

## MODULE 2

# ADVERTISING AGENCY

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## What is an Advertising Agency

**The Association of Advertising Agencies America (AAAAA)** defines advertising agency as “ An independent business organization composed of creative and business people develop , prepare and place advertising media for sellers seeking to find customers for their goods and services.”

## Types of Advertising Agencies

- In- house agencies
- Creative boutiques
- Media buying agencies
- Specialists agencies
- Full service agencies

## 1) IN-HOUSE AGENCIES

- Some companies, in an effort to reduce costs and maintain greater control over agency activities, have set up their own advertising agencies internally.
- An in-house agency is an ad agency set up, owned and operated by the advertiser.
- Many companies use in-house agencies exclusively.

## In-House Agencies



Benetton's in-house agency works with  
outside agencies to develop ads



Coca Cola's in-house boutique created this popular spot



## Other In-House agencies of India

- Lintas
- Videocon – confidence
- Reliance – Mudra ( when mudra started on

## + Positive

Cost savings

More control

Better coordination

**The In-house Agency**

## - Negative

Less experience

Less objectivity

Less flexibility



## 2) CREATIVE BOUTIQUES

- Creative Boutiques is an agency that provides only creative services.
- These specialized companies have developed in response to some client's desires to use or outsource the creative talent of an outside provider while maintaining other functions internally.

## Creative Boutiques

Provide only creative s

Full-service agencies subcontract with creative boutiques

Ability to turn out innovative creative work quickly

## Examples for Creative Boutique

- RMG David
- Vyas Gianetti creatives
- Chlorophyll

### 3) Media Buying Agencies

- Media buying agencies are independent companies that specialize in the buying of particularly radio and television.
- Agencies and clients generally develop the media plans and then hire the buying service to execute them.

## Media Buying Can be Specialized

### Media Specialist Companies

Specialize in buying media, especially broadcast

Agencies and clients develop media strategy

Media buying organizations implement the strategy  
buy time and space

## Examples for Media buying agencies

- Mindshare
- Initiative media
- Zenith Media
- Optimedia
- Starcom
- Fulcrum

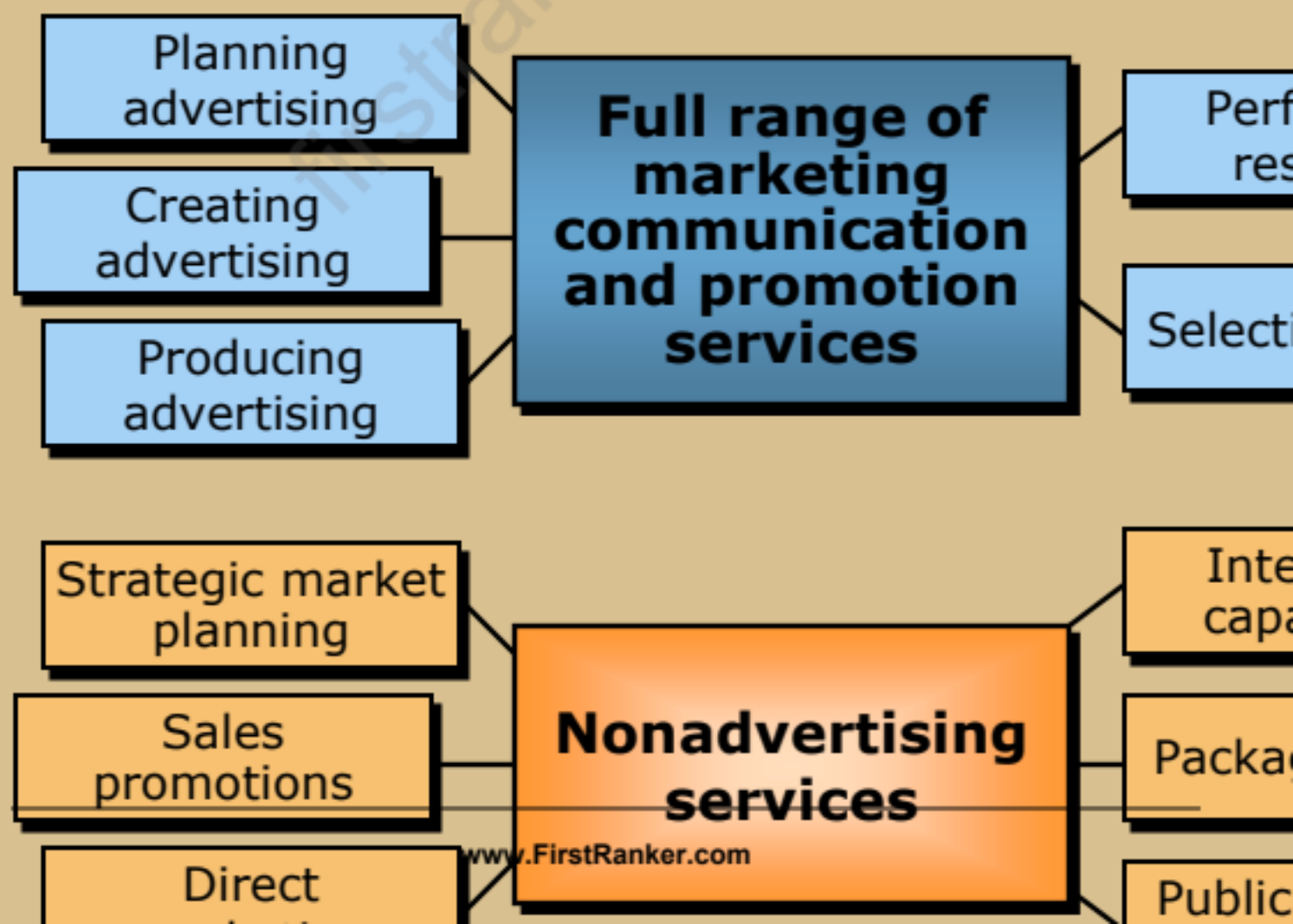


## 4) Specialists Agencies

- Agencies that specialists only in certain sp area.
- Eg : shoubhagya advertising agency conce on specialized financial advertising.

## 5) Full Service Agencies

- These include planning, creating and producing the advertisement, media selection and res



## Services Provided by Agencies

### Agency Services

#### Account Services

The link between agency and client  
Managed by the account executive

#### Marketing Services

Research department  
May include account planners  
Media dept. obtains media space,

#### Creative Services

Creation, execution of ads  
Copywriter artists, other specialists

#### Mgmt. Financial

Account Financial  
Human resource  
New business generation

## Methods of Agency Compensation

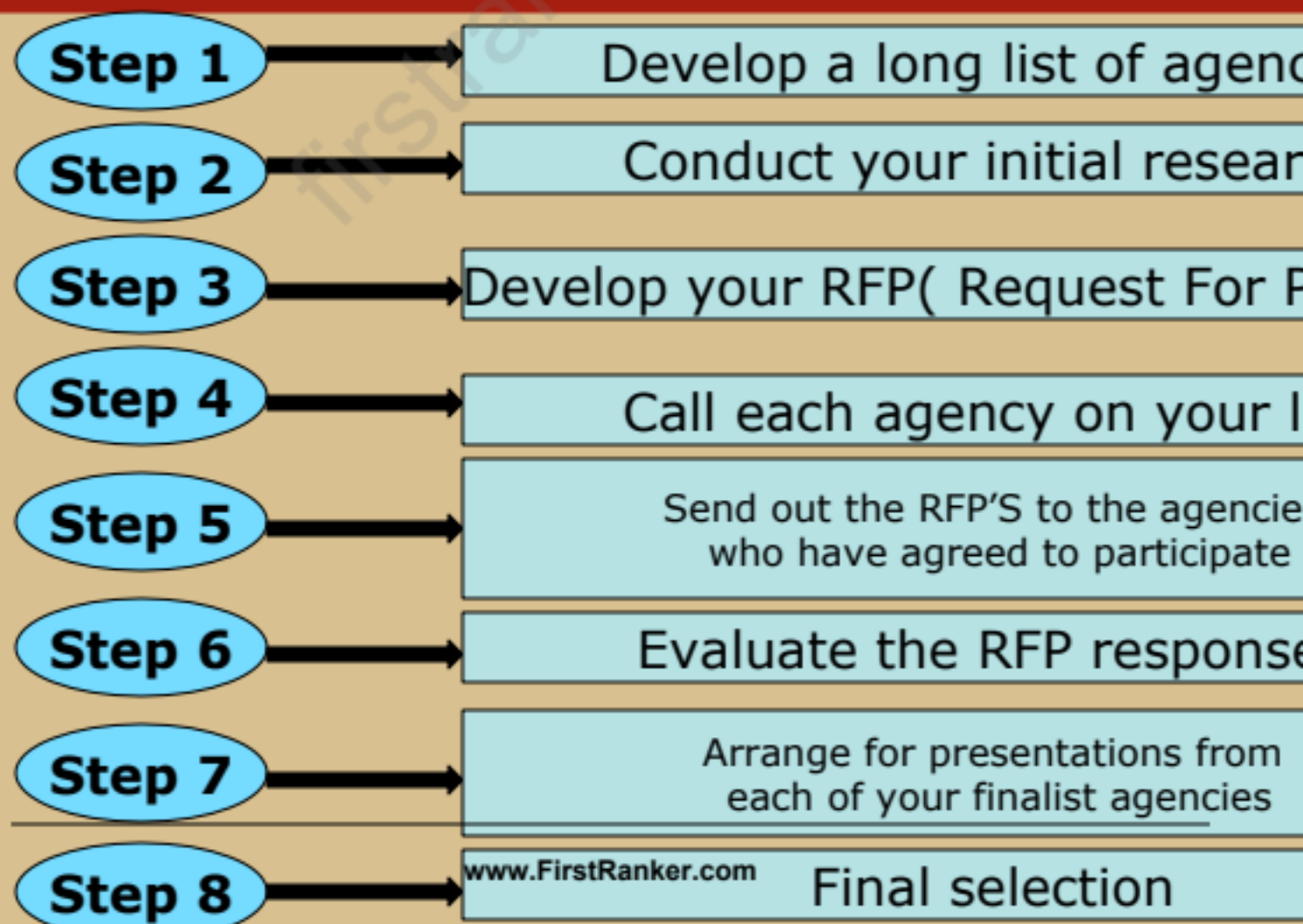
### Compensation Methods

The Commission Method

The Fixed fee Method

Payment By retainer  
PBR

## Criteria for selecting and evaluating of an agency





## Evaluating Agencies

### Financial Audit

Verify costs, expenses

Personnel hours charged

Payments to media

Payments to suppliers

### Qualitative Audit

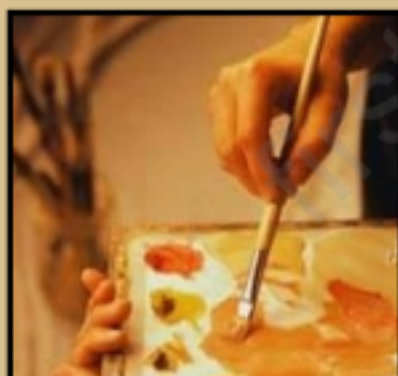
Planning

Program development

Implementation

Results achieved

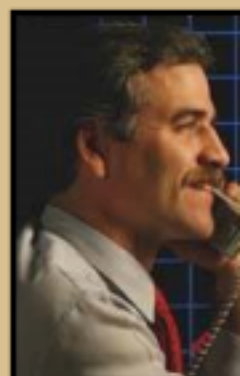
## JOB Prospects and Career Opportunities With Accounting



Artists



Writers



Research



Photographers



Financial Analysts



Office

## ASSIGNMENT

- Conduct a research on ANY 10 advertising agencies.
- Study their profile and major clients and the major ads they did.
- If you are a seller which agency would you choose and why?
- Come up with the detailed report

THANK YOU