

ABSTRACT

With the world economy opening up, facilitated by technological advancements, a knowledge era and lower tariffs, Malaysian advertising agencies face the inevitable prospect of globalisation. In addition, they have to compete with international agencies with their managerial and knowledge capabilities built over the years. These capabilities have developed into sustainable competitive advantages that contribute to the success of the international agencies.

This paper examined the philosophies and practices that lead to success to find if differences exist between international and local agencies. Although the sample size was small, the research found no differences exist except in the areas of staff recruitment, some agency-client relationship factors and strategies for addressing the economic downturn. It was concluded that local advertising agencies, in principle, subscribed to the same competencies as international agencies but, lacked factors such as international networks, financial resources, account stability and human resources to compete on a level playing field. Until local agencies overcome these factors, their ability to compete globally with the international agencies will remain at a disadvantage.