

ADVERTISING
AGENCY



FEATURES OF AD AGENCY

Independent Organization

Renders specialized service, employs creative people

Intermediary between Advertiser and Media

Books time & space in the media on behalf of the client

Services Offered

- Planning
- Preparing Ad budget
- Placing Ads
- Assisting in sales promotion etc

Size of the Ad Agencies

- Small Agencies –local market
- Large Agencies-Internationally

Agency Compensation

- Commission
- Negotiated fee
- Cost-Plus system
- Incentive

Agency Accreditation

In India accreditation is given by INS, AIR Doordarshan

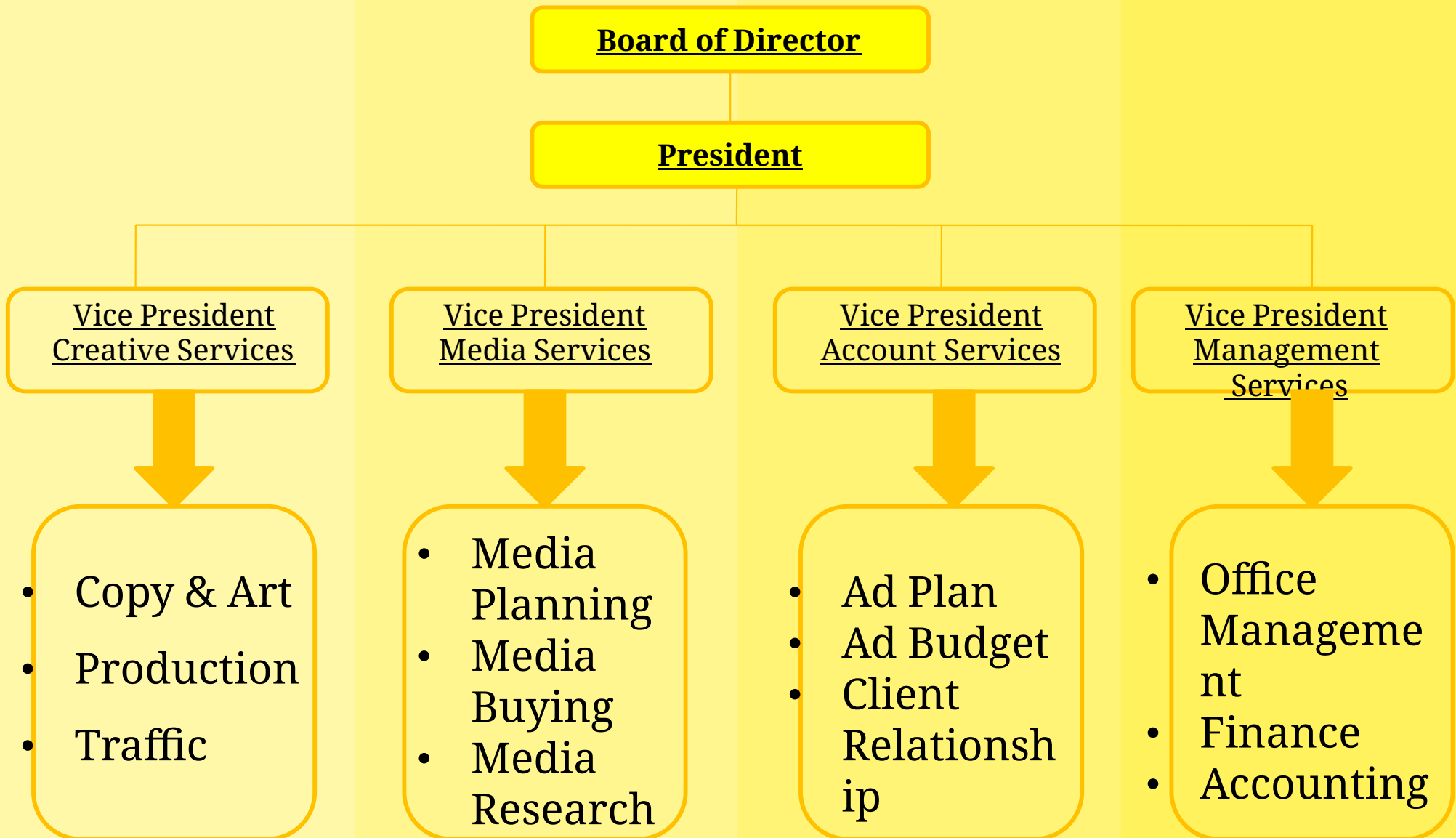
Creativity

The success of advertising campaign depends on the quality of creative team of the AD Agency

Types of AD Agencies

- Full Service
- Creative Boutique
- In-house
- Modular
- Specialist
- Media buying

STRUCTURE & SERVICES OF AD AGENCY



TYPES OF ADVERTISING AGENCIES



1. FULL SERVICE AGENCY

A full service advertising agency provides a wide range of services to meet a client's complete advertising needs.

2. IN-HOUSE AGENCIES

An advertiser may establish his own department to perform the advertisement related services which are normally provided by an outside agency.

It is owned & operated by the

<https://www.youtube.com/watch?v=vgkkgHIKPMU> advertiser

3. CREATIVE BOUTIQUE

These are agencies that provide only creative services. It specializes in developing creative concepts , creative text & artistic services.

4. MEDIA BUYING AGENCIES

These are independent agencies specializing in buying media time & space like radio , television etc

5. INTERACTIVE AGENCIES

Interactive advertising agencies design advertising campaigns that allow businesses to interact with their customers.



6.

MEGA

AGENCY

It refers to the merger of the agencies worldwide to serve their client clients in a much better way

7.

SPECIALIST

AGENCY

There are some agencies which undertake advertising work only in certain areas for eg. Some specialize in financial services, social advertising, medicine related etc.

8.

MODULAR

AGENCY

It is a full service agency that sells its service on a piece meal basis. For instance, it may provide only creative services to an advertiser. The advertiser avails other services from elsewhere



FACTORS TO CONSIDERED BEFORE SELECTING AN ADVERTISING AGENCY

#1 Total Extent Of The Agency

The larger the agency, the better quality of services offered by the same. When an agency operates on a larger scale, it is obvious that it has the financial power to hire a good amount of ad professionals.



#2 No. Of Clients Under Agency

Most agencies have their own website or brochure. You must log on to their website and view the existing clients being handled by the agency, before hiring them to carry out your own work.



#3 Types Of Services On Offer

It is essential to view the types of ad and non-ad based services offered by the agency. Depending on your promotional needs and size or extent, you can hire a small or a large ad agency accordingly



#4



Creative Talent Power

Calculate the number and amount of creative personnel owned by the ad agency, as it forms the basic criteria for selection.

#5



Agency Ranking

An agency that works hard to provide results and easy to approach, is the one to consult. It is important to research the current market standing held by the agency.

#6



Amount Of Involvement

An agency must show complete respect for the client and allow it to take part in the activities, give its feedback and work with the same form time-to-time.

#7



Methods Of Payment

It is good to compare the ad rates demanded by different agencies before zeroing in on the perfect one

<https://www.youtube.com/watch?v=q9X8qWDaHgs>

AGENCY COMPENSATION

1. COMMISSION

Commission is a traditional method . The agency is paid a fixed commission (accredited agency- usually it is 15 %) from media.

The rates for outdoor media are slightly higher -16.66%

For Example:

Ad agency prepares & places AD in a newspaper at an agreed charges of Rs. 5,00,000/-.

The agency will collect the said amount from its client but will pay Rs. 4,25000/- (Rs. 5,00,000 less 15%) to the media owner .

The difference of Rs. 75,000/- is the commission Income to the agency.

2. AGENCY FEES

Agency negotiate with their client a flat sum to be paid to the agency for the work done

Agency estimate the cost of servicing + a desired profit margin.

The client either accepts or negotiates for a lesser amount . This method is more objective as compared to the commission method . It is fair to both the parties. At times the client may give

Incentives to the agency to meet its predetermined goals.

For instance, additional Incentive may be given when the Ad campaign meets with good success

3. INCENTIVE BASED COMPENSATION

4.
**COST PLUS
SYSTEM**

A fee based on cost of work + mutual agreed margin or profit . Under this method the client agrees to pay the agency the cost of work i.e. employee cost & out-of-pocket expenses plus a certain % of this amount say 20% to 25% to cover overheads as well as profits of the agency

5.
AGENCY CHARGES

Apart from cost incurred for booking time & space in media, an agency has to pay out-of-pocket expenses such as on artwork, comprehensive layouts & printing , radio & tv , storyboards etc. In such case , the an gency charges its clients for such expenses. This method is profitable to the agency .

Rank	Agency	City
2019		
1	DENTSU WEBCHUTNEY	Bangalore
2	FCBULKA	Delhi
3	MINDSHARE	Mumbai
4	GREY INDIA	Mumbai
5	LEO BURNETT INDIA	Mumbai
6	TBWA\INDIA	Mumbai
7	DDB MUDRA	Mumbai
8	J. WALTER THOMPSON INDIA	Mumbai
9	DENTSU WEBCHUTNEY	Mumbai
10	McCANN INDIA	Mumbai

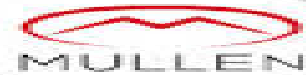
TOP
10

ADVERTISING AGENCIES IN THE WORLD



Ogilvy & Mather

Mullen



Publicis Groupe

BBDO



Dentsu

Grey Global



Havas

Droga 5



McCann Worldgroup

Young & Rubicam



Ad agencies

- <https://www.fundoodata.com/learning-center/top-10-advertising-companies-agencies-india/>
- <https://www.graphic-design-institute.com/others/top-10-advertising-agencies-india/>
- <https://www.strawberrybranding.com/blogs/top-advertising-campaigns-of-india-series-1/>

THANK YOU!

