

Lecture 24

Advertising Agencies

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**NPTEL ONLINE
CERTIFICATION COURSE**

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History of Advertising Agencies

- Pre Internet: ads were delivered to various media outlets through representatives who sold and re-sold advertising space with a markup.
- William Taylor opened his office in London, today acknowledged as the first advertising agency in history (1786).
- Palmer opened the first agency on American soil in 1840.
- N.W. Ayer & Son, a prototype of modern media agencies.

- Before internet, agencies were the go-to businesses for all offline advertising efforts.
- After internet, AdTech companies gained momentum.
- AdTech companies allow brands to run online advertising campaigns with precise targeting and collect large amounts of user data.

Types of Advertising Agencies

- **Integrated Marketing Agency**
 - ✓ focuses on solutions instead of service delivery.
 - ✓ Balance the various tasks and sort the required portfolio, works, and certificates.
 - ✓ Innovative in its approach.
 - ✓ Main functionality among multiple disciplines.

- **Specialist Marketing Agencies**
 - ✓ Provides a particular set of services.
 - ✓ Depending on their core services they can be-
- **INDEPENDENT AGENCY:** for example, media buying.
- **INTERNET AGENCY:** for example, internet advertising.
- **BUSINESS AGENCY:** for example, business to business advertising.

- **In-house Marketing Agency**
- Exclusive for clients
- Better brand understanding
- For example- BBC Creative by BBC, Content Factory by Coca-Cola etc.

- **Global Marketing Consultancy**
- Big picture thinking with smart execution
- Best positioning
- For example, Deloitte, Accenture

- **Creative Boutiques**

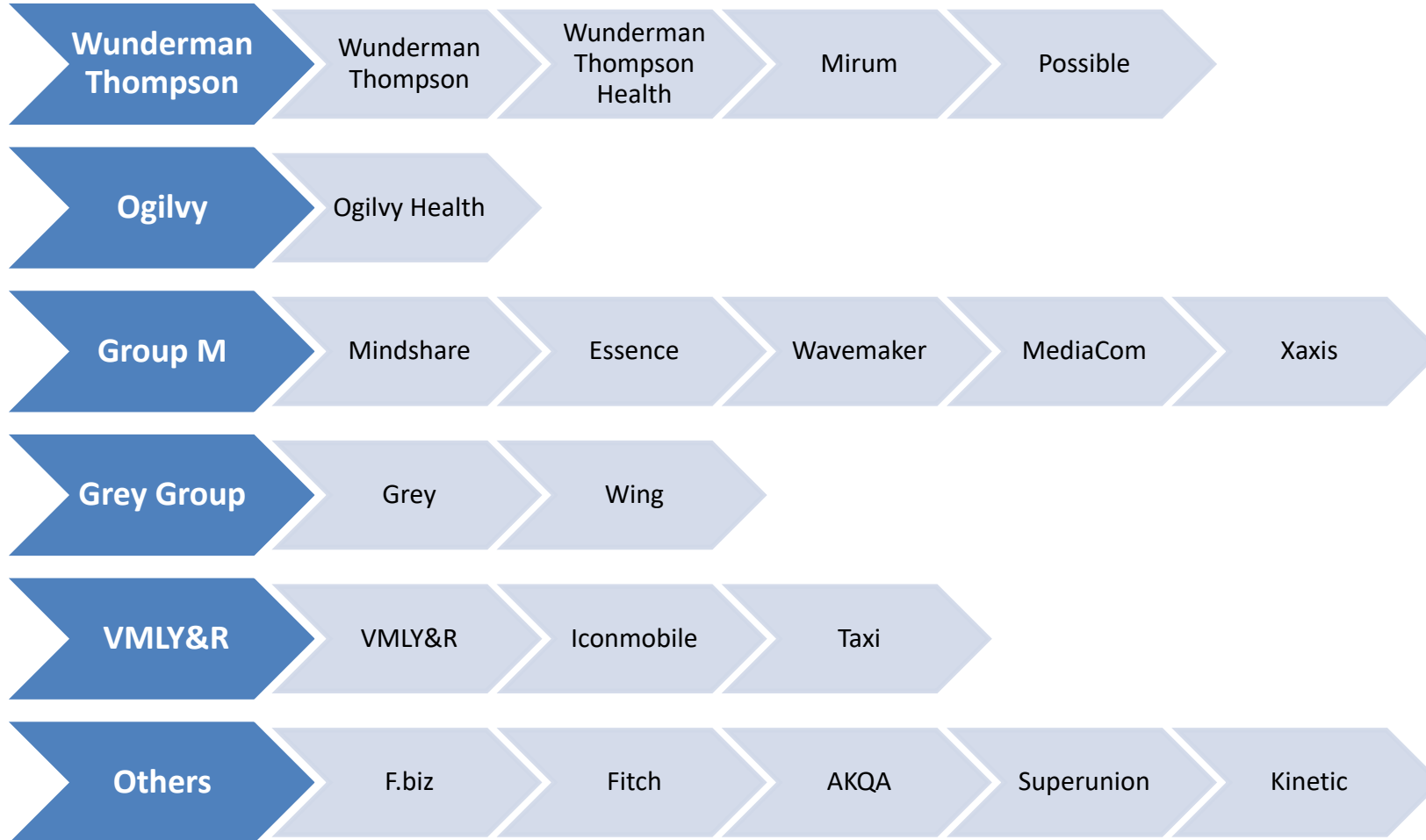
- ✓ Small teams including artists, copy writers and designers.
- ✓ Offer creative and artistic services only.
- ✓ Focus on development of creative idea into message theme.
- ✓ For example, Catchword, GreyBox Creative, The Naming Group etc.

- Others
 - ✓ Digital
 - ✓ PR
 - ✓ Social Media

Famous Global Advertising Groups

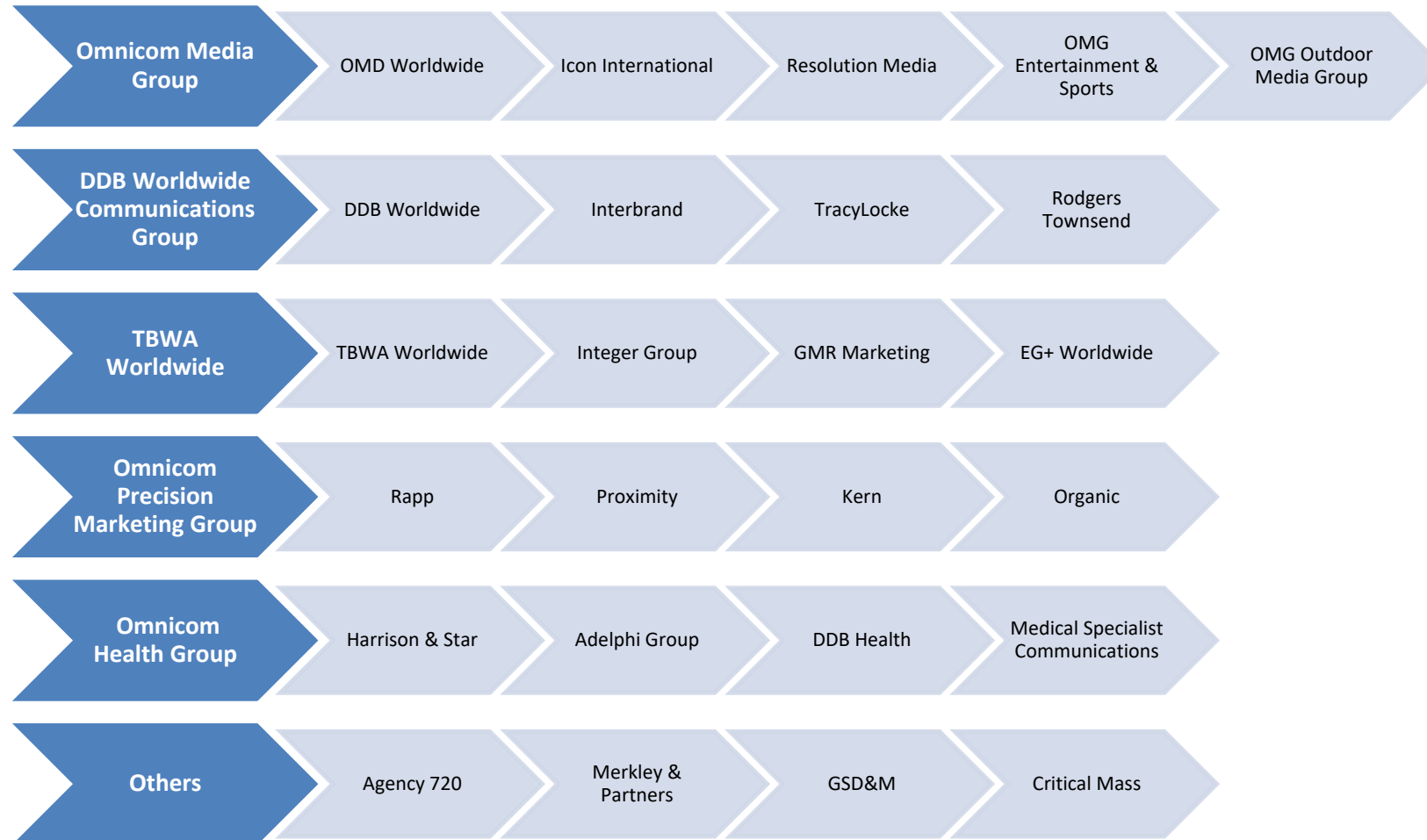
- **WPP Group (Martin Sorrell-1971)**
 - ✓ Principal Subsidiaries: J. Walter Thompson Company, Inc. (U.S.); The Ogilvy Group, Inc. (U.S.); Young & Rubicam Inc. (U.S.); The Kantar Group; Hill and Knowlton Inc. (U.S.); Tempus Group plc.
 - ✓ In 2001, WPP's clients include over 300 of the Fortune Global 500 and over half of the NASDAQ 100.
 - ✓ The group has more than 3,000 locations in over 112 countries and its companies provide services in advertising, media investment management, information and consultancy, public relations and public affairs, branding and identity, and specialist communications.
 - ✓ WPP affiliates work with brands such as Nestle, Chanel, Volkswagen, Google, and Facebook etc.

WPP Agencies



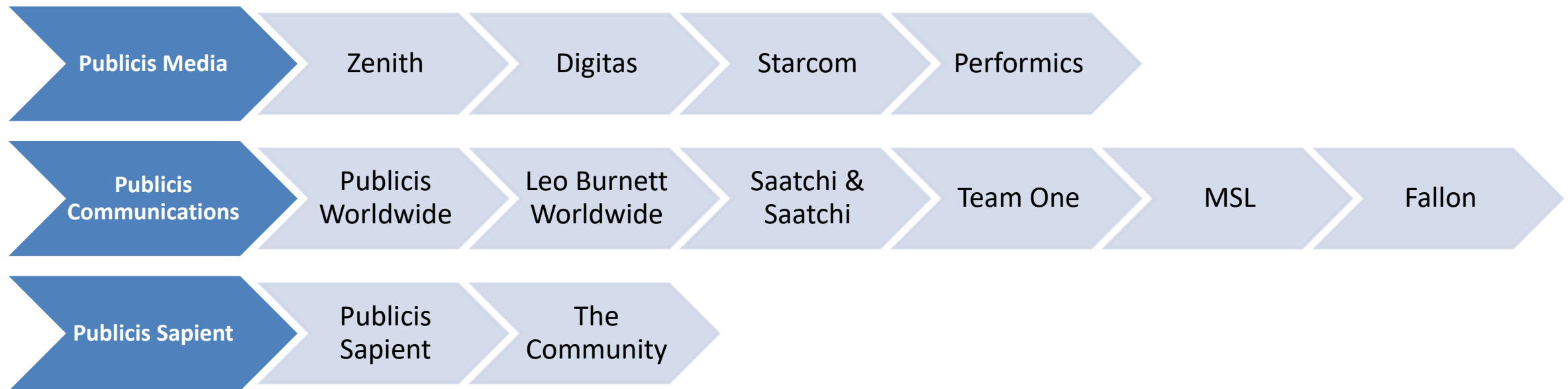
- **Omnicom Group (Maxwell Dane-1944)**
 - ✓ Global revenue 2020 - \$13,171. (March, 21)
 - ✓ Primary subsidiaries: BBDO Worldwide, Diversified Agency Services (DAS), DDB Worldwide, Omnicom Media Group (OMG) and TBWA Worldwide.
 - ✓ 30+marketing disciplines across 1,500+ agencies.
 - ✓ Over 5,000 clients in more than 70 countries.

Omnicom & Agencies

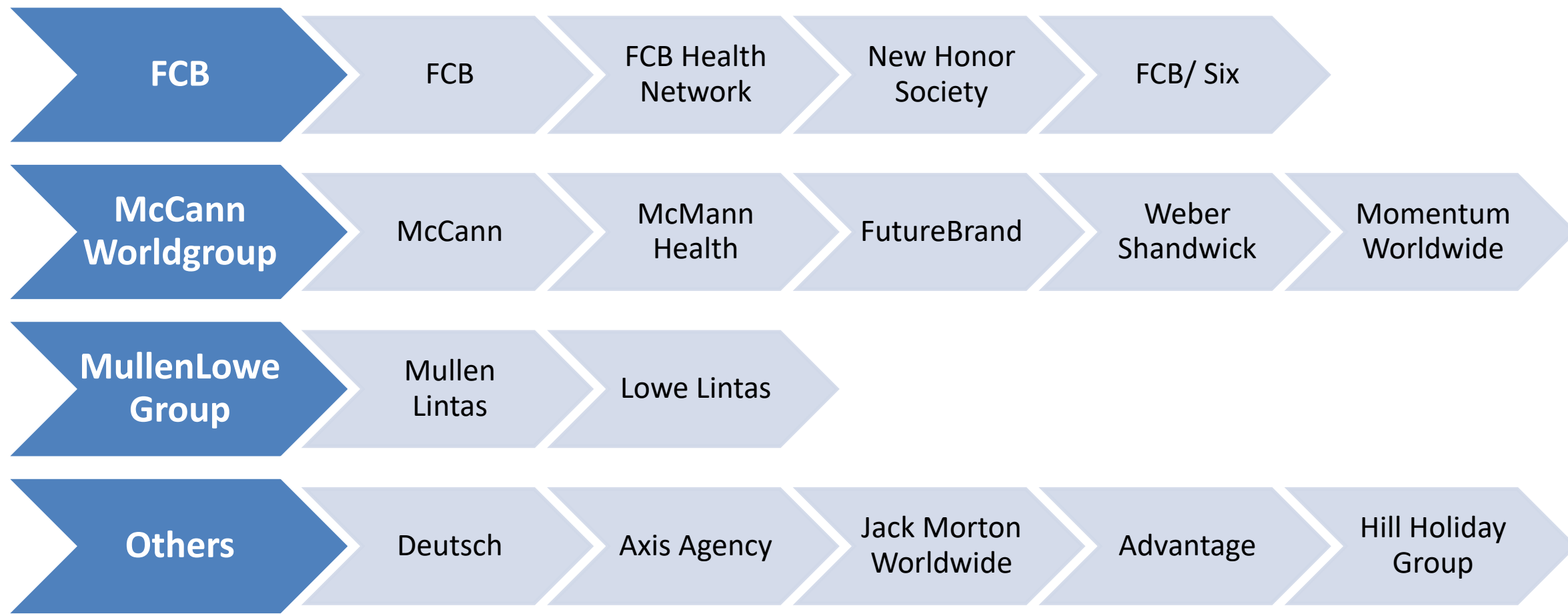


- **Publicis Groupe** (Marcel Bleustein-Blanchet, 1926)
- Revenue: 9.7 billion euros (2020)
- Principal Subsidiaries: Bartle Bogle Hegarty Limited; Bcom3 (U.S.A.); Burrell Communications Group, LLC; Cartwright Williams Direct; D'Arcy Masius Benton & Bowles (U.S.A.); Fallon Worldwide; Freud Communications (U.K.); Leo Burnett Worldwide, Inc. (U.S.A.); Mojo Partners (Australia); Publicis Welcomm (South Korea); Saatchi & Saatchi (U.K.).
- ✓ Publicis Groupe is organized into 4 Solutions Hubs for easier connectivity and integration: **Publicis Communications, Publicis Media, Publicis Sapient, and Publicis Health.**

Publicis Groupe & Agencies



- **Interpublic Group of Companies (1930)**
 - ✓ Five major networks: FCB, IPG Mediabrands, McCann Worldgroup, MullenLowe Group, and Marketing Specialists.
 - ✓ Global revenue: USD 9.06 Billion.



- **Dentsu Group Inc.** (Hoshiro Mitsunaga- 1901)
 - ✓ Full-service communications company.
 - ✓ Revenue: 939 billion Japanese yen (2020)
 - ✓ Principal Subsidiaries: Dentsu International, Carat, dentsu x, iProspect, isobar, Merkle, Posterscope
 - ✓ Has 32 offices in Japan and affiliates or subsidiaries in 35 countries.

Dentsu Aegis Network

Merkle

Carat

IProspect

Isobar

Posterscope

360i

Gravity Media



Agency Services

- Content creation
- TV Ads
- Ad Campaigns
- Strategic Planning
- Social media Management
- Web development
- SEO- Search Engine Optimization
- Radio commercials
- Graphic Design
- Lead Nurturing
- Marketing Automation

Advertising Agencies and their Famous Campaigns

- **Ogilvy**

- ✓ Castrol's - Truck Aasana – Caring For the Real Engine
- ✓ Fevikiwik Ad - Todo Nahi Jodo
- ✓ Asian Paints - Har Ghar Kuchh Kehta Hai
- ✓ Pond's – Google Woogly Woosh
- ✓ Gujarat Tourism - Kuch din to gujariye Gujarat mein

- **McCann**

- ✓ Happydent Palace
- ✓ Paytm Sweet Change
- ✓ Alpenliebe Juzt Jelly

- **Leo Burnett**

- ✓ McDonald's McAloo Tikki
- ✓ PhonePe - Unstoppable India
- ✓ P&G SHIKSHA - "The Story of Bittu, The 75-Year-Old Student"

Famous Awards

Award	Sponsor	Country
Cannes Lions Awards	Cannes Lions International Festival of Creativity	France
Spikes Asia	Lions Festivals and Haymarket	Singapore
Clio Awards	Evolution Media	United States
D&AD Pencils	Design and Art Direction	United Kingdom
Effie Awards	New York American Marketing Association	United States

Famous Awards

Award	Sponsor	Country
The One Club	Excellence in advertising	United States
Pitcher Awards	Pitcher Festival of Creativity	Africa
YoungGuns International Award	YoungGuns Award	Australia
Shorty Awards	Shorty Awards	United States
Abby Awards	Ad Club	India

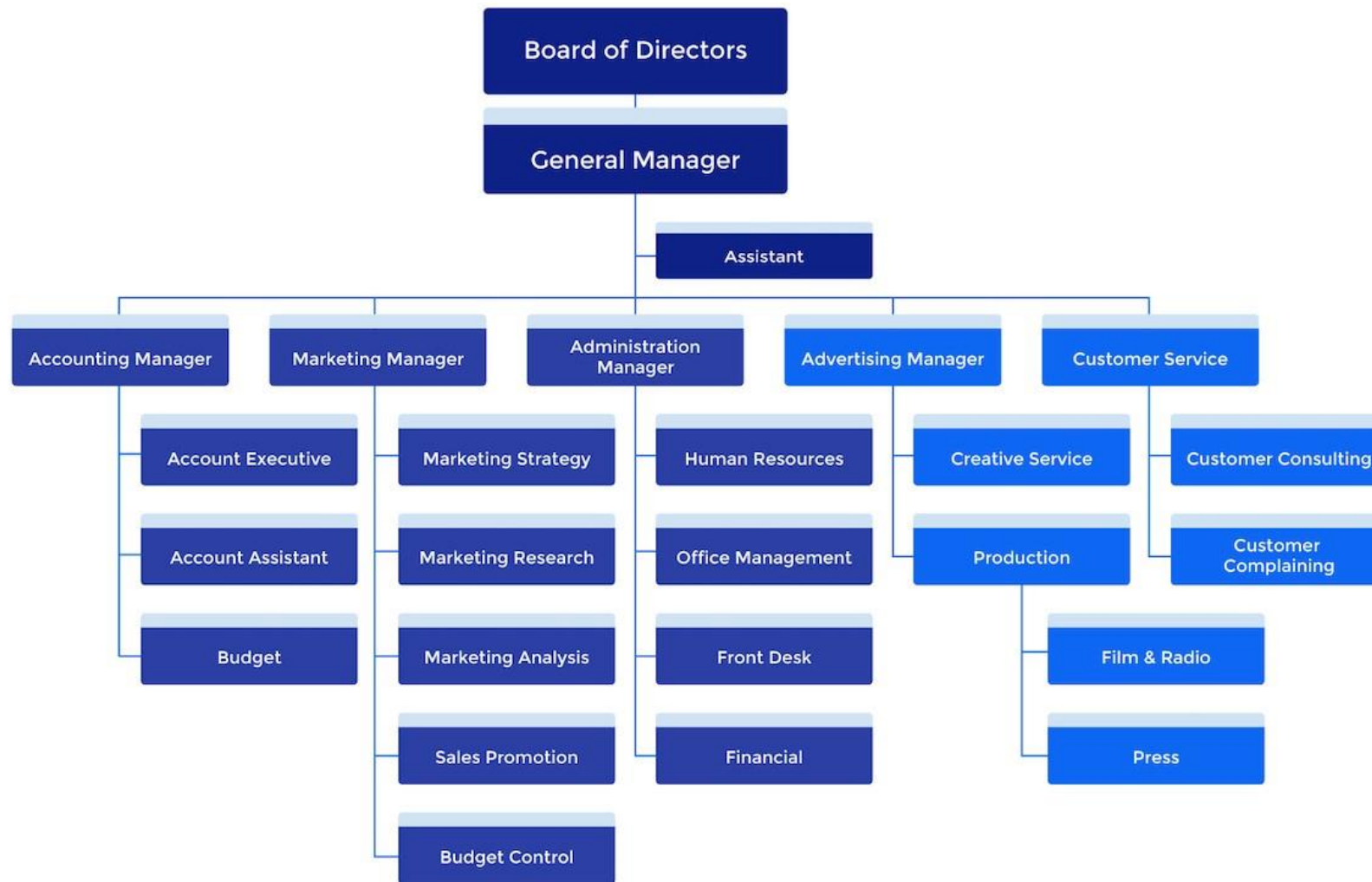
Agency structures

The structure of marketing communications agencies has a marked impact on the range of skills and services which they can offer their clients.

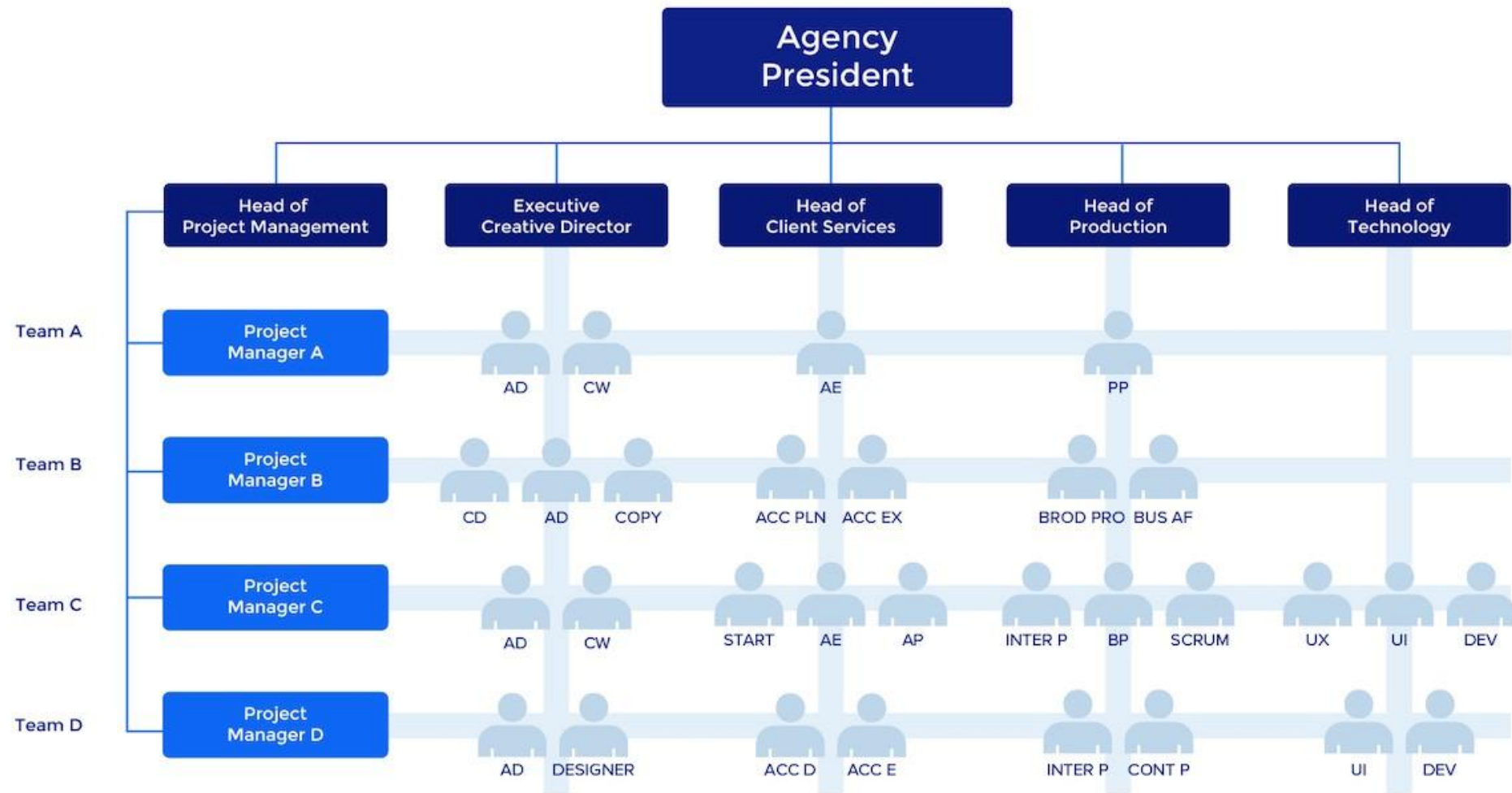
It has to be said, however, that there is no single prescription for agency structuring.

A key factor is the scale of the agency.

The larger it is, the greater the range of specialist skills it can afford to employ.



The Traditional Model



The Matrix Model

The Pod System

An even more organic approach than the matrix model is the pod system.

Leeann Leahy, CEO of The VIA Agency, developed this organizational structure for her staff. Under the pod system, traditional account managers are gone, and clients have access to four project leads, including:

- Business/consumer strategy lead
- Planning lead
- Creative lead
- Project management lead

The main objective of this model is to shorten approval process times, eliminate extraneous senior positions, increase peer accountability, and encourage what Leahy describes as “fast and furious” creativity.

SEO Agencies

While a full-service advertising agency may incorporate SEO into its services, an SEO agency specializes in building a business's online visibility with services like:

- Website analysis
- Structure optimization
- Content production
- Social media management
- Conversion rate optimization

An SEO agency might only need three main divisions: strategy/project management, technical SEO, and content marketing. A traditional hierarchy model can work for an SEO agency because the services offered are usually specific and there aren't as many divisions needed as a full-service ad agency

Creative agencies

A creative agency usually develops and produces visual products that are used in a client's existing marketing strategy, including:

- Art direction
- Copywriting
- Branding design
- UX design
- Web design

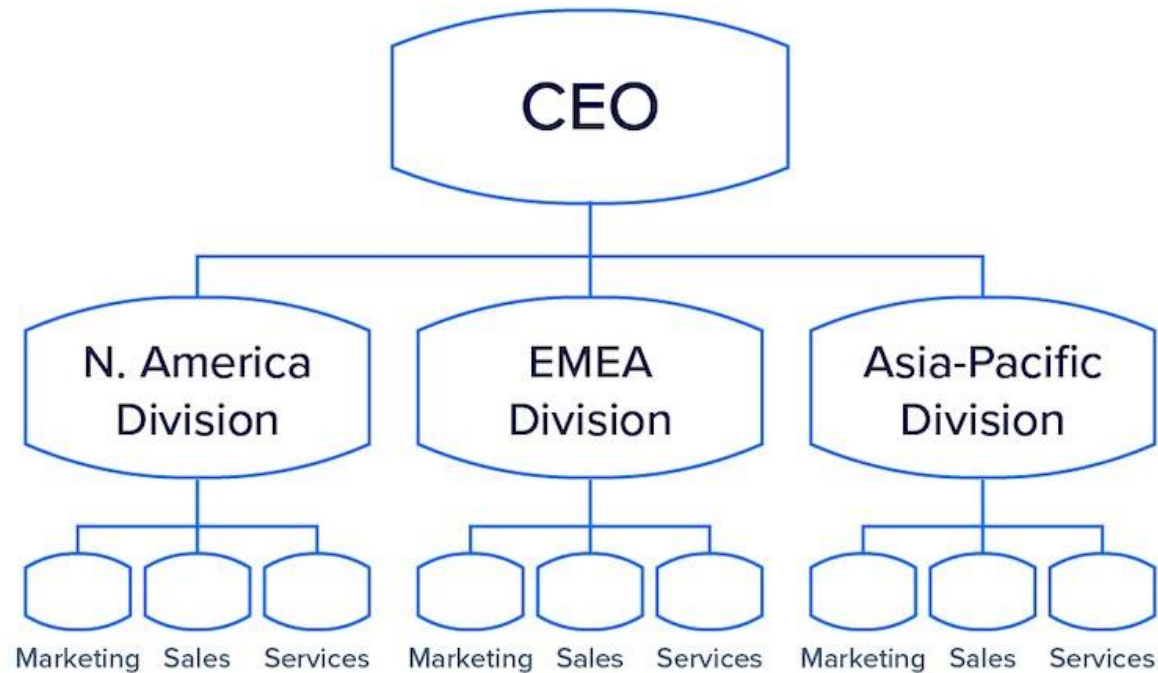
Video production

These services require a lot of collaboration. For example, copywriters and ad art designers will need to work together to create a deliverable. For that reason, a matrix model might work best for a creative agency.

Variations in hierarchy by agency size

Your organizational structure with different locations might look something like this:

Divisional: Geographical



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- [WPP is the creative transformation company | WPP](#)
- [Omnicom Group | Global Marketing Communications](#)
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- [Champions for Meaningful Progress | dentsu](#)



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