

Globalization and ownership of Uruguayan advertising agencies

Globalización y estructura de propiedad de las agencias publicitarias uruguayas

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RESUMEN

This article is a summary of a research seeking to explain this reality based on the analysis of various documentary sources and previous academic work. The conclusion is that in this process the relevant and strongly linked factors are: The innovative capacity of each sectors, the ability to overcome the economic crisis and the quality of their customer portfolios. Even though the investigation was focused on Uruguay it is possible to affirm that some of its conclusions are valid for the other relatively small economies in the region.

Keywords: Advertising, property concentration, national agencies, partner agencies, Uruguay

ABSTRACT

Desde los años ochenta, el sector de las agencias asociadas a redes transnacionales en el sistema de agencias publicitarias de Uruguay ha presentado un continuo crecimiento, en desmedro del sector de las netamente nacionales. El presente artículo es el resumen de una investigación que procura explicar esta realidad a partir del análisis de diversas fuentes documentales y trabajos académicos anteriores. Se concluye que en el proceso vivido han sido factores relevantes, y fuertemente relacionados entre sí, el potencial de innovación de cada uno de los sectores, su capacidad de superar las crisis económicas que ha vivido el país y que han tenido lugar en la mayor parte del mundo, y la calidad de sus carteras de clientes. Si bien la indagatoria se centró en Uruguay, es posible afirmar que algunas de sus conclusiones son válidas para el resto de los países de la región cuyas economías –en ese contexto– son relativamente pequeñas.

Palabras clave: publicidad, concentración de la propiedad, agencias nacionales, agencias asociadas, Uruguay.

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INTRODUCTION

The Uruguayan advertising system has gone through a gradual process whereby the number of joint venture agencies, domestic and foreign, has increased to the detriment of the purely national.

Uruguay did not escape the logic that Armand Matelart (1991) had already perceived in central countries, when he stated that for forty years the property structure of the agencies had been remarkably stable. Invariably, the author said, the same agencies, mostly from the United States, had the first twenty places in the international ranking of billing. But, suddenly –he continued– the landscape was modified when the purchase of local agencies by transnational advertising companies increased and began the first mega-mergers of the latter (p. 24)

This work will try to describe and explain this growing process of concentration, suggesting that it is basically based on the following factors:

- 1) Capacity for innovation that enables mixed agencies to adapt best to the evolution of the advertising business; it is the case of the emergence of media planning agencies and new technologies
- 2) Ability to overcome economic crises using in those periods the economic subsidy or logistical support of the global network.
- 3) Quality of the customer portfolio as a result of the agreements between the network and its main international advertisers.
- 4) Internal organizational structures appropriate to the global context, monitored by the parent company which, in addition, is taken as inspirational model.

The description of the process of transnationalization of the advertising industry at a global level has been left aside, because its exposure exceeds the limits of this study, although it is clear that it impacted the national reality.

Before continuing, it becomes necessary to point out two features that Uruguay shares with other Latin American countries, particularly those presenting relatively minor economies in the regional scenario: i) currently, there are not completely foreign capital agencies, since the few existent finally opted to partner with national agencies; and (ii) the agencies billing is not public: the agencies' attempts to disseminate them failed because of the impossibility of proving the veracity of statements made by themselves.

Finally, it should be noted that the process of concentration could be already blocking the development of national agencies, given that not only the largest investments are channeled by the mixed ones, but also because the advertising system that is being configured is little favorable for structural changes.

Also, advertisers have been reluctant in providing public information on the matter.

THEORETICAL AND METHODOLOGICAL ASPECTS

Stolovich, Rodríguez and Bértola (1987) findings on the overall economic process of Uruguay between 1950 and 1986 were useful when investigating the advertising industry. These authors concluded that national economic groups tended to the association with foreign capital and that the latter also benefited with this type of alliances, because they allowed them to remove their production plants and their direct representations in the country, given that, from a global perspective, the smallness of the market made to Uruguay a place of little relevance.

From the methodological point of view, a first choice for the development of our research was –in order to delimitate the field of study– focusing only on advertising agencies that offer comprehensive services, thus leaving aside the creative studios, graphic design workshops and exclusively digital agencies. In the same vein, a second decision was to take as a basis the criteria used by the Uruguayan Association of Advertising Agencies (hereinafter, AUDAP from its Spanish acronym) to support affiliations. Basically, the criteria that AUDAP applies to incorporate affiliates are that applicants must:

- 1) have a professional stable team with a minimum of five members, including the director or owner of the company;
- 2) to have made advertising on a regular basis in the course of the past twelve months to at least three different clients;
- 3) have acted in the local market over the past twenty-four months continuously;
- 4) having a physical headquarters, suitably equipped, proving their availability, either as lessee or owner.

Although modest criteria, they have allowed, if it is only by its size and portfolio of clients, to put aside the individual agencies or freelance service providers.

Anyway, even though these criteria were taken into account, the used agencies listings were not limited to affiliates to AUDAP; we also added those which, without being affiliated, comply with the requirements of the Association. With this, the field work consisted of collecting data from the following databases:

- a) AUDAP memoirs and annual reports.
- b) 1989-1999 collection of the magazine *Comunicación Publicitaria* (Advertising Communication), a monthly publication.
- c) Books published about the national advertising media (we left aside the ones only dealing with aspects related to advertising creativity).
- d) Statistical reports generated by private consulting firms or Government agencies.
- e) Previous academic research.

Data relevant to our investigation were recorded and processed according to our assumptions.

For the purposes of categorizing the agencies, we used the typology proposed by Stolovich (1989, p. 21):

- Transnational: companies operating in two or more countries, synchronizing and unifying the capital cycles across borders.
- National: companies that have constrained their main economic power to the limits of their national State.
- Partner: companies that have both foreign and national capital.

An interesting aspect added by Stolovich is that in joint ventures, management is usually left in the hands of national staff, even, in some cases, with characteristics of family enterprises.

Finally, unable to access the billing of each agency, we opted for an analysis of the composition of their advertisers' portfolios, even knowing that the association between portfolio and billing can be misleading.

THE CURRENT SCENARIO OF THE AGENCIES SYSTEM IN URUGUAY

The advertising industry, commensurate with the scale of the Uruguayan economy, is relatively small compared to the largest in Latin America. In 2013, the advertising investment totaled, taking it as a whole, \$285 million dollars and its participation in the gross domes-

tic product was 0.43% (Llambí & Rama, 2013). In that same year, in Brazil, the investment was \$15.860 million dollars, \$5.670 in Argentina, and \$5.500 in Mexico (AdLatina, 2014). It is estimated that the industry sustained 1.100 jobs, with a staff composed in a 41.2% of professionals or technicians, a percentage significantly higher than the average of the private sector (13.1%). In this sense, the sector has become a strong claimant from graduates of the bachelor degrees in communication.

Also, taking as basis AUDAP's criteria for accepting memberships, we observe that after a period of general and sustained growth of the country's economy (5.8% between 2004 and 2012, according to World Bank, 2014), the total number of agencies paradoxically has reduced. In December 2013 there were 32, of which 12 were associated with some international network, while the remaining 20 were nationals (including three that operate locally in cities in the interior of the country).

Foreign direct investment (FDI) in Uruguay was multiplied by three between 2005 and 2012, but did not reach the advertising industry, not only by its structural blocking, but also because it is not a branch of the export production (Cámara Nacional de Comercio y Servicios de Uruguay, 2013). In this sense, the largest investments in the period were in forestation and in the cellulose pulp industry (Arauco-Stora Enso, of Chilean and Finnish capitals, and UPM, Finnish), because of their orientation to the external market.

Completing the agencies system, there are 16 exclusively oriented to advertising over the Internet and mobile telephony. None of those is affiliated to AUDAP, they do not offer comprehensive services and all are of national capital.

THE PROCESS OF TRANSNATIONALIZATION

In 1986, 31.5% of Uruguayan economic groups—considering as such conglomerates that possessed at least one company with assets worth more than three million dollars and that also had their activities diversified—were associated with foreign capitals. The greater the economic group, the greater was their degree of association; thus, of large groups, 50% was already partnered. In parallel, there was a setback in the direct establishment of foreign companies, and even some withdrew from the market (Stolovich et al. 1987, p. 84). Their withdrawal is explained, as indicated before, because

when the multinational reached global dimensions, the Uruguayan market became insignificant. Therefore, it was more convenient partnering with national groups. In the advertising field, JWT, arrived in the country in 1936, associated with national capitals in 1979 when its biggest client, Ford, closed its assembly plant in Uruguay, and McCann, in Montevideo since 1946, eventually sold its shares to local investors in 2005.

Since 2000, another phenomenon, typical of globalization, occurred: the relocation by transnational companies of their regional headquarters and production plants, mainly to Argentina.

Until the 1970s, with the exception of very isolated cases, agencies were national. In the 1980s and 1990s the partnerships with international networks increased, a fact that is also found in the rest of Latin America. Basically, this was the result of the process that has been outlined: the purchase of main advertisers by transnational or national capitals with foreign associations. Some agencies discovered that, through partnership, not only they could continue to maintain their major customers could also get new... also, they could lose them by decisions made thousands of miles away on parent companies unreachable for something else than a courtesy visit (Gascue, 2004, p. 65). A side benefit for partner agencies was that these global agreements hindered the possibility of spin-offs promoted by accounts directors or even creative that, underpinned by the customers they attended, decided to open their own agency, risk that national's continue to have.

In December 2013 the following networks were operating in Uruguay: DDB, DraftFCB, Grey, Havas, JWT, Leo Burnett, Lowe, McCann, Ogilvy & Mather, Publicis, TBWA and Y&R. In reality, however, the concentration is greater than what at a first glance seems, considering that for the most part these networks belong to global media groups: Grey, JWT, Ogilvy & Mather and Y&R belong to the WWP group; DDB and TBWA to Omnicom; DraftFCB, Lowe and McCann to Interpublic; Leo Burnett and Publicis to Publicis group.

In the market, partner agencies compete with each other, even in relation to the same group, but when it comes to sharing profits or losses, the twelve Uruguayan partner agencies only have five pockets: the five pockets of the five globally largest groups of communication, and that sometime in 2014 will be four, as the merger of Omnicom and Publicis has been announced.

Following the general guidelines of medium size local enterprises, partner agencies are managed, such as Stolovich says (1989), by national staff, and some of them presented the characteristics of family enterprises, in particular in regard to the succession in their management from parents to their children.

FEATURES OF PARTNER AGENCIES

INNOVATION CAPACITY

There is a general consensus pointing that the first Uruguayan agency that adopted the Anglo-Saxon model and offered creativity, as well as intermediation in spaces, was Publicidad, established in 1909 and that soon changed its name to be called *Publicidad Capurro y Compañía*. This would be the main driving force behind the creation of AUDAP, reason why its first President was Raúl Capurro, son of one of the initiators of the agency (Jano, 2010, p. 41).

AUDAP was founded in 1946 with the following objectives: i) to contribute to a greater professionalization of the activity; ii) to agree on rules to regulate competition for advertisers; and iii) to standardize the payment of commissions.

In the twenty years ranging from 1946 to 1966 several agencies emerged and disappeared, but the most important change was to occur with the arrival of television. Seen from the present, it is surprising that major agencies at the time began to decline commercially because they did not understand the importance that television would have on the future of advertising. Paradigmatic is the case of Cruz Propaganda, one of the largest, if not the largest agency of the 1950s:

- Look, our problems clearly began with television. We were at that time a very idealistic agency...

- And what is an "idealistic" agency?

- Well, we did not care only about the money, but also to do things well, to give a good service to the customer.

- Could it be that the agency did not accompany the changes that began occur with the rise of television?

- At some degree we accompanied the changes, and we did not in others aspects. At that time, several agencies joined in what was called *Agencias de Publicidad Agrupa-*

das (Grouped Advertising Agencies) to buy television minutes to a fixed price. You could actually get a benefit, but my brother did not want in... We made a bad business with a television station and because of exchange rates and the characteristics of the economy at that time; we lost a lot of money. We paid what we could never charge our customers. We had to pay even with our typewriters. (Edith Cruz, in Jano, 1991, p. 84)

A core of new agencies that understood the importance of innovation allied with radio stations, without neglecting the other existing media, and soon displaced traditional agencies of the first places in terms of billing. The two foreign agencies present on the market (Walter Thompson and McCann Erickson) did not have difficulties to adapt, since they had the know-how of its parent companies.

The consolidation of television forced agencies to qualify, since, parallel with such process, emerged the audience measurements, media planning and market research. Almost forty years later new challenges arise which, from the perspective of agencies based in Uruguay, are much more complex than what meant the emergence of television, but they have in common with that episode the fact that they bring into play the ability to adapt to survive in the market. There are three contemporary challenges: i) the displacement of media planning from agencies to media agencies; ii) conditioning advertising creativity to the opinion of market consultancies; and iii) the loss of centrality of television.

In developed countries, the response of advertising agencies to the emergence of transnational corporations was adding to the trend, generating in turn global groups that span multiple subsidiary sectors of advertising. The advertisers' brands, turned into global, needed a complex logistical network to remain viable.

The way agencies were early constituted as such when they included creativity among their services, media planning agencies were born in the 1990s of the training and qualification of the, at the time, media buying agencies department, a sector that went into a rapid decline. Centrals offered the advertiser places in the media and the planning of their investment. Soon the Uruguayan agencies, partners or not, would realize that their transnational clients operated with media

global centrals: in fact, the first wave of centrals that installed locally belonged to the five transnational groups which operated in the country by 2013.

In parallel, agencies had to face the growing competition—as stated by Miguel and Galimberti (2011, p. 167)—of a new symbolic intermediary in another field that they had traditionally monopolized, when market consultants became more relevant, offering services not only as providers of strategic advice, but even as campaigns evaluators.

But these challenges are minor compared to the loss of the centrality of traditional media. Internet and mobile phones have become mass media and their consolidation not only affects agencies, but all the advertising system and media. Eliseo Verón (2009) places the challenge in its deepest dimension: is not merely about the emergence of a new media, but a structural change of the communication system:

The central element of the evolution in progress is that consumption programming goes from production to reception: in the audiovisual sector of mediatization, it is a radically new phenomenon. Paradoxically and as a result, Internet makes it possible that the "new media" look like the writing old media—books and graphic printing: finally, the audiovisual textualities escape the programs grid and are transformed into discourses available at all times for the consumer. (p. 244)

In Uruguay, in 1995, the National Administration of Telecommunications (ANTEL) began to sell Internet connections to businesses and homes; in September 2013, 71% of the population accessed the Internet by fixed or mobile connections (Radar, 2013).

At the global level, the Adwords program currently contributes with more than 95% of Google earnings (\$50.175 million dollars in 2012) (Mediadb, 2014), with the extra—another challenge that also includes media planning agencies—that advertisers must not necessarily rely on an intermediary to convey their digital advertising.

In this scenario, the partner agencies also have advantages: their structures are a replica at the local level of the organization charts from their parent companies; their productive efficiency is supervised by them and, in case of emergency or necessity of deriving investment, they can turn to the other firms of the group to which they belong.

CONTINUITY IN ECONOMIC CRISIS

In the second half of the 20th century (1982) and early 21st (2002), Uruguay suffered two specific deep economic crises, both in the more general context of a gradual fall of the macro-economic indicators during the period 1955-2003.

Rodolfo Katzenstein, for decades AUDAP Administrative Secretary, said, referring to the first of the crisis:

At that time, AUDAP had a nationalist policy because it was understood that the agencies should be Uruguayan to defend national work. In the 1960's there were 50 affiliated advertising agencies, and there was a strong trade union development in the following decade. We spoke of training, international exchange, but after the break of the tablita (exchange rate of the dollar), in 1982, there was an earthquake: closing, desertion, and late payment of half of the members. It was a crisis that survived the stronger. (Katzenstein, in Jano, 2010, p. 61)

Katzenstein's testimony has, for our purposes, a special interest, because: i) it highlights the special sensitivity of the advertising industry to the economic crisis; ii) states that the original vocation of AUDAP was defending national agencies, which contrasts with what really happen in time; and iii) his story describes what will happen in AUDAP, almost like a carbon copy, in the years 2002-2003.

The crisis of 2002 was even more lethal: closure of banks (the banking system lost 48% of its deposits), depreciation of the currency (93.7%), paralysis of the productive system (GDP fell to 11%), exponential increase in unemployment (22%), lower real wages (10.9%), looting to supermarkets on the suburbs of Montevideo (37% of the population under the poverty line). The reserves of the Central Bank went from 3.100 to 772 million dollars (Luppi, 2012). A loan of \$ 1.500 million dollars granted by the United States Treasury allowed containing the failure of more banks, including the State ones, and that the country did not fall into default (Steneri, 2011, p. 13), a fact that underlines, once again, the limited dimension of the Uruguayan economy, even at the regional level.

This situation impacted on the advertising industry, causing structural changes that exposed the most relevant factors which determined that some agencies remained on the market and others did not. More than half of national agencies closed their doors in the period

2002-2003. On the eve of the crisis, there were sixty agencies that complied with the statutory requirements of AUDAP; thirteen of them were partnered with international networks, to which the local office of McCann, still foreign, must be added thus totaling fourteen with varying degrees of participation of international capital. The remaining 46 were nationals.

In 2004, AUDAP had 33 affiliated agencies, to which one that was temporarily de-affiliated, but that complied with the statutory requirements, should be added thus counting 34 active agencies in the country. Of them, 12 were partnered (again, McCann has been included in this group). The remaining 22 were nationals (we have included three in the interior of the country). With headquarters in Montevideo, and therefore with national coverage, 12 were of mixed capital and 19 of national capitals only. The survival of the interior agencies is explained because, as they played in small local markets, they could reduce, successfully, their structures to their operating minimum. Two partners (BBDO and Bates) also had to close. BBDO came on the market with the expectation of obtaining the accounts internationally aligned with the network, only to find that these were already consolidated in the rest of the agencies belonging to the Omnicom Group; and Bates had always been, by its billing, the weakest link in this sector.

The balance of the crisis indicates that partner agencies were more robust: the likelihood of overcoming the crisis for the associated sector was 0.84 and for the national sector, 0.47. Among domestic, those most affected were the ones with portfolios highly dependent on local small or medium-sized companies, or highly volatile portfolios, or those that had an outdated internal organization, whose lack of efficiency had been able to go unnoticed by the relative former prosperity.

In 2004, the situation of some of the national agencies that survived remained uncertain, but within this set it is interesting to see the role of agencies that were just born in 2002 and 2003, and that partly replaced the ones that closed. These agencies are called "crisis agencies", not only because some complied with the remains of the wreck of broken agencies, but –and this is the most important– because they were born with structures appropriate to the contingency: small, but highly qualified staff.

STRUCTURE THE CUSTOMERS PORTFOLIO

The analysis of the clients portfolios structure in every sector –which source were the portfolios registered by each agency in AUDAP– presented difficulties that forced us to take certain decisions to carry out the process. Firstly, on December 2013, we had to resolve which brands and enterprises were direct representations of a transnational and which were only distributed by importers, since their degree of commitment to an international advertising network is different. Also we had to define a criterion for proceeding with the companies that split their brands among various agencies; in that case, they were accounted as an individual customer for each of them, giving priority to the idea of brand over the company. Situations in which an agency was only in charge of direct marketing activities, as we continue applying the concept of including only comprehensive services, were not counted.

At the end of 2013, 55% of the advertisers of partner agencies, taken as a whole, were transnational, and 27% of the national portfolio is of the same type. If the transnational's billing was taken into account, the difference would surely be even greater in benefit of the partner agencies.

For our purposes, we must consider that, for historical reasons, State-owned companies have a very strong weight in the Uruguayan economy, with advertising investments –in the case of some of them– comparable to what the main transnational make in the country. In what refers to the accounts of these companies, they account for 3% of the partners' agencies portfolio and 5% of the national. This explains, in part, the permanence of some national agencies on the market, in particular when they have more than one State account. On the other hand, these advertisers, from the agencies' perspective, are unstable, because for legal reasons they must periodically tender their advertising accounts, and in some cases the awarding of these

bids is no stranger to political factors.

Anyway, it should be noted that in absolute numbers, nowadays the State accounts tend to be attended mostly by national agencies.

ORGANIZATIONAL STRUCTURE

The partner agencies internal organizational structures tend to be more modern than the nationals. The organization chart of the first are suggested, when not imposed, by the network, which facilitates its role as interlocutor with international companies. An example of this is the role of the strategic planners belonging to agencies, which can be part or not of the accounts areas and that become valid partners against advertisers and market consultants.

In contrast, some national agencies drag outdated, unprofitable structures that lead to the fact that, when they lose an important advertiser, they enter in a crisis and are forced to reduce their staff.

OVERVIEW OF THE PROCESS

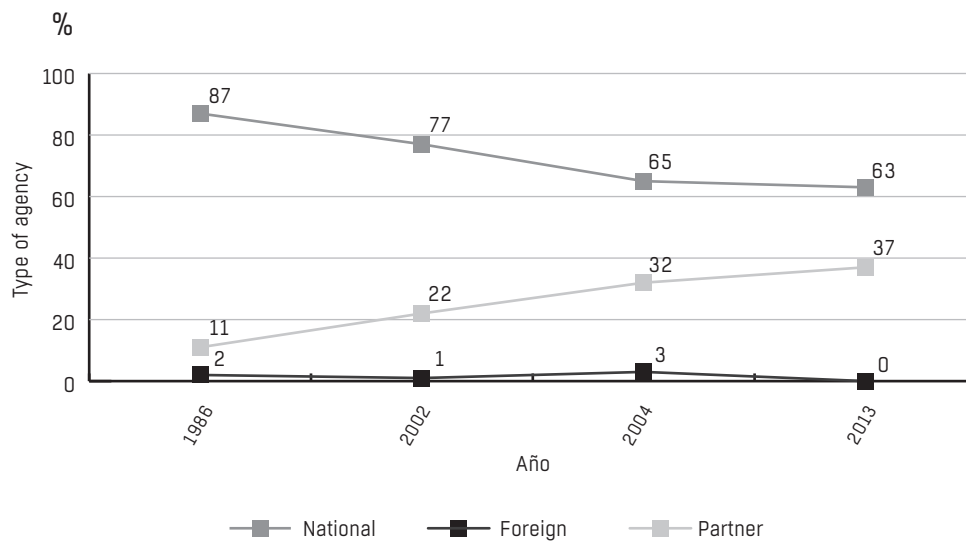
To give an idea of the dimensions of the universe that we are analyzing and at the same time comparisons from a common basis, we presented, as summary, a figure which illustrates the evolution of the relationship between the national sector agencies and the associated sector (table 1). The criterion for the choice of the years was as follows, for each case: 1986, forty years after the Foundation of AUDAP; 2002, the year of the crisis; 2004, the year in which the economic recovery began; 2013, current scenario. In addition, 1986 is the last covered by the research of Stolovich, Rodríguez and Bértola (1987), which has served as a guide; and at the political level, that year completed his first year in office Julio María Sanguinetti, the first constitutional President after the fall of the de-facto Government. The cut 2002-2004 gives us an idea of the depth of the crisis and the continuity capacity of each sector.

Table 1. Type of agency per year (cases and percentages)

Type of Agency	1986		2002		2004		2013	
	Cases	%	Cases	%	Cases	%	Cases	%
National	41	87	46	77	22	65	20	63
Foreign	1	2	1	1	1	3	0	0
Partner	5	11	13	22	11	32	12	37
TOTAL	47	100	60	100	34	100	32	100

Source: own elaboration based on the AUDAP file and *Comunicación Publicitaria* magazine..

Chart 1. Type of agency per year (percentage)



Source: own elaboration based on the AUDAP file and *Comunicación Publicitaria* magazine.

A first glance allows confirming the trends that were already configured in the preceding paragraphs:

- The percentage of partner agencies has increased steadily: went from 11% to 37% in 27 years. In fact, if we set aside the three in the interior of the country, in 2013 46% of metropolitan area agencies with national projection were partners.
- On the eve of the 2002 crisis, 77% of agencies were from national capitals; two years later, they were reduced to 65%.
- From 2002 to 2013, the total number of agencies has been reduced nearly in half, since it went from 60 to 32. If we consider more reliable the numbers corresponding to the stage in which the country's economy stabilizes and grows, the number of agencies continues to reduce: 34 in 2004, 32 in 2013.
- Finally, in 2013 there is no longer in operation any advertising agency that is entirely owned by a transnational network.

Chart 1 displays the trend presented in table 1, but it only shows, for greater clarity, the compared percentages for each chosen year.

This scenario here suggests that the position occupied by the set of partner agencies acts as a barrier to the development of the national, since the first have the most profitable portfolios and in the country are

already present the major global mega groups with their corresponding diversification of services, in particular their media agencies.

FINAL CONSIDERATIONS

The trend towards concentration, that nothing seems to indicate that will be reversed, is based on the following attributes of the agencies of joint venture, national and foreign, which in turn are intertwined in a synergistic way:

- innovation capacity;
- ability to overcome economic crises using in those periods the economic subsidy or logistical support from the network;
- quality of the customer portfolio as a result of agreements between the parent company and its main international advertisers; and
- modern organizational structures, understanding as such the more suitable to play in a globalized world.

The continuous increase in the percentage of partner agencies in Uruguay could be interpreted as an indicator of a growing block affecting the development of purely national agencies and that could even be preventing that, in general, they can reach a significant

volume of business. In December 2013, 37% of agencies were mixed-capital, when in 1986 they accounted for 11%. If we only consider the set of agencies which production achieves national coverage—that is, if those of regional coverage are left aside—, the partner percentage rises to 46% of the total.

But, in fact, the concentration of property in Uruguay is much larger than it seems at first glance, given that after the networks of agencies, apparently independent, are the owners of mega groups that control a substantial part of the world's business: WWP, Interpublic, Omnicom and Publicis, having these last two announced their merger in 2014. By the end of 2013, the sum of these mega groups made them owners of eleven of the twelve existing partner agencies.

In this sense, the structure seems to have strengthened: the main mega groups are already in the country, and their partner agencies have modern profiles and the portfolios of the strongest advertisers. The majority of national agencies only have left the market's periphery, area in which the accounts are less important or precarious. In this scenario, the only immediately expected changes would be those resulting from acquisitions or mergers.

Another fact that reinforces the idea that the Uruguayan system of agencies is heading for a situation of blockage in terms of the growth in the number of agencies, is that while the country's macroeconomic indicators present a trend of appreciable growth, the total number of agencies that offer comprehensive services has declined consistently, at the expense of the nationals.

FDI in Uruguay was multiplied by three between 2005 and 2012, but did not reach the advertising sector. However, apart from this fact, the current advertising structure, sooner or later will face the main challenge that affects both partners and national agencies: the increasing loss of centrality of the traditional media.

We saw how in late 1950s and early 1960s, the lack of adaptation to the television by the oldest Uruguayan agencies was a determining factor in their decline and closure, which from current perspective may seem surprising, but which generated uncertainties not always well resolved. It is valid to wonder, then, if the next decade will not be witness of the decline of those agencies that do not adapt to broadband. Google, in rapid growth as an advertising company, is perhaps the clearest warning of the kind of future that lies ahead.

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