UNIT 3 : ADVERTISING AGENCY

UNIT STRUCTURE

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3.1 LEARNING OBJECTIVES

After going through the unit you will be able to

- define advertising agency
- discuss the organizational set up of an advertising agency
- outline the types of advertising agency
- describe the concept of media buying
- elucidate the role of an Advertising Manager

3.2 INTRODUCTION

In the previous unit i.e. unit 2, we have dealt with the concept of different types of advertising media such as print, radio and television and finally, there we have also got an out line of the role of ASCI (Advertising Standards Council Of India).

This unit introduces to you the concept, types and organizational set up of an advertising agency. Advertising agency is an organization that, on behalf of clients, makes the copy and produces different kinds of advertisements, places the advertisements in the desired media, and plans the advertising campaigns. Advertising agencies may also perform other marketing

functions, including market research and consulting. Basically an advertising agency is a service business dedicated for creating, planning and handling advertising for its clients.

In the next unit i.e. unit 4, we will discuss another important topic of mass communication, Public Relations. Now a days, it is an emerging discipline and public relations are used every where from public to private, organization to individual level. There we will discuss the concept of the subject at the outset.

ADVERTISING AGENCY

As we have discussed in the earlier units, advertising is an important communication vehicle that typically attempts to persuade potential customers to purchase or to consume a particular brand of product or service. Many advertisements are designed to generate increased consumption of a product and service through the creation and reinforcement of "*brand image*". There are three components in an organization associated with advertising – the advertiser, the advertising agency and the mass media. The advertiser spends money, the agency creates the message and provides other services and the media publish the message. By Publish is meant the bringing of the message with proper format to the target audience through different media of communication. Advertising is often placed by an advertising agency on behalf of an organization.

The demand of the advertisement in the marketing process is increasing day by day. To fulfill the demand, the concept of advertising agency came into existence in the early part of nineteenth century. An advertising agency is an organization that creates, plans and handles advertising, marketing strategies and sale promotions for its clients. It is independent in nature. Different types of business houses, corporations, non-profit organizations and government departments are the clients of an advertising agency.

According to the American Association of Advertising Agencies, '*an agency is an independent business organization composed of creative and business people who develop, prepare and place advertising in advertising*

media for sellers seeking to find customers for their goods and services'.

An ad agency is a team of experts which serves clients of different sectors. As a service provider, an Advertising Agency takes up the important tasks of representing its clients to their target audience in an innovative and effective manner. An agency creates advertisements and disseminates the prime message through the advertisements within the budget of the clients and always tries to fulfill the requirements and short/long term objectives of the clients. An agency uses different media, including print, television, radio, internet etc. for spreading the message of the clients. There are plenty of business houses, industries, firms or corporations who are looking towards outsourcing their advertising needs to an Ad agency.



Ad campaign : A planned programme using advertising aimed at a particular target market or audience over a defined period of time for the purpose of increasing sales or raising awareness of a product or service.

A modern advertising agency offers specialized knowledge, skills and experience which are required to produce an effective advertising campaign. The specialists of an advertising agency work together to understand the requirements of an advertisement campaign and develop suitable advertising plans and strategies. An agency represents the core of the advertising profession and by creating advertisements and delivering them through appropriate media, the agencies implement advertising plans and strategies.

3.4 ORGANIZATIONAL SET UP

The organizational set up of an advertising agency varies in its capacity and structure. But over all every ad agency have some common departments. The traditional full service agency is divided into three functional departments such as account management, also known as client service; creative, and media. Its functional area has a vital role to play in developing the advertising strategy for the clients. Let us discuss the main departments of an advertising agency.

Creative department

This department is engaged with the creation of the various themes and designs them for different media. Modern advertising agencies usually

employ copywriters and art-directors to form the creative teams. Creative teams may be a permanent team or formed on a project-by-project basis. The art-director and copywriter report to a creative director. He is an employee with several years of experience in advertising creativity.

Account services

The other major department in ad agencies is account services. An account executive of the department meets the clients to determine sales goals and creative strategy within specified budget. The department coordinates the organization, media and production staff. It is responsible for meeting the prospective clients and getting business for the company. The department is the main profit making department of the agency.

Media department

This department is responsible for the positioning of an advertisement in the press, radio or television. It identifies display spaces for the outdoor advertising. The department, keeping in view the target audience, looks for innovative media outlets and puts the advertisement accordingly.

Production department

Production Department of an advertising agency is responsible for the get-up of the advertisement when they are released in newspapers, magazines, posters and billboards. The production people make sure that the ad gets printed. The employees of the department should have the knowledge of typography, printing technology, layout design, photography, use of material etc. To produce the audio-visual advertisements, they need to know how to handle camera and other electronic equipment for recording and the department may appoint a non linear editor for the final production or they may outsource for the editing task.



USP : Unique Sales Promotion

Client Servicing

Client servicing represents the agency to the client. It always tries to

maintain the good will in the client's mind. It receives the detailed information of client's requirement. It always looks after the client's satisfaction. The executives chalk out the strategy based on the brand's positioning, product's USP and its communication objective. They try to coordinate best between the company and the client. Basically the department performs the role of Public Relations on behalf of the Ad agency.

Accounts Service

One of the major departments in ad agencies is account services, which is the sales arm of the advertising agency. An account executive who works within the account services department, meets with the client to determine sales goals and creative strategy. They are then responsible for coordinating the creative, media, and production staff behind the campaign. Throughout the creative process, they keep in touch with the client to update them on the ad's progress and gain feedback. Upon the completion of the creative work, it is their job to ensure the ad's production and placement. So, in a nut shell,it can be said that this department of an advertising agency involves in overall strategic plan including the budget, the right media selection and disseminating the client's product message. This department internally discusses the planning strategy with the creative team, the media planning department and if necessary, the market research agency.

Media Planning

Media Planning department helps ad agencies to choose the best outlet or medium to reach the desired customers. They plan, schedule, book and purchase space in the print media (newspapers, magazines) or outdoors (billboards, kiosks and bus panels) and purchase time in electronic and new media (TV & radio, internet). The media planners may also be involve in conducting client's need-specific research to assess the particular ad campaign of the company (the advertiser).



Copy writer : He is a person who devises the wording of an advertisement or promotional material. A copywriter may be employed by an advertising agency or, in scientific or technical areas, directly by a manufacturing or distribution company. Many copywriters also work freelance.

The Creative Department

The creative department's main task is to prepare the copy for the advertisements. It picks the right words for the slogans and body matters. The most appropriate and eye-catching visuals can grab the attention of the customers and promote a sale. The creative team in an agency can be further divided into two sections: Copy and Art.

a. Copy Department

The Copywriter gets down to the task of putting across the message in words. The headline, followed by the body (copy) in the case of a print advertisement, a dialogue or jingle for a radio spot, or a detailed story board in the case of a TV commercial advertisement have to be done by the copy department.

A good copywriter must be able to think imaginatively and originally each time, to create an ad story for different products. He should have to co-relate masses and market research findings to present the conclusions in language that is lucid and convincing. And above all, creativity as well as adaptability is needed to be a successful copywriter. However, unlike poetry or short story writing, copywriting is not creativity for creativity's sake. The famous ad expert, David Ogilvy, puts it very concisely: "If it doesn't sell, it isn't creative."

b. The Art Department

This department under the creative team looks for the layout and the make-up tasks. It accommodates the various components i.e. slogan, headline, picture, text, logo, etc. in a balanced format within the given space. Selecting the size and type of the font (lettering) for the print advertisements and the photographic treatment as well as the overall treatment of the TV commercials are some very important tasks for an art department.

The Creative Services Department

The creative services department has many contacts with the suppliers of various creative media. For example, they will be able to advise upon and negotiate with the printers if an agency is producing brochures for a client. However, when dealing with the major media including press and electronic media, this work is usually outsourced to a media agency which can advise on media planning and is normally large enough to negotiate prices down further than a single agency or client can. Modern agencies might also have a media planning department integrated, which does all the spot's planning and placements

The Research Department

The Research department tries to measure the effectiveness of the ad campaign. Research provides the strategy to the media planner, who is the person related to ad making for the clients. These professionals are from a variety of disciplines, but they share a common comfort level with mathematical or statistical modeling, sampling techniques and psychographics.

LET US KNOW



Client Turn over

When an advertiser leaves one ad agency and switches over to another, it is known as client turnover.

The following are some reasons of client-turnover:

(i) The account is not profitable.

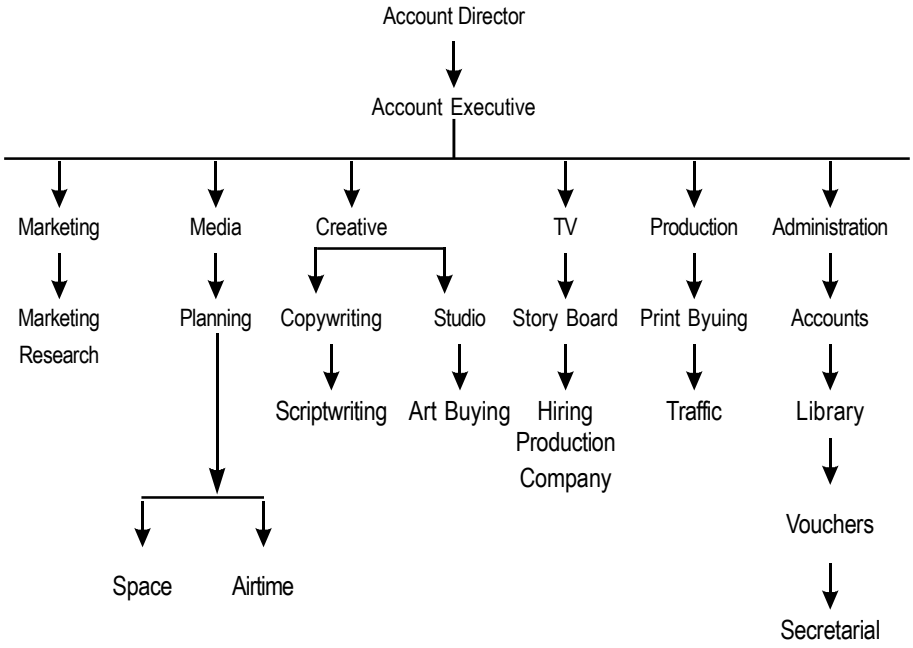
(ii) The advertiser is interested in a new medium with which the present agency is not familiar.

(iii) Lack of coordination between the top executives of the client and the agency.

(iv) Loss of confidence.

(v) When the client does not like the ad programmes conceived by the agency.

Department of a large full service advertising agency



Source : Advertising by J. Frank



CHECK YOUR PROGRESS

Q.1: What do you mean by an advertising agency?

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Q.2: Give the correct answers of the following –

a) The organizational set up varies from agency to agency. Yes / No

b) Copy writer is an employee of the account department? Yes/ No.

c) Creative team _____ permanent in an advertising agency.(must be/ may not be.)

Q.3: Write a brief note on the creative department of an ad agency.

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ACTIVITY- 3.1

1) Note down the names and designations of the employees of the advertising agency from the interview

2) Prepare a big chart in a drawing paper and mention the designations of the employees from the top level to the lower level.

3.5 TYPES OF ADVERTISING AGENCY

Advertising agency makes the copy and produces different kinds of advertisements for the clients. It places the advertisements in the desired media, and prepares the plan for the advertising campaigns. Advertising agencies may also perform other marketing functions, including market research. There are basically three types of ad agencies. Let us discuss these types -

(i) *Full service agency:*

A full service agency provides all required services to the clients regarding advertisements. It plans, creates, produces and places advertisements. In addition, it also offers other marketing services like sales promotions, organising trade shows, publishing newsletters and annual reports etc.

Full service advertising agency studies the product or service and streamlines its marketable characteristic and how it relates to the competition. At the same time the agency studies the potential market, possible distribution plans and advertising media. After that, the agency makes a formal presentation to the client detailing its findings from the market research about the product. It recommends the advertising strategy to the client. If the client agrees, the agency then launches the execution phase. This phase includes writing and producing the advertisements, buying time and space in various media, delivering the advertisements to the appropriate media, and verifying that all advertisements have actually

appeared during the specified time or in the specific space. Finally, the agency makes sure that the clients are getting the best possible benefit from the advertisements.

(ii) *Media buying service:*

Media buying service advertising agency is an organization that specializes in buying the time slots from radio and television channels and space from print media and reselling it directly to the advertisers or to the full service advertising agencies. The prime functions of this type of agency are the selling of time for electronic media to the advertiser , ordering the spots on the various stations involved, and monitoring the release of the advertisements. This type of advertising agency deals with the media buying and space selling for clients' advertisements.

(iii) Creative boutique:

Creative boutique specializes in the creation of advertisements. In general, boutiques create innovative, imaginative and interesting advertising themes and produce the advertisements for the clients. An organization using the creative boutique may take the help of other advertising agencies for space buying and execution of advertising planning. Creative boutique advertising agency does not deal with the media buying, advertising campaign and other marketing functions. It is only involved with the creation of innovative advertisements for the clients.



LET US KNOW

J.W.Tailor says, 'effective and gainful advertising starts withawinningadvertisingplan.'Selectionofanadvertising agency is an important task for the management of the advertisers. The following points are important at the time of selecting an advertising agency –

- The agency must be known. Previously unknown agencies are not preferred.

- The agency must have creativity. The secret of creativity is simplicity.
- The agency must have a sound track record, a good deal of experience.
- The account executives of the agency must have ability to understand the client's problems.

Depend ability for the creativity and commitment to the client and the quality of the management are the reasons to select the advertising agency for an advertiser.



CHECK YOUR PROGRESS

Q.4: What do you mean by a full service advertising agency?

Q.5: What is the main task of a creative boutique?

3.6 MEDIA BUYING

Media buying is the function of an advertising agency in buying 'space' or 'time' in a media to place an advertisement of a product or a service. Media buying is a strategic planning, negotiation and buying of Print Media, Television, Radio etc. It is a specialized skill, which requires knowledge of the target audience, consumer behaviour, the media, and the criteria used to measure the value of time and space. For placing an advertisement in mass media, the advertiser has to buy space or time according to the nature of media.

John Philip Jones in the book edited by him, 'The Advertising Business' , states that a media buyer may be defined as the individual in an advertising agency who is responsible for reviewing, recommending, negotiating and buying the media time and space that will support the brand positioning. He is responsible for the purchase of time and space for the delivery of advertising messages in the media. A media buyer may be an employee of an advertising agency who specializes in such purchases, but, technically, a media buyer is any advertiser, advertising manager, or individual who buys the commercial time or the advertising space.

These word 'space" does not mean here what an individual understands in the ordinary sense of land or freedom of existence. The 'space' we are discussing now is the space available and intended for advertising in different media. We should remember that while dealing with TV and radio, the term 'Space Selling' is aptly replaced by 'Time Selling'. But 'space selling' is used in a general collective sense.

A space seller for any media based organization performs the task of interacting with prospective advertisers and convincing them to use his organization's medium to place their ad. The services of every publication/ channel cost much more than the price we pay for it. A space seller steps in here to sell that advertising space/time to potential advertisers.



CHECK YOUR PROGRESS

Q.6: What do you mean by media buying?

Q.7: What are the primary tasks of a space seller?

3.7 ADVERTISING MANAGER

Advertising Manager is an employee of a business house or an advertising agency, who is responsible for planning and controlling its advertising activities and budgets. Frank Fefkins wrote in his book 'Advertising' that "advertising manager is the in charge of the in-house advertising department. He buys and services advertising for the organization."

The advertising manager co-coordinates and supervises the work of the staff in a day-to-day manner in an advertising agency. This person can also co-ordinate the activities of a number of junior advertising managers or product managers or branch managers, responsible for the marketing and advertising of one particular group of products.

Jefkins in his book mentioned about the presence of three types of advertising manager in an organization. They are –

a) the client's advertising manager
b) the agency's account executive and
c) the media advertisement manager

Though the type and structure of the organization may differ, the role and responsibilities of the advertising manager are more or less the same. He is responsible for the market research including the marketing strategy, the advertising strategy, etc for the organization. In the case of a large organization, the advertising manager works as part of a team including marketing executives and marketing research personnel. In a smaller set-up, the advertising manager is the only person, who has to take all the responsibilities for the organization.

Surajit Sen Sharma wrote in an article that the designation "advertising manager" has several other names in the industry, including account executive, marketing manager, advertising sales manager, promotions director, and advertising director. The function of the advertising manager is to conceive the strategy of and implement the promotional component of the **marketing mix.** Now a days, the job of an advertising manager has become more glamorous and demanding.



The term ***marketing mix*** refers to the primary elements that must be attended to in order to market a product or service properly.

The Duties and Responsibilities of an Advertising Manager

An advertising manager is usually required to perform most or all of the following sets of duties, although specific requirements may vary depending upon the nature of the organization and the designations of the advertising manager. An advertising manager has to —

- Prepare the budgets and estimates for components of the advertising campaign
- Prepare the annual budget
- Manage the planning and prepare the promotional matter, ensuring that it is consistent with the advertiser's marketing strategy
- Meet the clients and officials across departments to coordinate campaigns

- Scrutinize, copy, and edit the promotional material, ensuring that it conforms to guidelines
- Coordinate activities across the various departments of the agency
- Develop contacts for promotional campaigns
- Collect information to build advertising campaigns

The qualities of an Advertising Manager

The following skills and attributes are required for an advertising manager—

- He should be a good communicator. Effective writing skill is a pre requisite for a good advertising manager.
- He should have a passion for helping people in the industry and for that he must be a good listener
- He should be a good manager and should have the ability to manage his or her own time and that of others
- Most of the time he has to take decisions on behalf of the department or the advertising agency. So, he should have decision-making skills
- As stated earlier, he should be an effective communicator and should have public-speaking skills, which must be persuasive .
- He should have the ability to use logic to decide between alternative options
- He should have the problem-solving capabilities with the ability to coordinate and oversee the actions of workers to generate team effort
- He should have sufficient financial skills to manage resources besides passion for instruction and teaching
- He should be innovative and should have social awareness



CHECK YOUR PROGRESS

Q.8: What is the status of an advertising manager in an ad. agency?

Q.9: Who briefs the advertising agency or the other service organizations related to advertising agency?



ACTIVITY - 3.2

If you are appointed in an advertising agency, what will be your tasks to make it a very good advertising agency? Note down the tasks serially according to the importance to the work.



3.8 LET US SUM UP

In this unit you have been introduced to the advertising agency. Let us summarize the various aspects of advertising agency once again.

According to the American Association of Advertising Agencies, an agency is an independent business organization composed of creative and business people who develop, prepare and place advertising in various media for sellers seeking to find customers for their goods or services.

Ad agency designs advertisements to draw the public attention to its clients. Broadly there are three types of ad agencies —

(i) *Full service agency,*

(ii) *Media buying service,*

(iii) *Creative boutique.*

The organizational set up of an advertising agency varies from agency to agency. But over all every ad agency has some common departments such as Creative department, Account services etc.

Here we have also discussed that the advertising manager is in charge of a department, who coordinates and supervises the work of the staff. Among the other functions, the advertising manager conceives the strategy and implements the promotional activities for an organization.



3.9 FURTHER READING

- Advertising – Frank Jefkins
- Advertising Management: Concepts & Cases - Manendra Mohan
- Advertising in India – Om Gupta



3.10 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No.1: An advertising agency is an organization that, on behalf of clients, drafts and produces advertisements, places advertisements in the various media and plans advertising campaigns. Advertising agencies may also perform other marketing functions including market research and consulting.

Ans. to Q. No. 2: Give the correct answers from the following –

a. The organizational set up varies from agency to agency. Yes

b. Copy writer is an employee of the account department No.

c. Creative team may not be permanent in an advertising agency.

d. Broadcast media includes radio, television.

Ans. to Q. No. 3: As the name implies the creative department is responsible for all the creative part of an advisement and is to satisfy the client. There are copy writers, art directors, creative writers etc. The creative director is a creative employee having several years of experience. Creative teams may be permanent partnerships or formed on a project-by-project basis. The art director and copywriter report to the creative director. Although copywriters have the word “write” in their job title, and art directors have the word “art”, one does not necessarily write the words and the other draw the pictures. They generate creative ideas to represent in the proposition to the best of the satisfaction of the client.

Ans. to Q. No. 4: A full service agency handles the plans, creates, produces and places advertisement for its clients, including sometimes other

marketing services such as sales promotions, trade show etc. Full service agencies fulfil all the phases regarding advertising as well as promoting the product in a proper and affordable way for its clients.

Ans. to Q. No. 5: In general, boutiques create imaginative and interesting advertising themes and produce innovative and original advertisements.

Ans. to Q. No. 6: Media buying is the function of an advertising agency in buying 'space' or 'time' in a media to place an advertisement of a product or a service.

Ans. to Q. No. 7: A space seller for any media based organization performs the task of interacting with prospective advertisers and convincing them to use his organization's medium to place their ad.

Ans. to Q. No. 8: The ad manager has to do everything to maintain the good will of the company as well as the financial condition of the same. He is in charge of co-coordinating and supervising the work of the staff working in the advertising agency or with even creating the company's own advertisements.

Ans. to Q. No. 9: Advertising Manager.



3.11 Possible Questions

Q. 1: What do you mean by an advertising agency? What are the basic activities of an advertising agency?

Q. 2: Write a note on the duties and responsibilities of an advertising manager.

Q. 3: What is media buying? Is there any difference between media buying and space selling?