
UNIT 4 : ADVERTISING AGENCY- STRUCTURE AND FUNCTIONS

Structure

- 4.0 Introduction
- 4.1 Learning Outcomes
- 4.2 Emergence of the Advertising Agency
 - 4.2.1 Global Advertising Agencies
 - 4.2.2 Indian Advertising Agencies
- 4.3 Organisational Structure of Ad Agencies
- 4.4 Departments of an Ad Agency
 - 4.4.1 Account Planning
 - 4.4.2 Client Servicing
 - 4.4.3 Creative Department
 - 4.4.4 Production Department
 - 4.4.5 Media Planning
- 4.5 Leading Advertising Agencies of World
- 4.6 Leading Advertising Agencies of India
- 4.7 Awards and Recognitions in the Ad World
- 4.8 Let Us Sum Up
- 4.9 Check Your Progress: Possible Answers
- 4.10 Further Readings
- 4.11 Glossary

4.0 INTRODUCTION

The world of advertising can not work on a track without the proper working of an Advertising agency. This agency offers a specialised skill, experience and knowledge which are very much required to plan, design and execute an effective advertising campaign. It is a composition of creative people that has writers, artists, media experts, account executives, producers etc. The modern advertising agency is a fountain head from where, most of the advertisements we see, enjoy and hear from various media houses, emerge. These specialists work as a team to understand the requirements and needs of an advertiser and develop appropriate strategies and plans. They not only create but also assist in delivering those creative ideas through proper media outlets.

The American Association of Advertising Agencies (AAAA) defines Ad Agency as an independent business organisation, composed of creative and business people, who develop and prepare and place advertising media for sellers for their goods and services.

In this Unit, we shall discuss in detail, the role, structure and various functions undertaken by the advertising agency to deliver the best in the advertising world.

4.1 LEARNING OUTCOMES

After working through this Unit, you should be able to:

- Understand the importance of Advertising agencies
- Comprehend their nature of work and activities
- Analyse the various activities of ad departments
- Examine their organisational structure
- Gain idea about leading advertising agencies across the globe

4.2 EMERGENCE OF THE ADVERTISING AGENCY

Originally, before the bona fide advertising agencies made their appearance, ads were delivered to various media outlets through representatives who, in the early days of advertising, sold and resold the space. Thus was the humble beginning of the so called ad agency. The first ad agency dates back to as far as 1786, when William Taylor opened up his office in London, but it was Volney B. Palmer, who took forward the idea across the world.

Palmer, opened his ad agency in Philadelphia, America in the year 1840. He used to buy spaces from the newspapers at very discounted rates and resold the same space to the advertisers on a higher rate, thus giving a humble beginning of this activity of space selling and coining of the term “Agent”. He also conceptualised the actual Ad, designing, and doing all the art work required by the client, and the same way influencing the creative side required for an advertisement. Many of the agents started this business as they found it more lucrative and interesting, thus creating directories with advertising rates of news papers.

Francis Ayer, who was just 20 years old created a full service advertising agency called as N.W Ayer and Sons, considered to be one of the world’s oldest agencies.

4.2.1 Global Advertising Agencies

Tracing back to the history in UK, which has been a major part of the capitalist economy for centuries, we notice that the advertising space selling had a humble beginning. It became a major force to pull and organise advertising agencies for the benefit of advertisers. The three forms of advertisements that emerged in the nascent stage were: Trade Cards, Posters and Display Advertisement in newspapers. The print ads, especially, got a complete makeover with the emergence of standardised ad agencies which revolutionised the way in which the ads were created for the public.

In UK, Thomas J. Barratt, who was working for Pears Soap company started creating effective campaigns for the company products, which involved targeted slogans, images and phrases, thus giving a new peek into the formation of ad agencies in London and major cities of UK. He is credited with laying the foundation of the modern ad agency concept, that has since progressed a lot.

It was only in the beginning of the 19th century that the agencies started preparing advertisements and delivering them to the media. Lord and Thomas, in USA, started hiring copy writers, for producing creative work in advertising. By then, the agencies had become the focal point of creative planning, and advertising was very firmly established as a profession. The initial agencies were considered to be just brokers for the space in newspapers, but with the well establishment of full service agencies they even assumed the responsibility for advertising the contents.

David Ogilvy, a British advertising tycoon who founded the famous ad agency, Ogilvy & Mather, which is one amongst the top global agencies to this day. He is known as the “Father of Advertising”. Trained at the Gallup research organisation, he attributed the success of his campaigns to meticulous research into consumer habits.

4.2.2 Indian Advertising Agencies

B. Dattaram and Co, based in Bombay (Now Mumbai) claims to be the oldest existing Indian ad agency, started way back in 1905. Followed by India Advertising Company in 1907, and Calcutta Advertising Agency in 1909, and S.H. Bensen in 1928. Slowly and steadily, the Indian agencies started entering the domain of being foreign owned and managed.

Many agencies such as Ogilvy and Mather, Hindustan Thompson Associates (HTA) were formed in 1920s and they soon started operating in India too. Majority of them followed the footsteps of the foreign agencies in terms of their activities. In 1939, the first marketing campaign for the “Dalda” as an exclusive brand was planned, and executed. The agencies particularly designed the format keeping in mind the Indian market. Mergers and acquisitions gave rise to many new agencies, thus JWT was renamed and launched as HTA in India. The professional growth and the demand of inputs in the advertising industry fastened the pace leading to the next level.

Various Advertising associations and groups were formed which brought advertising circuit to a closer knit. By 1950, these associations started safeguarding the interest of the advertising industry. The first Radio commercial made its appearance in 1967, which Vividh Bharti aired, followed by television commercials - all designed by ad agencies. In 1986, Mudra Communications was created which targeted at airing ads on Doordarshan, the sole TV medium of those days. With the emergence of satellite television post 1991, the scenario changed and with the growth of satellite television new promotions and responsibilities of the ad agencies grew bigger and bigger.

Check your Progress: 1

Note: 1) Use the space below for you answers.

2) Compare your answers with those given at the end of this unit.

1. Fill in the Blanks:

Volney B. Palmer opened his ad agency in _____ in the year ____ .

2. Who was David Ogilvy?

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3. In which year was the first Radio Commercial aired in India?

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4.3 ORGANISATIONAL STRUCTURE OF ADVERTISING AGENCIES

The functioning and organising of Advertising Agencies across the globe have evolved over the years. A lot of changes have gone through in the typical set up of an Ad Agency for carrying its day to day activities. It performs its functions as a team. Team work is very much needed to take the task forward. If you look into the typical Organisational structure of an Ad agency, it changes according to the functional purposes many a times. We may across a full fledged Ad agency, a medium one and even a smaller ad agency which differs in the number of people who are employed there. But the core activities of an agency remain the same. There are many ad agencies that are globally present, some are at the national level and a few operate only at the local level.

Madison Avenue, in the city of New York, USA is regarded as the Mecca of Advertising, because a number of renowned world ad agencies are located in this area. In India, Mumbai -considered to be the financial capital, has a concentration of a number of ad agencies, followed by some metropolitan cities like Delhi, Chennai, Bangalore, Puna, Hyderabad, Kolkata, Gurugram and so on.

Ad agencies usually have various departments headed by concerned Heads. But a typical organisation should have a senior management team which takes up the responsibilities for the business and financial operations. The larger Ad agencies usually have a management team, which includes a Chief Executive and a Finance Director, a group of account officers, account planners, media planners, creative team, administrative team, the sales team and a production team. Usually, a member of the management takes up the responsibilities for maintaining relationships with the Board in conducting meetings. The success of an ad agency depends on the team and its members therefore the agencies choose their team members very prudently, based on their calibres and capabilities.

Advertising agencies today mainly fall under two categories full service agencies and specialised agencies. Full service agencies are those which offer the complete range of activities related to media and market sectors. On the other hand, specialised agencies have three categories of service, that of - independent agencies offering only limited services such as media planning and buying, secondly agencies specifically focusing on internet related activities and thirdly agencies working in a narrow market sector such as business-to-business advertising.

4.4 DEPARTMENTS OF AN AD AGENCY

Like any other organisation, ad agencies too have assigned the responsibilities to their employees under different departments. All these departments have to function according to their nature of activity, but are closely related to one another.

The major classification of the personnel that we witness in an Ad firm is as follows:

- Accounts Department
- Client Serving Department
- Creative Department
- Production Department
- Media Planning Department

Roles and Responsibilities of Departments:

As mentioned earlier, ad agencies consist of various departments whose main responsibility is to perform their respective roles to create the end result. Each and every department is interrelated and they are interdependent on each other. You can't expect them to work in isolation. An agency can broadly be divided into Two units: The Creative side and The Production side.

Now let's take a look at the departments and their responsibilities with the key personnel involved.

4.4.1 Account Planning

One of the major departments of an ad agency is the Accounts department. If you go by the advertising parlance, 'Account' means client. Usually the accounts department is headed by an accounts director who is also the member of the board in case if it is a limited agency. He will be assisted by Accounts Executives or an Account Planner who will assist him in carrying out the further activities. The main duty of these account executives is to understand the needs and requirements of a client. This will be briefed to him by the sales department which gives him a 'Lead' and s/he communicates the same to his/her agency people. The major responsibility of getting the clients to the agency lies with the team of the Accounts department. They need to keep a tab on all others departments so that ad campaign is created in tandem. Clients approach your agency based on your past and current assignments and popularity in the advertising market.

The very common and the colloquial term for account planning is client servicing, which means that the account planner takes care of the needs and requirements of the clients who approaches the agency for their advertisement. It is the primary function of an agency to create advertising, and this account planning function provides a base or firm ground for this activity. An account planning personnel has to perform a number of activities as listed below.

- a. Planning the main **objectives** of the advertising, where he makes use of his analysis, logic, insights and use of various skills to bring in a synthesis for the end product.

- b. They are also responsible for selecting and evaluating the **feedback** which they have received in the form of research, so that it becomes easy for the team to make further decisions and judgements.
- c. They see to it that the objectives and the feedback are relevant and stimulating to the rest of the **team** members especially the creative team.
- d. The accounts planners are also responsible to act as a **bridge** between the client and the agency and solve all the queries raised by the clients and find out suitable solutions for them.
- e. They also assist in getting **effective messages** to their target audience by creating desired responses, by planning a positive dialogue between the creative team and the consumers.
- f. Qualities such as a good and a friendly **rapport** with the clients will go a long way in maintaining long term bonds between the two entities.

Account Planner:

An account planner is a person who closely works with the creative staff and the agency accounts. They ensure campaigning ideas and strategies that are effective and for the right audience. The main qualities of such account planners include: team work abilities, commercial awareness, verbal and communication skills, presentation to clients. The activities of the account planners also include analysing and interpreting information, keeping updated information about cultural and social trends in advertising, conducting qualitative research activities, evaluating the advertising campaigns, and analysing the sales data.

4.4.2 Client Servicing

With the increase in competition, the demand on the advertising agencies to maintain strong rapport with the clients has become more pivotal. It's very much important to have a good compatibility between the client, agency and its brand. The service provided by the agencies helps them to retain clients for a long run, and the agencies need to deliver their best for retaining their accounts. The agencies have to evolve and adapt to the new changes and demands from the industry. Many a time the clients grade the agencies which give them an upper hand in the profession and among their rivals.

All the requirements needed by a client must be fulfilled by the agency. Therefore having all the services available under one roof is essential.

Client servicing refers to providing all the necessary assistance for a client in terms of planning, designing, budgeting, production and media placements. Some clients spread their budget across more than one agency, but some prefer appraisal system too. Clients move out for a new agency when there is monotony, difference in ideas, difference in opinions or if the creative team moves out to a new agency in order to maintain brand continuity.

The following are the points which need to be adopted to maintain a healthy Client Agency relationship:

Overview of Advertising

- a. Maintaining transparency with each other is very important.
- b. The agency keeps the media commission for itself, and the client undertakes the bill.
- c. In case of media discounts, it has to be passed on to clients.
- d. The agency should not be blamed by the clients for lapses in scheduling and positioning.
- e. The client avoids engaging its services with its rival agencies.

The clients select the ad agency basically on these criteria

- a. Its popularity in the market.
- b. Agency's creativity in its work and delivery of the advertisements.
- c. Agency which has a sound track record.
- d. Agency which has good account executives who can solve their issues.
- e. Personal equations with their clients.
- f. Commitment towards their work.
- g. Unique or exclusive contributions to the industry.

The agencies also help in producing ad campaigns for their clients at the stages of planning, execution, and branding their product for a better reach.

The qualities of a good client servicing agent include: patience, listening skills, articulation, time management, knowledge of the product, use of positive words and result oriented actions.

4.4.3 Creative Department

The heart and soul of an ad agency is the creative department, which contributes, by virtue of its work, to attracting as well as retaining the clients of an ad agency. This is the department which transforms all the ideas into pictures and visuals and packages the bundle into a presentable product for its target audiences.

The creative department is headed by a creative director who will be assisted by a group of creative members which include, copy chief, copy writers, visualiser, layout artists, typographers, freelancers and a full time artists. These team members work together to develop concepts of advertisements. In bigger and larger agencies, a creative director manages various teams who work on different accounts. Where as, in smaller firms, these creative directors work with freelance writers to finish the tasks. Creative team will always have a vibrant and creative bunch of people, who are bright and loaded with innovative ideas and stand ahead of others in creating some new and attractive concept, copy or graphic.

The following are the activities of the Creative Department:

- a. Conceptualise the idea for the client
- b. Copywriters get on to do the copy and create story line for the ad
- c. They also contribute to the theme of the advertisements
- d. The copy is converted into various forms by the visualiser

- e. Visualiser with the help of layout artists designs the ad
- f. The typographers and the final artists prepare the final artwork
- g. The creation of logo, selection of colour, using appropriate fonts, are all decided by the creative department members in consultation with each other.
- h. The members use creative energies, they coordinate with designers and visualisers to finish an advertisement.

Personnel in a Creative Department:

- **Copy Writers:** They are the creative back bone of an Agency. They need to have a creative bent of mind to survive in this competitive ad world. Their main responsibility is to give shape to the ideas in the form of words. Their content adds more life and vibrancy to the advertisements. They are responsible for creating, and designing the promotional content for their clients. They need to be humours as it's one of the ingredients of a quality advertisement. They are the ones who create the taglines, jingles, content texts which makes the ad linger in the minds of the consumers. Copy writers are the brains behind the billboards, catalogues, emails, websites which are extensively used by the advertisers. Qualities such as communication, good language, power of observation, reasoning, and analytical skills are much needed to be a good copy writer.
- **Graphic Designers:** Graphic designing is an inseparable part of an advertisement. Nowadays advertisements use graphics to a larger extent to make it more attractive and effective. Graphic designers of an ad agency have an equal role in popularising the content. it's their skill of presentation which matters a lot. A Graphic Designer needs to be a person with strong dedication, thick skin to take criticism in his stride, innovative and have a mind to listen to colleagues. He needs to have ability of logical thinking iced by work ethics to meet the deadlines with appropriate time management. His role is to create designs, logos, characters which suit the copy content, by identifying the colour textures, the fonts, the background, and the animation to convey the message in a stronger way. Proper knowledge about the software's like Photoshop, designing programs, quark express is essential for a graphic designer.
- **Art Directors:** They are the individuals who are responsible for the visual images and styles in newspapers, magazines, product packaging, television and movie productions. Their main role is to create the overall design and direct others to develop art work and layouts. They are the individuals who need to have a thorough knowledge about the typography, photography and printing techniques. They work as a part of a team, so that they can create a campaign which can instantly have a positive impact on the consumer regarding the product and the brand. Their list of activities include: discussion with the creative team, planning a budget, working with artists, photographers, maintaining on and off location shoots, presentation of the final draft to the clients. Most of the art directors work under the supervision of a creative director.

4.4.4 Production Department

The team which is responsible for the delivery of the approved ad copy is the production department. The production department is headed by a production manager, who is assisted by several assistants. The responsibilities of these assistants is to do typography, making blocks, lettering, stereotypes and electros. They are also responsible for supplying all the required text and artwork for the photogravure process. It is in this department, that the work gets organised in the form of copy, artwork proofs, corrections and then the final output in the form of final copy as per the schedule. In bigger agencies the work is supervised under traffic controller (who has a say for the finished final copy) but, in smaller agencies the work can be done by using freelancers in production.

In the evolved world of the agencies, now we have ad makers who prepare the end product. Ad agencies might have in-house ad makers who do their work or some have outsourced or freelance ad makers who give you the finished product. They assist you in doing the ad production, by identifying the artists, musicians, jingle makers, voice over artists, set designers, editors who finish your work as per the requirement of the clients. There is a huge demand for visual ads nowadays due to the TV medium and other social media. This is also done under the supervision of a production manager but exclusively for visual media communication.

This department's work areas are as follows:

- a. They manage the schedules of the clients
- b. They are responsible for managing the campaign budgets
- c. They coordinate the work with creative and media departments
- d. They coordinate with external suppliers such as videographers, photographers, artists and printers
- e. They are responsible for all the final output requirements of clients of the agency.

Out-sourcing of the Production Work:

Many a times, Ad agencies have to depend on out sourcing to finish their services. Many of the renowned ones have in house teams, but smaller agencies have to depend on freelancers to get the work done. They hire the creative people according to their requirements and get the activities done for a price. There are many freelance professionals who are ready to lend their services and finish the end product on time and submit to the agency.

Free lancers can include:

- **Directors:** The directors are the strategic pillars of an advertisement. Apart from instinct and their intuitions, they plan strategically. They have to plan tactically and execute their campaign carefully. A Director needs to have the quality of a good team leader, as he needs to work in consensus with all the departments for producing quality work. Experience, resilience, diplomacy, good track record, abundant imagination and knowledge of the market are the basic prerequisites of a good director. He needs to plan and execute things in a proper

way which can be different from the lot. His innovative and new ideas should reflect in his production. He is the person who shoulders the responsibility of getting the concept through, from the paper to the film.

- **Camera Persons:** The men/ women behind the lens have a huge role in creating an ad. The visualisation and its screen presentation matters alot. Camera persons must possess qualities such as: experience, past records, working with reputed directors. Creative technical ideas add more value to the work. It is the duty of a camera person to shoot and present visuals according to the story board. They work under the guidance and suggestion of the director. It's their duty to add life to the storyline, by adding colour, using various shots and angles and createvisual treat for its audience. Thus making the process complete.

4.4.5 Media Planning

Another important department in an agency is the Media Planning department. The finished end product (advertisements) has to be sent to different media. The Media planning department is headed by a Media Controller or Planner, who is usually assisted by a number of sales executives and marketing executives.

The marketing team which consists of a research team, works very closely with these media planners to give a better idea about the market and its demands. Thus, giving a clear picture as to how the plan can be executed in favour of their clients. Their main role is to coordinate with the media houses and the agency.

The very first question which arises is the allotment of budget for this process. Budget plays a very crucial role, because depending upon the budget availability, the clients are guided to position their ads in the various media outlets such as Print, TV, radio, outdoor and so on. Not only the media but also the decision of which media to be selected, what should be the frequency, size of the ad, when to get it published - all these major decisions lie with the media planners. The sales executive acts as a bridge in getting the allotment of space in newspapers and magazines, time in Television, and Spots in radio for their clients. The clients have to depend on these media planners to get their ads in the public domain. All the media planners have to maintain a very good rapport with the media outlets. Majority of the ads reach the media through ad agencies. Both media and these agencies are interdependent on each other, one can't survive without the other. The chances of getting the ads published and broadcasted is more if the clients go through any of the reputed ad agencies.

The following are the **main activities** performed by a Media planning department:

- a. Identifying a proper medium for their client.
- b. Suggesting ideas and helping to place their ads on the right time.
- c. Helping the clients get a good deal in terms of budgeting.
- d. Buying space / Time /Spots for the a client in various media.
- e. Conducting periodic market research for their clients.

- f. Coordinating all the activities between clients and media in terms of billing, commission, consent and getting the final approval.

The media department completely works on a commission basis. The amount is shared between the ad agency and the media houses in the ratio of 70-30, which is universal in nature.

The **primary principles** followed in a Media and Agency relationship.

- a. The agency is responsible for all the payments to media.
- b. There is no cut in commission by the agency which is received from the clients to the media.
- c. Uniform policy is followed by the media for all the agencies.
- d. The media does not alter any material without prior consent of the agency.

There are a number of Media planning agencies across the globe who take up the responsibilities of assisting and guiding the clients in all way. Some of the noted ones are: Vowels Advertising, The Media Ant, Grey, Adver labs, Good Apple Digital, YoYo Media, Seagull Advertising and so on.

In this ever changing market scenario it's very necessary to understand the market landscape for the business development. Companies across the globe hope to spread the word of their offering, customers satisfaction, engage them and ultimately to retain them for their business growth. The advertising companies have been using various software's for the purpose, to help them remain relevant and master digital marketing. Some of the noted software's which are extensively used because of their user friendly and easy adoptability are Marketo, Vocus, Hubspot, Sailthru, Yesware, Localvox, Mailchimp. These softwares are used for various activities such as customising Emails, increasing user engagement, providing marketing solutions, customer acquisition and retainment, to launch marketing campaigns.

Qualities of a Media Planner:

Media planners are those who create the action plans for the ad campaign and predefine the marketing objectives. Their typical job requires them to have a good liaison between the clients, consumers and agencies. He or she has to strategically help in selecting the proper mix of media platforms to place ads in order to achieve the proper targets. The qualities such as systematic attitude, clear perspective, focus, communication skills and prioritisation will help them to be successful in the long run.

Check your Progress: 2

- Note:** 1) Use the space below for you answers.
 2) Compare your answers with those given at the end of this unit.

- 1. List out the major department of an advertising agency.

2. What are the main roles that an ad agency serves for a client?

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3. How many different types of ad agencies can you name?

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4.5 LEADING ADVERTISING AGENCIES OF THE WORLD

The popularity and sustainability of an agency depends upon many factors such as credibility, innovativeness, the team, the success rate, and the compatibility. In spite of hurdles in the business, many agencies have braced themselves up to face the storm in the market and have made a mark for themselves. The prominent agencies, for your convenience, have been discussed here, under global and national players. These agencies listed below have been in the top list of agencies and the kind of clients they handle for their business growth. Here is the list of agencies from the global platform who are renowned for their work:

Ogilvy and Mather: A New York based advertising and marketing company was started in 1948 by David Ogilvy. Among its key people is, John Seifert, Chief Executive, Worldwide. It is a part of WPP group and by revenue is one of the largest marketing and communication companies of the world. They handle many of the renowned clients such as Amazon, Coco-Cola, IBM, Dove and American Express.

Mullen: Considered to be the American best ad agency, it was founded by Jim Mullen in the year 1970. It is known for its content creation, brand planning, user experience, designing, performance analytics. It also features in the top 10 innovative marketing and advertising companies. Their clients include Google, Acura, Jet Blue, Zappos and soon.

McCann World group: Formerly known as McCann Erickson, is also a global player, and has network in more than 120 countries worldwide. They are majorly into digital marketing, relationship management, professional communication, media management, consultation and so on. Their list of clients include: Loreal, Master Card, Nespresso and Cigna.

Publicis Group: Founded in the year 1926, in France by Leo Burnett. They are known for their acquisitions in the global market and have a list of digital specialists working for them. It provides marketing, POS, Video editing along with communication services. The clients are Coca-Cola, Garnier, Vicks, American Airlines.

Dentsu: Is a Japan based ad company which dominates 30% of the global market. Founded by Jerry Bhulman, it is one of the leading agencies in Japan too. It has its corporate office in London to take care of the European markets. Asia region is an unexplored region for this company, but it has acquired many global ad agencies such as Mc Garry Bowen in the USA. The main clients include Airtel, Flipkart, Pepsi, Barcardi, Red Bull and so on.

Havas: Founded in the year 1991, this American ad agency is now taken over by a French Media Group, considered to be the fifth largest communication group in the world. It was formerly known as Euro RSCG till 2012. The list of clients includes: Lactose, IBM, Air France.

Grey Global: Founded in the year 1917, this century old ad agency is based in New York. It specialises in Public Relations, Public Branding, Interactive Marketing. Known for its subsidiary groups such as GCI Group, Media Com Worldwide, WING and so on. Its clientele comprises of Canon, P&G, Advil, Cover Girl.

Drogan: Set up in the year 2006, its known for its presence in all platforms including broadcast, print, social, experiential and out of home. Based in New York, it is known as one of the best among its rivals. Its list of clients includes, BBC, Johnsonville, Google, Heineken.

BBDO: Founded by George Batten, its arguably among the world's most admired creative networks. Has been a recipient of many Global ad awards. Its marketing services are sought after in most of the countries across the globe. It has alliances with many of the acquired local subsidiaries. The most renowned clients include Subway, PepsiCo, Hewlett and Packard, Fisher Price.

Y and R (Young & Rubicam): One of the iconic agencies, founded by John Orr Young in the year 1978. It is an ideal company to have specialisations in digital and advertising media for both online and offline advertising. Has more than 300 people as employees. The list of clients includes Sony, Adobe, Burger King, Dell.

Apart from these, other renowned names include Lintas Worldwide, FCB, TBWA, Bozell, J. Walter Thompson, Saatchi & Saatchi name a few.

4.6 LEADING ADVERTISING AGENCIES OF INDIA

Advertising today has emerged as one of the most sought after professions in the media world. With the growing economic power and burgeoning market forces and the corporate sector in the country, there is a huge demand for marketing and its subsidiary activities. The paradigm shift in production and sales has made the large corporations to indulge in popularising their products and services, through the medium of advertising, which in turn has paved way for advertising agencies, which have been mushrooming across the country. Even Global players in the ad world look towards our country and have started subsidiaries here. Mergers and take overs have become a common phenomenon in the advertising world. The quality of creative work in the ad industry of our country has made the world look towards Indian market with lot of positivity. Some of the leading ad agencies of India have been listed below, that have carved a niche and made a name in the industry through their work and product branding:

DDB Mudra Communications: Founded in the year 1980, by A.G. Krishnamurthi, initially in Mumbai, it had a very humble beginning with just 15 employees. Today it has emerged as one of the most well established ad agencies of our country. In 1990, they signed an agreement with DDB Needham Worldwide, and merged with DDM. It has been a recipient of

many national and international awards like Cannes, Adfest, Spikes Asia. The leading clients in their kitty include Aditya Birla Group, ACC Limited, Bharat Petroleum, Puma, Reebok and so on. Their iconic campaign for RASNA, made it the largest selling soft drink in 1986.

Grey India: Situated in Mumbai, Grey India is a part of Grey Global group, who have shown some of the famous and effective work to the India's prestigious clients. They usually handle projects related to retailing, visual designing, and fixture design. Their client list includes Sensodyne, Indian Air force, Cadbury Silk, Kinder Joy.

Rediffusion (Y&R): This Ad Agency was started in 1973, with collaboration between three friends, Arun Nanda, Ajit Balakrishna and Mohd. Khan. It's a part of Y&R global network which has 187 offices across the globe. It has regional offices in Delhi, Kolkata, Chennai, Bangalore & Colombo for providing creative and strategic outputs to its Asian clients. Their client list consists of Tata Motors, ITC, Ambuja, Emani.

McCann –Erikson India Ltd: Awarded as the Global agency thrice, this Ad agency has offices in more than 120 countries and has a strong global network. Known for its creativity, intersection of technology, solutions, and measurable performance and unique understanding of people. The clients they deal with are Maybelline, Master Card, Microsoft and many more.

Ogilvy and Mather: It operates in the 6 major cities of our country, and is a leading agency here. The firm has been able to grab many awards for its quality output and works on the principle of 360 degree branding on both local and global scale. The major clients are IBM, Dove, NASCAR, Philips, Coke Zero.

JWT: Known for its integrated network and its widespread activities in the cities like Hyderabad, Delhi, Chennai, Bangalore, JWT has been operating in more than 90 countries, and was taken over by Hindustan Thompson in 2002. The major clients are Nestle, Unilever, DTC. Some of their iconic campaigns include Kit Kat and Burger King.

Triverse: Gurgoan based agency, was founded in the year 2008, by Suresh Tiwari, which is one of the popular ones now, known for its brand architecture, design language and social media communication. It includes both luxury and mass brands. The clients include Vardhaman, PARI India, SMC and so on.

FCB ULKA: The agency has been retaining its slot among the top 10 agencies of the country for many years now. Founded in the year 1961 by Bal Mundkur, it has its corporate office in Mumbai. The agency has its presence in more than 92 countries with over 150 offices in all major cities. Presently ULKA in India handles above 53 clients from all leading brands. The notable clients include Amul, Hero, Indian Oil, Sunfeast, Wipro, Whirlpool and so on.

Leo Burnette: Thead agency based in Bangalore, has its global presence. With over 100 offices located in different parts of the world. The company works on the principle of satisfying people purpose and needs. Samsung, Kellogs, Coco Cola are its clients.

Madison Communications: Established in the year 1988 by Mr. Sam, and incorporated its office in Mumbai, the agency is known for its iconic

campaigns. It has a diversified communication group with 26 units specializing in sports, mobile, outdoor, aviation, entertainment. The clients include CEAT, Asian paints, Cafe Coffee Day, BJP party, Levis etc.

ACTIVITY

Pay a visit to an Ad agency in your vicinity to understand the organisational structure and its function. Interact with the Ad Professionals from various departments and enquire about their roles. This will give you a practical input to the theoretical knowledge you have gained in this Unit.
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4.7 AWARDS AND RECOGNISATIONS IN THE AD WORLD

The kind of creative minds these agencies have is a proof that they are here to stay to create and market their ideas in the media. Ad agencies have millions of turn overs every year. In order to boost the working spirits among the ad professionals many awards and reconciliation have been instated in the industry. They are held and given out every year. Some of the renowned awards in the Ad world are:

- The Cannes Lions
- The ADDYs
- The CLIO Award
- The OBIE awards
- The D & Ad Awards (Design and Art Direction)

The popularity of an Ad agency also depends on the kind of awards it gets for its performance. Clients choose an ad agency based on its popularity and its strength in the market. So, agencies vie among themselves to give their best.

The competition among the well established Ad agencies are very intense, they are known by the creativity and their newness in the market. The Ad agencies have been giving their best to make it more successful in all spheres of their activities. A good team work and good minds are a plus point for the growth of an agency. Ample opportunity lies in front of the professionals to broaden its scope of services in spite of the emerging challenges on the advertising scene. These challenges pertain to media, motivations, messages, audience and of course the market. But, these agencies are here to stay and will for sure grow bigger and bigger in the coming years.

4.8 LET US SUM UP

In this Unit, we went through the functioning of an advertising agency, its various departments and the personnel who work at different roles in an agency.

The size and range of an agency can vary and so can the roles and responsibilities of those working in it.

As a client, the structure of the advertising agency needs to fit your needs from results to communication. Ad agencies work closely with the client to

gather information and pitch their campaign ideas, followed by the creative process of actually making and distributing both print, other media and online ads. Advertising agencies use a wide range of advertising strategies to create marketing campaigns tailored to their clients' needs.

These days, the trend of specialised boutique agencies is picking up. Only planning media or doing only the creatives for the client is what these specialised agencies offer.

We saw that the broad departments of an agency are: Account Planning & Client Servicing, Creative, Production, Research and Administration. Though it is rare for an agency to do all these on its own Work is usually out-sourced to experts in the field.

We also went through some famous agencies of the world and of our country.

Hope, that you were able to have a sneak peep into what an ad agency is like. Try and visit an ad agency in your vicinity to get a real-life experience of what you have learnt here theoretically.

4.9 CHECK YOUR PROGRESS: POSSIBLE ANSWERS

Check Your Progress 1:

1. Volney B. Palmer opened his ad agency in **Philadelphia, America** in the year **1840**
2. **David Mackenzie Ogilvy** (23 June 1911 – 21 July 1999) was a British advertising tycoon, founder of **Ogilvy & Mather**, and known as the «Father of Advertising».
3. The first Radio commercial made its appearance in **1967**, aired on **Vividh Bharti**.

Check Your Progress 2:

1. Broad departmentalisation in an ad agency entails:
 - Account Planning
 - Client Servicing
 - Creative Department
 - Production Department
 - Media Planning
 - Research
 - Administration Department
2. Roles of Advertising Agencies include:
 - Creating an advertise on the basis of information gathered about product
 - Doing research on the company and the product and reactions of the customers.
 - Planning for type of media to be used, when and where to be used, and for how much time to be used.
 - Taking the feedbacks from the clients as well as the customers and then deciding the further line of action

3. There are basically **5 types of advertising agencies**.

1. Full service Agencies

- Large size agencies.
- Deals with all stages of advertisement.
- Different expert people for different departments.
- Starts work from gathering data and analyzing and ends on payment of bills to the media people.

2. Interactive Agencies

- Modernized modes of communication are used.
- Uses online advertisements, sending personal messages on mobile phones, etc.
- The ads produced are very interactive, having very new concepts, and very innovative.

3. Creative Boutiques

- Very creative and innovative ads.
- No other function is performed other than creating actual ads.
- Small sized agencies with their own copywriters, directors, and creative people.

4. Media Buying Agencies

- Buys place for advertise and sells it to the advertisers.
- Sells time in which advertisement will be placed.
- Schedules slots at different television channels and radio stations.
- Finally supervises or checks whether the ad has been telecasted at opted time and place or not.

5. In-House Agencies

- As good as the full service agencies.
- Big organization prefers these type of agencies which are in built and work only for them.
- These agencies work as per the requirements of the organizations.

There are some specialized agencies which work for some special advertisements. These types of agencies need people of special knowledge in that field. For example, advertisements showing social messages, finance advertisements, medicine related ads, etc.

4.10 FURTHER READINGS

- The Art of Client Service: 58 Things Every Advertising & Marketing Professional Should Know, Robert Solomon. (Kaplan Publishing, 2008)
- Ogilvy on Advertising, David Ogilvy (Vintage, 1985)

- Creative Company: How St. Lukes Became “The Ad Agency to End All Ad Agencies”, Andy Law (Wiley 1999)
- Cognitive Surplus: Creativity and Generosity in a Connected Age, Clay Shirky (Penguin Press, 2010)
- Truth, Lies and Advertising: The Art of Account Planning, Jon Steel (Wiley, 1998)

4.11 GLOSSARY

Agency commission: The agency’s fee for designing and placing advertisements. Historically, this was calculated as 15 percent of the amount spent to purchase space or time in the various media used for the advertising. In recent years the commission has, in many cases, become negotiable, and may even be based on some measure of the campaign’s success.

Ala carte services: Rather than provide all advertising services for one price, an agency may provide only the services that a client wishes to purchase.

Bait Advertising: Advertising a product at a very low price, when it is difficult or even impossible to obtain the product for the price advertised. Barter Exchanging merchandise, or something other than money, for advertising time or space.

Billings: Total amount charged to clients, including the agency commission, media costs, production costs, etc.

Boutique: An agency that provides a limited service, such as one that does creative work but does not provide media planning, research, etc. Usually, this refers to a relatively small company.

Cardrate: Media rates published by a broadcast station or print publication on a “rate card.” This is typically the highest rate charged by a vehicle.

Collateral materials: Sales brochures, catalogs, spec sheets, etc., generally delivered to consumers (or dealers) by a sales person rather than by mass media. These materials are considered “collateral” to the sales message delivered by the sales person.

Dailies: Also called rushes, this refers to unedited film. These are called Dailies because the film typically is viewed from a single day’s shooting, even if the final commercial or program will take many days or weeks of shooting.

Fringe time: A time period directly preceding and directly following prime time, on television.

House agency: An advertising agency owned and operated by an advertiser, which handles the advertiser’s account.

Net cost: The costs associated with services rendered by an advertising agency excluding the agency commission.