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Advertising Agency

Definition

“An independent business organisation, composed of creative and business people, who develop, prepare and place advertising media for sellers seeking to find customers for their goods and services

~**The Association of Advertising Agencies of
America**

Features of Advertising

- 1) Independent Organisation
- 2) Intermediary between Advertiser and Media
- 3) Services Offered
- 4) Size of Ad Agencies
- 5) Contributing to Marketing Success of Clients
- 6) Creative Inputs
- 7) Agency Accreditation
- 8) Agency Compensation
- 9) Agency-Client Relationship
- 10) Proactive in Nature

1) Independent Organisation

- Planning the ad campaign
- Preparing the ad campaign
- Placing the ad campaign in the media.

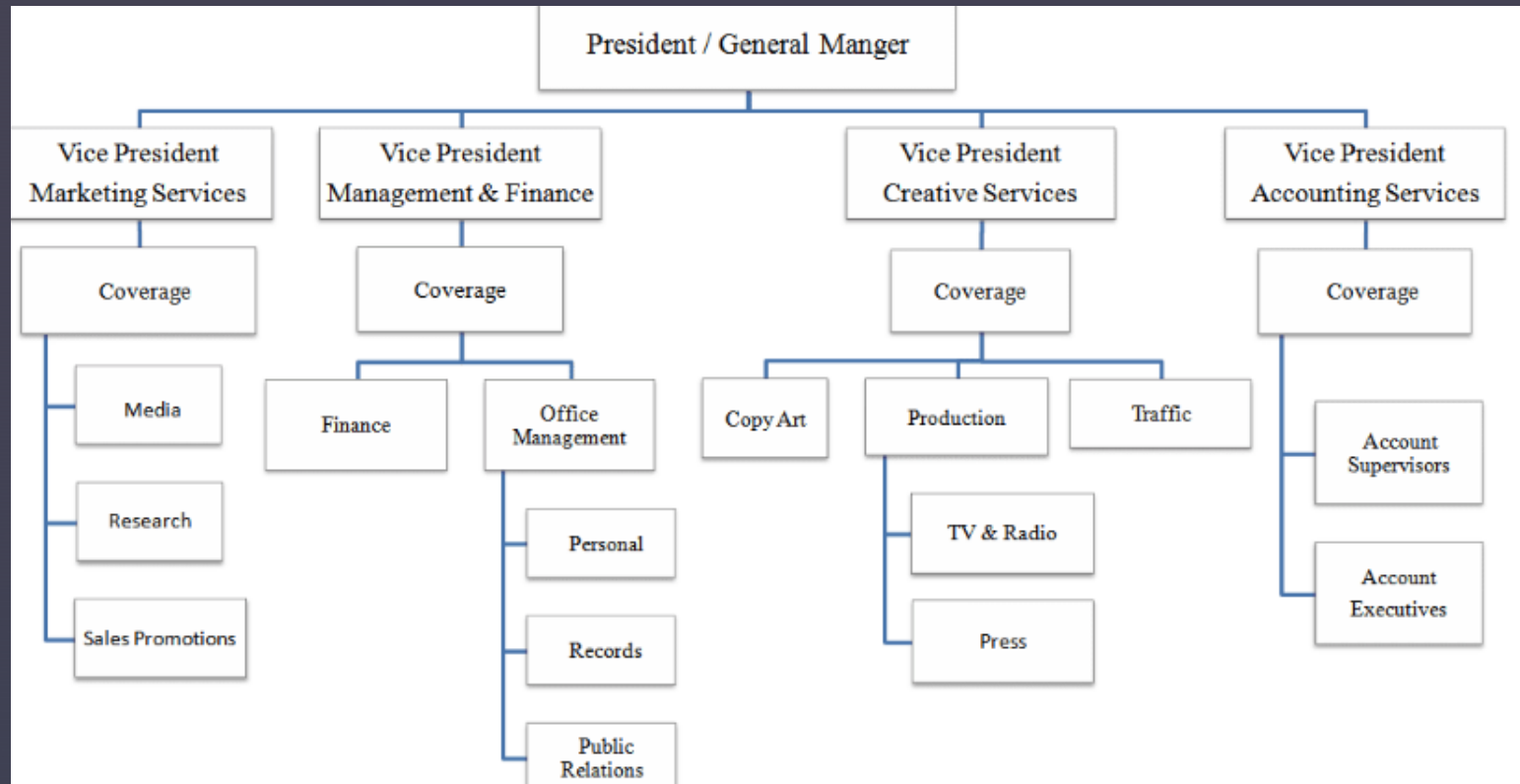
3) Services offered

- Planning and preparing ad campaign.
- Booking of timings/ space in the media.
- Placing the ad campaigns in the media.
- Research relating to advertising and marketing.
- Sales promotion services, and so on.

Types of Ad Agencies

- Full service agency
- Modular agency
- Creative Boutiques
- Specialist Agency
- In-house Agency, etc.

Structure and Services of Ad agency



▸ Functions of an Ad Agency can be classified into five areas:

- 1) Creative Services
- 2) Account Services
- 3) Media Services
- 4) Management and Services
- 5) General Services

▶ Creative Services

- a) Copy
- b) Art
- c) Production
- d) Traffic

Account Services

- a) Advertising Plan
- b) Budget Preparation
- c) Client Relationship
- d) Creative Pitch

Media Services

- a) Media Planning
- b) Media Buying
- c) Media Research

General Services

- a) Office Management
- b) Accounting
- c) Finance
- d) Attracting New Business

Types of Advertising Agencies

- 1) Full-Service Agency
- 2) Modular Agency
- 3) Creative Boutique
- 4) Global and Local Agencies
- 5) Mega Agency
- 6) Media Buying Agency
- 7) Specialist Agency
- 8) Interactive Agency
- 9) B2B Advertising Agency
- 10) In House Agency

Agency Selection Criteria/Factors

- 1) Services Offered
- 2) Location
- 3) Compensation
- 4) Personnel of the Ad Agency
- 5) Records and Reputation
- 6) Size of the Agency
- 7) Competitive Accounts
- 8) Media Connections
- 9) Foreign Tie-Ups
- 10) Other factors (like experience, specialisation, or its history)

Agency Compensation

- 1) Agency Commission
- 2) Agency Charges
- 3) Agency Fees
- 4) Cost-Plus System
- 5) Bonus/Incentives

