

MODULE 2

ADVERTISING AGENCY

Ms. Jaya Shetty
Assistant Professor
Department Of Business Administration
MITE, Moodabidri

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
experie

Less
objecti

Less
flexibi

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 only 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

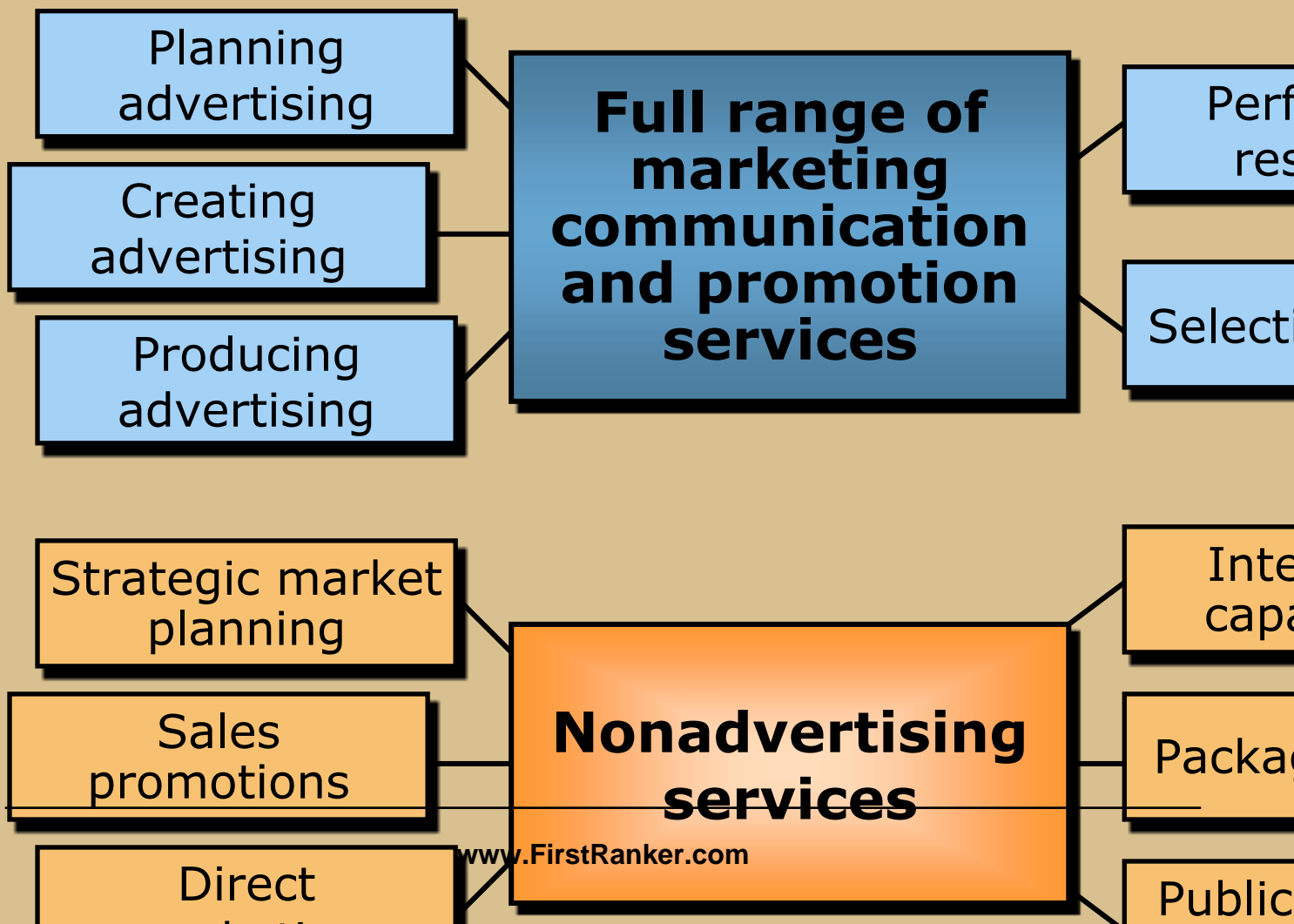
- Mindshare
- Initiative media
- Zenith Media
- Optimedia
- Starcom
- Fulcrum

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,

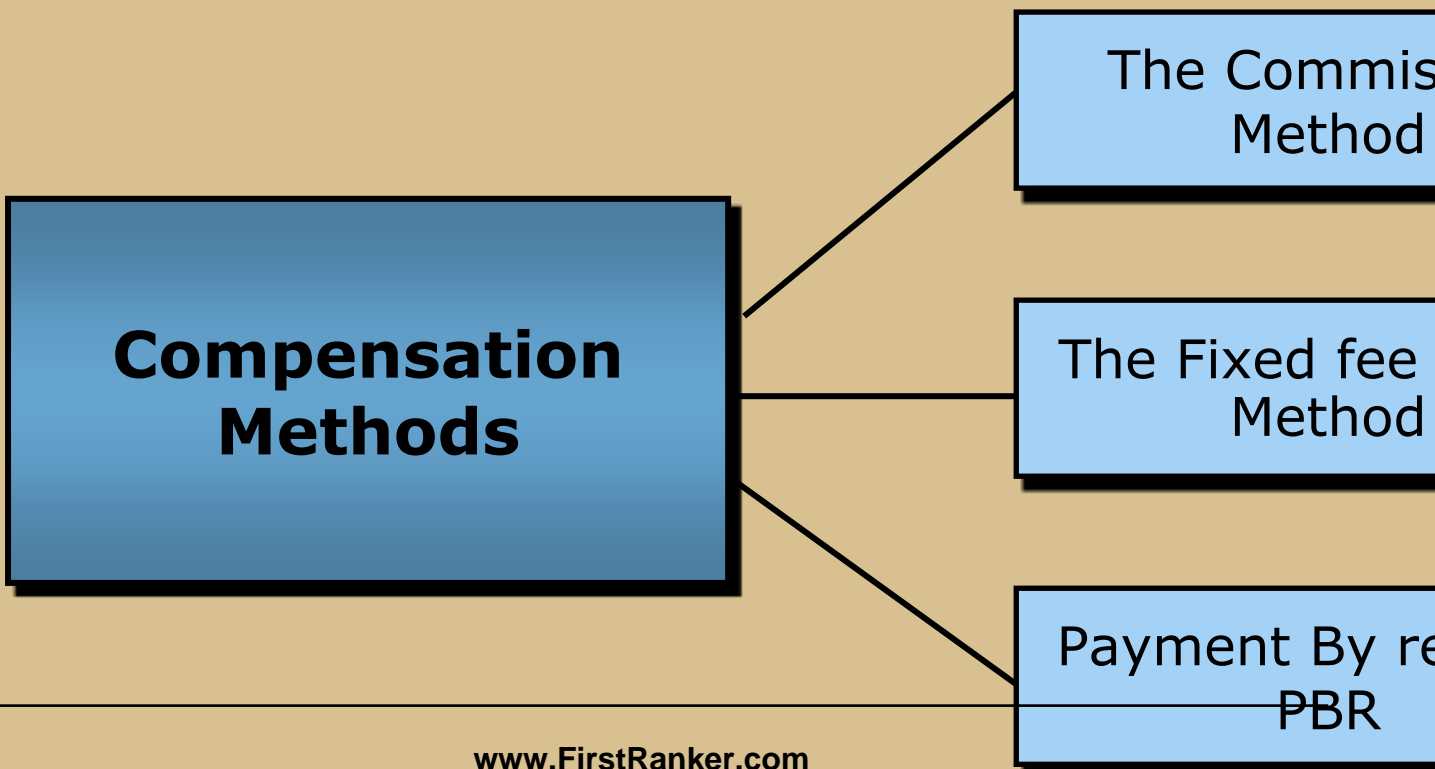
Creative Services

Creation, execution of ads
Copywriter artists, other specialists

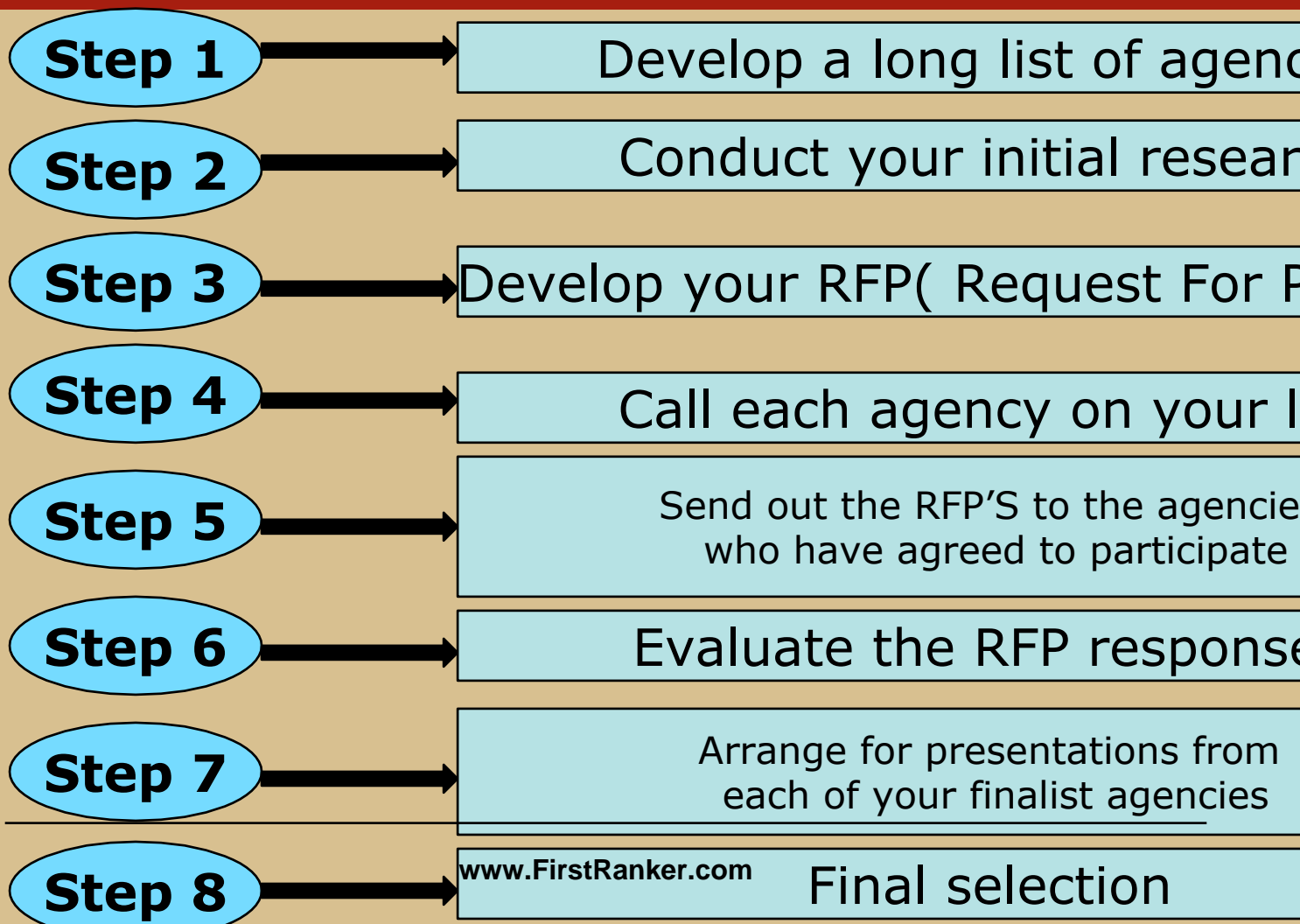
Mgmt. Financial

Account Financial
Human resource
New business generation

Methods of Agency Compensation



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



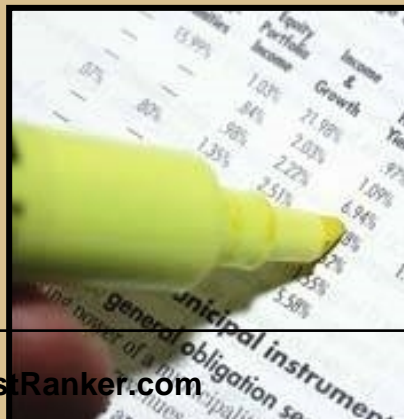
Writers



Research



Photographers



Financial Analysts



Computer

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