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1.3 Advertising Self-Reference – as Exemplified by the International Festival of Creativity

Abstract: With the beginning of the use of the Internet for commercial communication, a new era in advertising was born. Today, advertising professionals increasingly orient themselves toward a service-dominant logic approach when producing information for advertising purposes. Thus advertising is developing into a postmodern marketing communication which attempts to distance itself from the persuasiveness of advertising. In this contribution, the reasons for this development are analyzed, using the theoretical concept of self-reference and the idea of advertising as a social system. The empirical background is the International Festival of Creativity (“Cannes Lions”). The analysis shows that the central features of postmodern marketing communication, hyperreality and second-order information, do not lead to a dissolution of advertising logic and thus do not lead to the desired de-differentiation between people’s everyday life and advertising.

1 Advertising and Self-Reference

In recent years, the significant role of self-reference in terms of reflexivity in explaining the source and functioning of communication has been impressively elaborated in the communication sciences (Archer 2010; Schmidt 2008; Steier 1995). To summarize these ideas, reflexivity can be understood as the fundamental process in generating social structures. This process is realized as communication. Communication relies on collective knowledge which builds a bridge between human cognitive autonomy and the co-existing need for social orientation. According to Schmidt (2008), in the domain of knowledge this collective knowledge can be conceived of as reflexive loops of expectations which are expected, and in the domain of motives and intentions as imputations which are imputed. Collective knowledge is more or less shared by all the members of a society and plays a fundamental role in their day-to-day communications and in coordinating their behavior.

Using a system-theoretical approach advertising can be conceptualized as a social system. As such it follows its own specific logic which is anchored in
constructed, collective knowledge of the advertising system. This knowledge is shared by the actors within the system and gives sense and orientation to those actors’ communications and actions (Schmidt 1990; Tropp 2014). Central to this conception is the knowledge that in advertising, the focus is on paid creativity which serves in an attention-grabbing manner consumers’ experiences, expectations, interests, motives, wishes, feelings, needs, etc. for the benefit of the object of the marketing (product, service, person, party, etc.).

Within the social system of advertising, four areas of action can be distinguished:

- Production: fabrication of content and design, and creation of the advertising materials,
- Distribution: media planning and media purchasing,
- Reception of the advertising materials,
- Processing: self-presentation of the system (Figure 1).

**Figure 1:** Network of action areas in the advertising system (source: author)
In these areas of action, different organizations are active at the meso-level; but at the micro-level, individuals are also engaged in the areas of production and reception. The latter is due to two reasons:

First, the activities of consumers and customers can nowadays be confirmed in the action area of production (see the chapter on the rhetoric of marketing co-creation in this volume), as is discussed under the headings of social media, consumer-to-consumer (C2C), reverse marketing or consumer-generated advertising (CGA).

Second, the action area of reception similarly demonstrates the following peculiarity: it is possible to encounter activities which are integrated within organizations and those which are not. In business-to-consumer (B2C) and C2C relationships, there are no professionalized and institutionalized recipient roles integrated into organizations. Here, the object of discourse is merely the consumer. In business-to-business (B2B) relationships, the situation is different. Here, the role of consumer/customer is fulfilled by organizations in the economic system.

In the context of this paper, the action area of processing should be stressed. Although reflexivity is the basis of every communication process in the advertising system, in the area of processing, there is the additional aspect of the system's own self-presentation; this comes in the form of professionalized communication about advertising. This communicative processing and utilization of advertising can be understood as institutionalized reflexivity within the social system of advertising. Among other points it should be noted that:

- Market research institutes are engaged in assessing the effects of advertising processes on behalf of agencies and/or marketing companies and in so doing provide the agencies and their customers with leads for adjusting their future communication.
- Associations bring together and represent the specific interests of different organizations within the industry, both within the advertising system and externally.
- Media auditors advise marketing companies in their selection of media agencies and evaluate and monitor the media strategies and plans provided by the media agencies as well as the conditions for purchasing advertising space and time.
- In creativity competitions, advertising works entered by agencies are evaluated and the results are brought together with the aim of compiling an annual ranking of the most creative agencies. Worldwide, the annual International Festival of Creativity attracts the most attention among creativity competitions. Using this event as an example, the following sections will be concerned with discussing self-reference in the advertising system.
2 The International Festival of Creativity

In 2013, the best-known creativity competition worldwide, the International Festival of Creativity in Cannes, France, celebrated its 60th anniversary. In the last ten years, the number of entries in this festival has risen significantly, and in 2015 reached a new peak of over 40,000. This represents an increase of around 130 per cent since 2002, a fact which impressively substantiates the increased importance of professionalized self-reference in the form of self-presentation within the advertising system (Figure 2).

The enormous dynamism and increase in marketing messages within the advertising system, which are largely due to developments in communications technology, go hand in hand with new advertising conditions for the agencies. Consequently, advertising agencies work on their positioning in the changing market and therefore a growing importance for advertising agencies’ self-presentation and a further increase in the number of entries can be expected. For the festival organizers, this brings with it further growth in revenue, thanks partly to the entry fees.

Not only the number of entries but the number of prize categories is also steadily increasing. Whereas in 1997, agencies could enter their work in just two categories (Film Lions, Press & Outdoor Lions), in 2015 there were 21 of them, ranging from classics such as Film, Press & Outdoor through Product Design, Media, and Mobile to Creative Data, Innovation, and Glass which is the newly launched category for gender issues.

This trend towards an increase in the number of specialized domains of self-reference can be attributed to differentiation within advertising, creating a
variety of specialized solutions for different media and multiple types of communication disciplines. Attempts on the part of the organizers to limit the number of categories so as to reduce the number of narrowly specialized categories, which tend to devalue the individual prizes, have been unsuccessful up till now. On the contrary, in 2016 a number of new categories will be introduced (Digital Craft Lions, Entertainment Lions for Music). To put it comprehensively and across categories the aim today is, above all, to create possibilities for communication that:

- are relevant and useful for recipients (e.g. Nike: Nike+ Fuelband; Grand Prix in the categories Cyber and Titanium 2012),

- use today’s spectrum of possibilities in media systems in modern societies in the domains of paid, owned and earned media in ways which are creative and cross-linked (e.g. Metro Trains: Dumb ways to Die, Grand Prix in the categories PR, Direct, Radio, Film and Integrated 2013),

- involve recipients actively in communication processes (e.g. Google: Hilltop Re-Imagined for Coca Cola; Grand Prix in the category Mobile 2012)

- link marketing communications with distribution, product or service policy aspects (e.g. Tesco: Homeplus Subway Virtual Store; Grand Prix in the category Media 2011).
Consistent with this opening up of the focus on the advertising phenomenon, in 2011 the Festival was renamed from the “International Festival of Advertising” to the “International Festival of Creativity”. To summarize: the focus is not simply on traditional advertising; but rather on increasingly specialized and simultaneously cross-linked, creative media communications and business solutions.

3 The Effectiveness of Advertising Self-Reference

The success of the Cannes festival can be explained by the nature of advertising. The event is the perfect showplace for the logic of advertising. The industry admires itself in a glamorous mirror in which it observes how versatility its logical coherence of creativity, illusoriness and business can be interpreted and simultaneously how marvelously functional it is. Advertising communication does not have the presentation of believable, factual information as its focus; rather it is damned to catch the attention of consumers with communications which are not intended to represent reality but which are branded with the motive of persuasion – from pizza packaging to a TV spot, from Web banner to advert, from a blogger’s recommendation to a YouTube viral. Everyone knows this – and the industry knows that everyone knows. It is the core finding of Friestad and Wright’s research on persuasion knowledge that there are no significant differences between lay and expert beliefs about the psychology of persuasion within the context of advertising (Friestad & Wright 1995).

With reference to Luhmann (1996), the thesis can therefore be advanced that the success of the International Festival of Creativity is due to the organized way in which it provides an experience of advertising self-reference in such a way that the event reflects the true nature of advertising: it communicates in a manner that is removed from reality and assumes that this will be assumed.

However, let us not be deceived by the apparently obvious explanation for why the Cannes festival is so successful. This is as follows:

As with other creativity prizes, the awards – gold, silver and bronze lions – serve to provide the basis for compiling a creativity ranking in which agencies are sorted according to their degree of creativity. To do this, agency competitions with a high weighting are preferentially considered. The International Festival of Creativity carries a weighting of 8 – the highest – and thus enjoys a correspondingly high prominence amongst agencies and the specialist media. The better an agency does in the rankings the more attractive it is – on the one hand, as an employer specializing in the area of creativity. On the other hand, with a good
placing in the rankings an agency can position itself as a creative service provider among marketing companies in an increasingly tough and more competitive world – or so one might think. This is all the more so if the rankings receive strong media attention in the specialist press every year. For this reason it is not surprising that 88% of the member agencies of the German Association of Communication Agencies (Gesamtverband Kommunikationsagenturen GWA) reported in the spring monitor 2005 that they participate in creative competitions (Gesamtverband Kommunikationsagenturen 2005).

This explanation appears self-evident, but does not approach the crux of the matter. Thus, Jean-Remy von Matt, co-founder and owner of the agency Jung von Matt, which achieved first place in the creative rankings of the two German specialist journals Horizont and W&V Werben und Verkaufen in 2014, claims that such rankings “… (are) in no way reliable indicators of the creative potential of an agency. In my career I have met so many creative individuals and agencies which carried off prizes at creativity competitions but in the hard day-to-day world of genuine challenges were hardly able to get anything off the ground. A bias in competitions is also the fact that ranking placements depend on the agency’s willingness to make investments. Further, award-winning works are often actually individual initiatives. Anyone who is unwilling or unable to make such investments will never reach the top” (von Matt 2011, p. 34).

Matt is not the only one with this opinion. Similarly, Alexander Schill, the creative head of the agency Serviceplan, which in 2012 was the most successful German agency in Cannes and in the two above-named rankings achieved second places, does not have a problem with the agencies’ procedures for developing ideas with the sole intention to win prizes at creative competitions. Accordingly, these are pieces of work that are created on the initiative of an agency without being commissioned by an agency customer and that have the sole aim of achieving points in creative competitions. An example might be “The Solar Annual Report 2011” which won the Grand Prix in the category Design in 2012, and which was rumored to be a “golden idea” (Fuhr 2012).

Producing golden ideas and entering work in festivals is a costly endeavor for agencies. For instance, the agency Jung von Matt was the German agency with the most entries (192) in the Cannes Festival of 2010 (Unckrich 2010). Assuming that each entry, depending on the category, costs between €299.00 (Radio) and €1,195.00 (Titanium & Integrated, Creative Effectiveness) (Lions Festivals Limited 2012), the agency had entry fees of around €143,00.00 – not to mention the time and outlay needed for the production of golden ideas, travel and overnight costs for staff, out-of-pocket expenses, etc. Taking into account the fact that nowadays an agency needs around 3,000 points to achieve first
place in a German ranking and the rule of thumb that 500 points cost around €350,000 (Kolle 2012), this means that an agency has to pay around €2 million annually for its engagement in creativity rankings – that is, if it wants to stay at the top.

An initiative by agencies to limit participation in competitions – i.e. to limit professionalized self-reference of the social system – on grounds of expense, as expressed by von Matt, a kind of “creative de-escalation treaty” (von Matt, cited in Amirkhizi 2008, p. 24), in which agencies would agree to enter only three competitions (ADC Germany, Cannes Lions and EFFIE) failed in 2000 and again in 2008. A further initiative by Amir Kassaei, the former spokesman of the board of the Art Director Club in Germany, to found a “German Agency Index” was also unsuccessful. This was intended to replace the hitherto existing creative rankings by a listing involving ten evaluation criteria, including creativity (Richter, Weber 2009). Following the announcement in 2012 by the agencies Jung von Matt and Scholz & Friends, that they would in future only take part in creative competitions every two years, the discussion on creative rankings has once again been sparked. The aim of establishing an overarching, widely recognized, and economically more cost-conscious ranking has however miscarried. The industry’s gazettes are clinging to their individual ranking procedures, although fewer competitions have been taken into account in the individual rankings since 2013. That agencies’ performance at the International Festival of Creativity should be included is taken for granted – and with it, the continuing pressure to produce golden ideas with their high expenditure. Agencies will therefore have to continue to put up with this situation, even though their achievements in Cannes, and therefore creative rankings, only give very misleading information concerning the creativity of the customer-commissioned work carried out by agencies. Instead, the rankings show the willingness of agencies to invest in an expensively bought appearance of being especially creative – which is vastly independent of their actual commissioned work.

Of course, the agencies know that their customers, the companies, know the truth about the ability of creative competitions to make any valid statements about the creativity of an agency. Hence, Herbert Sollich, the marketing director of the beer brand Veltins, for example, claims that the Cannes festival is fading more and more into the background “because agencies’ clients have realized that advertisers putting themselves on show tends to have little to do with their advertising efficiency” (cited in Strasser et al. 2012, p. 31); and Marc Weegen, the group manager for market communication for the National Association of the German Cooperative Banks says in the same place that “I find it awful to be at events in which creative people praise themselves to the skies” (2012, p. 31).
At the top of what exactly do agencies want to stand by their participation in the Cannes Festival and other such events, as Jean-Remy von Matt puts it? The answer is, at the top of a creativity ranking which everyone knows does not reflect the factual, commissioned creativity of an agency, but rather its degree of identification with the logic of the advertising industry. The effectiveness of advertising self-reference is here strikingly demonstrated: stand out at all costs. That this has little to do with the day-to-day working creativity of the agencies is not so bad – on the contrary that is how advertising works. The evaluation criteria applied by the Cannes Festival are therefore not valid and reliable measures of agency creativity. Its evaluation criterion is rather the generally accepted and elaborately stage-managed fiction that agency creativity is being measured. The Cannes Festival is no more real than the communications which agencies develop for their customers. The festival makes the DNA of advertising visible for one week – and of course, in Cannes, the city with a worldwide reputation for glitter and show. All this has its price, and the agencies are ready to pay it. At the end of the day, they have no other choice but to put on a good face for the show in which they themselves play the leading role and which they themselves want to sell – sometimes even in a perfectly stage-managed advertising self-referenced persona (Figure 3).

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4 Postmodern Marketing Communication

The line of argument presented here leads inevitably to the diagnosis that advertising has arrived in the postmodern and has taken the evolutionary step into postmodern marketing communication. Of course, even since the beginning of the 1960s, with the emergence of modern trademarks and branding, a certain lack of reality is constitutive for the reality of the advertising system. In Cannes, however, advertising has been getting deeper into a new dimension of escapism from reality every year; and since the 1990s this has been closely associated with the term of postmodern marketing (e.g. Christensen et al. 2005; Firat, Venkatesh 1993; Proctor, Kitchen 2002).

A central feature of postmodern marketing is hyperreality. This means that signs become disconnected from their original referents and begin to create their own reality. With reference to Baudrillard (1978), this can be formulated thus: the advertising medium creates its own advertising product. The relationship between the signs used in an advertising communication – the syntactic dimension – becomes disassociated from the semantic dimension – the connection between the sign and what it signifies, e.g. the advertised product. The advertising message becomes, then, self-referential, denoting nothing more than itself, without being bound a priori to any particular product. Hence the Cannes festival can be understood as an event which celebrates dissociation between the reality of the creative manipulation of signs and the economically oriented sobriety of commissioned advertising.

Hyperreality, and with it the arrival of advertising into the postmodern, can also be seen elsewhere in Cannes. Reflexive expectations are causing advertising to increasingly distance itself from its own logic of reality-distanced communication. The result is an advertising hyperreality in which the producers of advertising expect recipients and consumers to expect that advertising should be an integral, useful part of their day-to-day lives, and not part of an unreal world of brands and dreams. Examples from Cannes are award-winning works such as Best Buy’s Twitter service, “Twelpforce” (Crispin et al. 2010), Tesco’s “Homeplus Subway Virtual Store” (Cheil Worldwide 2011, see QR-Code 4), the IBM campaign “Smart ideas for smarter cities”, which gave a service function to out-of-home advertising materials (Ogilvy 2013), or the Beiersdorf campaign “Nivea Protege”, where a child-protecting function was incorporated into the print advertisement for the product Nivea Sun Kids (Foote Cone & Belding 2014). Mention should also be made of the apps for smartphones and tablets which companies offer as a free download. Bernardin and Kemp-Robertson (2008) summarize the development as follows: the trick of the advertising sector
is to move away from the public marketing of messages towards useful services: “providing something useful, relevant, or entertaining that embeds itself much deeper into everyday life than a 30 second commercial ever could” (Bernardin, Kemp-Robertson 2008, p. 132).

How did it happen that advertising took the evolutionary step of mutating into marketing communication that, against the background of the current developments in collective advertising knowledge, can be characterized as postmodern, and which, thanks to the future evolutionary stage of collective knowledge about marketing communication, will become the norm for the coming generation?

The answer is to be seen in the mediatization of modern society, and with it, the establishment of a new media-matrix, the center of which is no longer occupied by TV but by the Internet (Finnemann 2011). The players in the individual, functionally differentiated social systems, whether they be in politics, sport, health or, of course, also in advertising, are increasingly aligning their actions to comply with the logic and the conditions of success required by the media system. The result is, in essence, an exaggerated molding of all social systems by the media system. Among advertising professionals, this development seems to lead to the insight that target subjects not only fulfil a function in the economic system as consumers, but also, with the increasing mediatization of society, play a more and more important role in the media system as recipients and communicators, whose expectations are to be fulfilled by media offerings with a marketing content.

Therefore, the central role of the Internet in the media-matrix encourages advertising professionals to pay more attention to increasingly diverse modes of media reception. The notion of a passive, superficial mode of reception still exists, but it seems that advertising professionals put more and more emphasis on complex, in-depth reception by (inter)active consumers, who – according to the dual-process models – engage with media products either peripherally and heuristically or centrally and systematically, depending on their situational motivation and involvement (Chaiken 1980; Petty, Cacioppo 1986). Previously, the advertising strategies of companies and agencies were based mainly on the former processing route. They largely worked on a goods-dominant logic (G-D logic) informed strategy, presuming that their media products, which communicate a consumer benefit linked with the consumption or use of the advertised product, would be processed in an often unconscious, at best superficial manner, and would have an impact despite the recipient’s lack of involvement (Grimes, Kitchen 2007; Zajonc 1968). Those G-D logical strategies resulted in an asymmetric communication process (Lusch, Vargo 2008) in which the consumer was regarded as being an “operand resource” (Vargo, Lusch 2004, p. 7), a
passive recipient of advertising messages that were pushed towards him ("push" advertising). Today, however, it can be observed that advertisers are increasingly relying on a central and systematic processing of their advertising material. For this they develop media content based on service-dominant logic (S-D logic) informed strategies which focus on a service that creates a benefit in everyday life, and which is largely disconnected from the consumption of the advertised product. The advertising itself assumes a service function, by turning itself and its media products into a beneficial component of the daily-life situations and actions of target groups. The consumer is regarded as an active "operant resource" (2004, p. 7), as a co-producer of useful services, engaging with service propositions offered by advertisers ("pull" advertising) (regarding the S-D logic perspective see also chapter 4.1 on the rhetoric of marketing co-creation).

Advertising professionals expect that, through this hyperrealization of advertising, that is, through the dissociation of media offerings from the semantics of advertising messages, advertising will then be processed elaboratively, and judged to be relevant and useful. Traditionally there has been a clash in the G-D logic approach between the product benefit on the one hand, and the intrusiveness of traditional advertising (Li et al. 2002), its potential to disturb, on the other. The idea is that this opposition will be eliminated by S-D logic-informed advertising which aims to be a media-based service element, emerging as a useful advertising message in the daily-life situations and actions of recipients and no longer merely a tool for selling goods.

To summarize: the logic of the advertising system is undergoing a mediatization-related transformation from a goods to a service-dominant logic. This self-referential shift in collective advertising knowledge, based on the actors' expectations and imputations of the advertising system, is today leading to the observation that advertising, with its media offerings, is distancing itself from its previous reality, i.e. its distance from reality. Hence, it can today be characterized as hyperreal and consequently as postmodern. In the words of Bogusky, co-owner of the US-American agency Crispin Porter + Bogusky: "The consumer should know that we know that he knows that we want to sell him something. The divide between the advertiser and the target of the advertising has to disappear." (Bogusky 2008, cited in Häberle 2008, p. 21) According to this, the hyperreal aim of postmodern marketing communication is to remove itself from its persuasive, intrusive character – to no longer be advertising. Instead, brands are intended to develop into useful reality marketing communicators which consumers can integrate into their daily lives. In so doing, postmodern marketing communication makes self-reference able to be experienced in the advertising system's action area of reception as well. Second-order information (von Foerster 1995), in the sense of advertising information about the information passed on
in the advertising, is inherent in postmodern marketing communications. And this information is: advertising no longer wants to be advertising. This however does not change the fact that marketing communication remains advertising to its recipients and consumers, and that marketing communications can be logically and semantically differentiated from those of other social systems.

5 Conclusion

In the advertising industry, self-reference, as the basic process in the creation and maintenance of social structures, has brought forth the International Festival of Creativity which, with its differentiated domains (prize categories) makes the self-reference of advertising in the domain of creativity clearly visible. In their observations, in the form of judgments, the jury members make use of the logic of that network of activity in areas that the actors in the advertising system themselves constitute. Developments in the Festival (number and type of entries, degree of differentiation, type of works that win prizes) allows for conclusions to be drawn about the increasing importance of professionalized self-reference, and further the evolutionary step that has been taken by advertising in the direction of postmodern marketing communication. Hyperreality is being advanced as the solution to problems that have been created as a result of G-D logic informed advertising strategies. However, with hyperreal advertising the problems do not disappear; rather, in the second-order information of postmodern marketing communications, the recipient is informed of the distancing of the advertising from itself by the advertising itself – and in so doing, the communicative problems of advertising become even more visible. To put it in a nutshell, today’s advertising informs its audiences about the disinformation that advertising is no longer advertising.

Publication Bibliography


