* The Advertising Agency
  + What is an agency?
    - An independent organization consisting of creative and business people who specialize in developing and preparing marketing plans, strategies, ads and promotional materials (AAAA).
  + Why choose an agency?
    - Independent, thus they have an objective point of view
    - Specialists in the field, effective advertisements
    - Media expertise
    - Exposed to many marketing situations
    - Full service agencies save advertiser’s money
    - Obligated to the client
      * If Coca-Cola gets into a contract with an agency, Coca-Cola can state in their contract that they can’t work for Pepsi as well.
* Types of Agencies
  + Full Service Agencies
    - Advertising services
      * Planning, creating, producing ads, performing research, and selecting media
    - Non-advertising services
      * PR, packaging, sales promotion materials, etc
      * Edgen Murray
    - Types
      * General Consumer Agencies: Kellogg’s
      * Business-To-Business or B2B: e.g. Edgen Murray
  + Specialized Agency
    - Media-buying services
      * Purchase and packages radio and TV time and print space
        + Radio and TV Networks -> MBS -> Agencies or Advertisers
        + Verifies performance, tracks missed spots, and pays the media bills
    - Creative Boutiques
      * More specialized services like “creative” and have few clients. Sprang up from the creative revolutions
  + Interactive Agencies
    - Growth of online advertising
    - Design web pages and interactive online ads
    - Z-Comm
* Ad Agency Departments
  + Account Management/Executive
    - Services as the link between client and ad agency
    - Manages the daily operations of the acquired account
    - Coordinates advertising planning process
    - Assists in new business acquisition
  + Account Planning
    - Work for the “consumer”
    - Conduct studies of consumers and their buying habits
    - Demographics and Psychographics
      * Evaluates their attitudes and reactions
    - Focus groups, surveys, personal interviews, and experiments
* Ad Agency Departments
  + Creative
    - Creative Director
      * Manages art director and copywriter
    - Art Director
      * Responsible for visual elements in print and broadcast ads
      * Supervises or creates layouts
      * Hires photographers and illustrators
    - Copywriter
      * Writes copy for print and broadcast ads
      * Works with art director to develop ad concept
  + Media Planning
    - Selects media to advertise in and plans media mix
    - Chooses advertising vehicles and conducts media tests
* Ad Agency Departments
  + Traffic Management
    - Coordinates all phases of production
    - Makes sure if all projects are completed before the deadlines
* Client-Agency Relationship
  + Pre-relationship Stage
    - Getting to know the client and vice-versa
    - Account acquisition through *sales pitch*
  + Development Stage
    - Rules are formed and roles decided
    - Initial work is shown
    - Evaluates the client’s needs better, how well they work together and if the client is paying the bills on time
  + Maintenance Stage
    - Daily working relationship between the agency and the client
    - Some clients work with the same agency for many years. E.g. McDonald’s and Leo Burnett started their relationship in 1981
    - Average time period is 5-6 years
  + Termination Stage
    - 4 C’s
      * Chemistry
      * Communication
      * Conduct [Performance]
        + Agency’s creative work is not working
      * Changes
        + Conflict of interests. E.g. Acquiring a competing account
        + Losing key agency staff or new management [client]
        + Client’s policies change

E.g.

TBWA Chiat /Day lost the Apple account in 1986

Placed a full-page ad thanking them

Apple returned in 1997