, as in Thailand and elsewhere, below-the-line activities in Japan have been increasing regularly during the past decade and are part of a concerted effort by advertising agencies all over the world to increase their opportunities and profits by making themselves into full service communications agencies.

The Japanese advertising industry, like the Thai ad industry, has been also influenced by globalization of the economy and merging advertising agencies around the world. However, as a result of high billings of Japanese ad agencies, they are not as affected as Thai agencies.

By 2002, Dentsu had slipped to number five in the world behind such gigantic networks as the Omnicom Group (BBDO Worldwide, DDB Worldwide Communications and TBWA Worldwide), Interpublic Group of Cos. (Lowe, McCann-Erickson Worldwide and FCB Group), WPP Group (which includes Ogilvy & Mather Worldwide, J. Walter Thompson and Mindshare Worldwide), and Publicis Groupe (Bcom3 Group (Leo Burnett

Worldwide). Four other Japanese agencies, led by Hakuhodo and Asatsu - DK at number eight and ten, are all members of the world's top

20 advertising organizations. The companies in the table 2-1 are the world's top marketing services holding groups, ranked by income in 2002.

Table 2-1: World's Top 20 Advertising Organizations

Rank	Advertising Organization	Headquarters	Billings (Worldwide Gross Income)
1	Omnicom Group	New York	7,536
2	Interpublic Group of Cos.	New York	6,204
3	WPP Group	London	5,782
4	Publicis Groupe	Paris	2,712
5	Dentsu	Tokyo	2,061
6	Havas	Surenes, France	1,842
7	Grey Global Group	New York	1,200
8	Hakuhodo	Tokyo	861
9	<i>Cordiant Communications Group</i>	London	788
10	Asatsu-DK	Tokyo	340
11	TMP Worldwide	New York	335
12	Carlson Marketing Group	Minneapolis	328
13	Incepta Group	London	241
14	Protocol Marketing Group	Deerfield, III	225
15	Digitas	Boston	204
16	Daiko Advertising	Osaka	192
17	Tokyu Agency	Tokyo	180
18	Maxxcom	Toronto	170
19	Cheil Communications	Seoul	165
20	George P. Johnson Co.	Auburn Hills, Mich.	149

Source: Advertising Age's Agency Report 2003, www.AdAge.com

Notes: Figures are in U.S. dollars in millions.

Japanese owe their growth to success in the Japanese domestic market - unlike the American agencies like J. Walter Thompson, Young and Rubicam and BBDO, which have grown in size because of their expansion overseas. Nevertheless, Japanese agencies have not been able to ignore the global networks that were created during the 1980s, and most of the largest agencies have now entered into partnerships with American and European companies.

Another uniqueness of the Japanese advertising industry is competing account management in advertising agencies. As elsewhere in the world, an agency will never handle the accounts of clients whose business in some way overlaps. Thus, an agency will not agree to prepare ad campaigns for both Pepsi and Coca Cola or Unilever and Procter and Gamble.

However, in Japan, Japanese advertisers are not concerned with competing accounts.

Instead of handing over the whole of their advertising appropriation to a single agency, Japanese clients like Matsushita Electronics, Kao, and Honda Motors, will split their accounts - usually by product or media, occasionally both - into a number of small accounts.

3. A comparison of Thai and Japanese advertising industries

From the above reviews of Thai and Japanese advertising history and industry, the advertising industries in Thailand and Japan seem to be different in many aspects.

First, the size of advertising market between Japan and Thailand is very different. Japan was the second largest adspend in the world and, unsurprisingly, Japan was the largest Asian advertising market. Japanese adspend was worth over US\$ 36 billion in 1996, more than six times larger than South Korean spend, the next largest market. The scale of Japan's dominance of the region is illustrated in table 3-1 (Advertising Association, 1998).

Table 3-1 : Share of Asian Adspend by Country 1996

Country	Adspend (US \$ m)	Share (%)
Bangladesh	18	0.03
China	1,687	2.95
Hong Kong	1,954	3.42
India	1,205	2.11
Indonesia	1,483	2.60
Japan	39,124	68.47
Malaysia	797	1.39
Philippines	521	0.91
Pakistan	86	0.15
Singapore	742	1.30
South Korea	4,918	8.16
Sri Lanka	26	0.04
Taiwan	3,207	5.61
Thailand	1,376	2.41
Total	57,144	100.0

Source: World Advertising Trends 1998.

In 1996, the Japanese advertising market was more than twenty-eight times larger than Thai advertising market. Japanese adspend accounted for over 68 percent of all advertising dollars spent in Asia. In contrast, Thailand was in the number seventh with 2.41 percent.

Moreover, Japan is a more developed market than Thailand. A good indicator of market's development is adspend per capita. Higher adspend per head means a more developed market. According to the table

3-2, the Asian market can be split into three main groups - developed, developing and under-developed (Advertising Association, 1998). Japan can be considered developed market. Adspend per capita in Japan was more than two-hundred eighty US dollar with the fourth rank in the world. By comparison, Thailand can be considered developing market. Adspend per capita in Thailand was only twenty seven US dollar, which is lower than Japan more than ten times.

Table 3-2: Adspend per Capita

Country	% change	Rank in world*
Hong Kong	348.1	3
Japan	288.2	4
Singapore	265.0	7
Taiwan	152.3	22
South Korea	118.0	27
Malaysia	44.6	40
Thailand	27.0	49
Philippines	9.0	59
Indonesia	9.0	60
China	1.8	69
Sri Lanka	1.5	71
India	1.4	72
Pakistan	0.7	74
Bangladesh	0.2	79

However, in terms of the scale of growth, adspend in the Thai market grew by more than 300 percent between 1987 and 1996 with the sixth rank in the world, while Japan's

market grew by 26.0 percent with the thirty-sixth rank in the world (World Advertising Trends, 1998).

Table 3-3: Adspend Growth 1987 - 1996

Country	% change	Rank in world*
China	896.0	1
Indonesia	645.4	3
Thailand	328.8	6
Malaysia	325.0	7
South Korea	208.3	11
Philippines	194.7	13
Singapore	177.2	16
India	175.4	18
Taiwan	153.1	20
Hong Kong	103.6	22
Japan	26.0	36

*Countries ranked by real-terms growth between 1987 and 1996.

Source: *World Advertising Trends 1998*.

Moreover, in 2008, ad expenditure in Japan decreased to the third of the world by 41,902 US \$ m with the change of 8.8% from 2007, while China led to the second largest ad spend in the world by 57,077 US \$ m with the rapid growth of 27.4% (Warc 2009). Additionally, China was the only nation in the top five to see advertising expenditure grow.

Second, another obvious difference is the domination of industry. The Thai advertising industry has been dominated by Western advertising agencies, while the Japanese advertising industry has been led by Japanese companies.

Table 3-4: Leading Thai advertising agency (top 10) 2000

Rank	Advertising agency	Market share (<i>one million baht</i>)
1	Lowé Lintas & Partners	4,400
2	J. Walter Thompson	3,240
3	Ogilvy & Mather	3,042
4	Prakit Publicis	2,200
5	McCann - Erickson	2,100
6	FCB Worldwide	2,100
7	Dentsu Young and Rubicam	2,000
8	SPA Advertising	1,900
9	Leo Burnett	1,800
10	Dentsu	1,750

Source: Advertising Agency Register 2000 (Dentsu Advertising Annual '01 '02, 2001)

As shown by the table 3-4 of leading Thai advertising agencies, the Thai advertising industry has been dominated by foreign advertising agencies. In the top-ten advertising agency list of Thailand, there is only one company which is a real Thai advertising agency (SPA Advertising). Eight of the ten leading advertising agencies in Thailand are foreign firms.

In terms of market share in the Thai advertising industry, 83.29% of the top-ten ad

market is held by foreign companies and 68.00% is held by of Westerners, independent of Japanese and Thai partnerships. Moreover, only these eight foreign advertising agencies in this top-ten list cover 40.03% of total advertising expenditure in the Thai market (Total advertising expenditure in Thailand in 2000 was 51,038 million baht).

On the other hand, Japanese ad industry has been led by Japanese ad agencies.

Table 3-5: *Leading Japanese advertising agency (top 10) 2000*

Rank	Advertising agency	Market share (one million baht)
1	Dentsu (電通)	1,475,780
2	Hakuhoudou (博報堂)	740,214
3	ADK (アサツーデイ・ケイ)	340,889
4	Tokyuu Agency (東急エージェンシー)	196,842
5	Daikou (大広)	158,196
6	Yumiuri Advertising agency (読売広告社)	117,244
7	I&S/ BBDO	100,246
8	JR East Japan Design (JR 東日本企画)	91,753
9	McCann - Erickson	79,213
10	Asahi Advertising agency (朝日広告社)	60,424

Source: Dentsu Advertising Annual '01 '02, 2001

In contrast to the Thai advertising industry, eight of the ten leading advertising agencies in Japan were Japanese companies. Dentsu, the biggest advertising agency in Japan and the fifth-largest agency in the world, covers a fourth of total Japanese ad expenditure.

94.66% of the billings of top-ten agencies in Japan are overseen by Japanese ad

agencies. Only these eight Japanese firms in this top-ten list take 52.07% of total advertising expenditure in Japan (In Japan, total ad expenditure in 2000 was 61,102 hundred million yen). Moreover, in 2007, there was no any foreign company in the list of the ten leading ad agencies.

Table 3-6: *Leading Japanese advertising agency (top 10) 2007*

Rank	Advertising agency	Market share (one million baht)
1	Dentsu (電通)	1,588,769
2	Hakuhoudou (博報堂)	716,975
3	ADK (アサツーディ・ケイ)	387,860
4	Daikou (大広)	137,947
5	Tokyuu Agency (東急エージェンシー)	121,971
6	JR East Japan Design (JR 東日本企画)	109,794
7	Yumiuri Advertising agency (読売広告社)	98,025
8	Delphys	60,768
9	Asahi Advertising agency (朝日広告社)	57,984
10	Nihon Keizai (日本経済社)	45,392

Source: Advertising and Economic, the Japan Economic Research Institute

This difference of ad industry influences the different advertising communication style in each country. A considerable proportion of advertising growth in Thailand has been generated by foreign transnational companies marketing their product to Thai consumers (Jory, 1999). According to the review of previous studies of American and Thai ad comparison (Tantavichien, 1989; Vitayakul, 1989; Alden, Hoyer and Lee, 1993; Alden, Hoyer, Lee and Wechasara, 1995), they suggest that there are few differences between the appeals used in American and Thai advertising. Thai advertising is closely similar to, and heavily influenced by American advertising. Thai advertising industry can be conceptualized as the child of western influences (Punyapiroje, Morrison and Hoy, 2002).

Additionally, Chirapravati (1993) interviewed brand managers from the client side and account executives from advertising agencies to examine international advertising objectives, strategies and executions for television advertising of six Japanese and six U.S. brands of consumer products that were available in Thailand. She found that US advertisers tended to standardize and transfer ad objectives, strategies, commercial length and the product or package from the home country to Thailand a greater extent than Japanese advertisers.

About Japanese advertising, after reviewing the related researches of Japanese advertising compared to some countries in the terms of ad strategy, execution and appeal, it can be summarized that Japanese advertising can be uniquely characterized by its emotional/

soft sell nature (Tanaka 1984; Madden, Caballero, and Matsukubo 1986; Mueller 1987, 1992; Ramaprasad and Hasegawa 1990, 1992; Benedetto, Tamate and Chandran 1992; Lin 1993). This unique style reflects the high proportion of Japanese ad companies.

All in all, it is very obvious that the Thai advertising industry, as elsewhere in the world, has been dominated by Western firms, while Japanese companies led the Japanese advertising market. This affects the advertising style in each country.

Third, other areas of difference are the operation and organization of advertising agency. As in the section of Japanese advertising history, some Japanese advertising agencies invest in media industry, thus they can control their country's advertising industry. Advertisers and their agencies in Japan can wield direct control over even the contents of those programs (Morean, 1996). In contrast, Thai advertising agencies do not have this kind of relationship. It may be the result that most of large agencies in Thailand are multinational companies, while the owners of television channel and program, which are the concessionaires, are Thai. It is difficult to build this connection as in Japan. As my experiences in Thai ad agencies, advertiser and agency can control the content of the program but it depends on the budget and finishes in campaign by campaign, not in a long term relation as in Japan. Sometimes, if the market competition

is high and timing is very tight, even high budget cannot buy the air time or program.

Another point of Japanese ad agency's organization is the split account system of client. In Japan, the same advertising agency can work for the same kind of client. On the contrary, it cannot do in Thailand. As my experience, some agencies must refuse the client to receive another client which is in the competitor.

In spite of these differences, the advertising industries in these two countries have some similarities. Advertising agencies in both countries, as elsewhere in the world, have trend to adapt to "full service advertising agency," which not provide mere advertising service, as concept of IMC. In Thailand, this trend is obviously seen. Since there was huge economic crisis in Thailand in 1997, advertising agencies tried to create other marketing tools such as event, public relations, database, etc. to serve their clients. The increasing section of billings of advertising companies in Thailand in economic crisis is below-the-line activity. As my experience, the firm with which I worked created and gave an importance to marketing services department, which was active to work below-the-line activities. Some advertising agencies in Thailand established the new firm to handle this non-advertising marketing service. In Japan, though this trend has not increased as in Thailand, it increased when comparing to its past.

Moreover, because of globalization, both countries got the effect from merging of tremendous advertising group in global level. Since advertising market in Japan is the third-largest in the world (only Dentsu is the fifth-largest advertising firm in the world), Japan can control this situation. In Thailand, as the most of advertising companies are multinationals, this influenced Thai advertising market too.

Conclusion

This study reviews the background of Thai and Japanese ad histories and industries, and reveals the differences and similarities of advertising industries between these two countries. First, the Japanese advertising market is much larger than Thai advertising market. Second, the Thai advertising industry has been dominated by Western advertising agencies, while the Japanese ad industry has been led by Japanese companies. Third, there are also the differences of the operation and organization of ad agency between Japan and Thailand.

Finally, though the Japanese have been credited with owning the majority of manufacturing businesses in Thailand, cooperation in advertising between Japan and Thailand has not been developed. The following are some of the recommendations to further this agenda.

1. Establish an advertising association to create and promote mutual understanding and knowledge of ads between Japan and Thailand (or may be extending to South

East Asia), for example, cooperation between Japanese and Thai Advertising associations, exchange of professors and students among universities in advertising of both countries, etc.

2. Hold seminars on Japanese and Thai advertising for both academics and practitioners.
3. Academic exchanges of ad knowledge between Japan and Thailand are very necessary, since Japanese ad studies in Thailand and Thai ad studies in Japan are not developed well. Create the subjects of Japanese ad studies in Thailand and Thai ad studies in Japan in university curricula in aspects of art, marketing, culture, Asian studies, etc. Create textbooks about knowledge of Japanese and Thai advertisements. Translate Japanese ad textbooks into Thai and vice versa.
4. Offer advertising awards between Japan and Thailand (or ASEAN).
5. Provide fund for advertising research between Japan and Thailand (or ASEAN or Asia)
6. Publish "Journal of Asian advertising" to create a connection among academics about advertising in Asia and, hopefully, establish Advertising theory in Asia.

From the above recommendation, it would lead to the cooperation between Thailand and Japan on the model of Japanese or Thai companies in the future.

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