

## Using an Advertising Agency

By BNET Editorial

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### What You Need to Know

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#### Why use an advertising agency at all?

The size of your business will help you decide this. Many small to medium-sized companies find that their advertising budget is so small, there's little need to employ an agency. However, the skills offered by agencies are just as specialized as those offered by your accountant. Many agencies will be able to offer services other than advertising, including direct marketing, sales promotion, and public relations. Agencies that offer a wide variety of skills are often called "full-service" agencies, and you can utilize just the part of their business that makes sense and that you can afford. Ultimately, the reasons for using an ad agency are the same for using any other outside consultancy: You employ someone who has special talents to do things you can't do yourself, or can't do as quickly, wisely, or economically.

#### What if the agency I like is already working with a competitor?

In such cases, it is always wise to be cautious and to raise your concerns in the very first discussions with the agency. Sometimes the problem can be resolved simply by handling the conflicting accounts through separate agency teams. A professional agency should be able to assure you that their two teams will maintain discretion at all times. That being said, unless the agency you favor specializes in your field, this could be an ideal opportunity for you to work with another agency, perhaps a smaller one, that might be even more eager to win your business.

#### Once selected, how can I be sure that the agency will actually do what they promised?

This is a valid concern. Sometimes agencies field a special senior team to win new business, and then hand the day-to-day account to a completely different team. Since a good relationship between agency and client is so important, you should insist on meeting the team that will actually work on your account. More than that, it is advisable to clarify what your day-to-day working relationship with the agency will be and how you will measure the success of its efforts on your behalf. This is one of many factors to consider when selecting an ad agency.

## What to Do

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### Find the Right Type of Agency

There are different types of advertising agencies, thus you have the option of using a comprehensive service or working with an agency on specific services, including:

- consulting on general advertising and public relations matters
- working up an advertising strategy
- developing creative proposals, copywriting, design, and production of advertisements
- planning on best media outlets as well as negotiating and buying ad space or time
- integrating advertising with other communications activities

Whatever you decide, ask to see examples of previous campaigns and for an honest appraisal of their effectiveness. The options are listed below.

### Advertising Agency

Full-service agencies handle all aspects of an advertising program. They are the most general type of ad agency, in terms of scope of services offered. Select a full-service agency if you do not have any internal skills or resources for handling advertising, or if extensive advertising is important to the achievement of your marketing objectives.

### Media Buyer

A media buyer buys advertising space on television, radio, and in print publications such as newspapers and magazines. As a media buyer handles only media planning and buying, they are likely to be interested only if you are spending a considerable amount. By concentrating on media, such independent agents can often negotiate better deals with them than full-service agencies can.

### Creative Consultant

Creative independents handle only creative work such as copywriting and design. By specializing in this way, these consultants can often achieve more effective advertising than full-service agencies. But keep in mind that you would have to handle campaign planning and media in other ways. There are three types of creative consultants:

- freelance staff, such as writer/art director teams or individual consultants
- design companies that offer advertising as part of a total communications package
- specialty firms, such as small agencies that either have their own creative teams or manage freelance teams

Here, especially, the value of creative consultants is higher if you have no such talent within your business or if the agency you're working with is not able to address your creative needs on a specialized campaign.

## Integrated Agency

Such agencies handle all aspects of an advertising program and integrate advertising with media. Agencies offer integrated services in two forms:

- a single integrated agency (the same team handles all accounts)
- an agency group (different groups handle different kinds of campaigns)

An integrated agency may be suitable if other tools, such as direct marketing, publications, and sales promotion are as important as advertising, and you want all of the activities integrated and handled professionally. Though this option could cost more, it saves you from having to deal with an array of advertising agents.

## In-House Media Talent

Some newspapers, magazines, Web sites, or radio stations may have their own creative staff. Often they will offer basic design or writing services free of charge. However they are rarely as skilled as for-hire specialists.

## Evaluate Your Choice

Whoever you employ, you must evaluate their:

- **approach:** How do they work with clients? What is their business philosophy?
- **track record:** What can they show you in terms of their past success?
- **reputation:** Do they have references you can check?
- **accountability:** How do they measure their success?
- **active clients:** Who are their current key accounts? How long have they held these accounts?
- **strengths:** How complete is the package of services that they offer?
- **staff:** Do they have the talent to help with your specific needs?
- **stability:** Are they financially secure? Will your dollars be managed prudently?

## Check Information about Advertising Agencies

There are a number of useful sources of information about agencies:

- The American Association of Advertising Agencies is good for general information.
- Specialist journals can give you information about agencies that focus on a particular niche.
- Other businesses (your suppliers, market allies, friends and neighbors) might have experience working with ad agencies and might be willing to share their own appraisal.

## Watch Out for Problems in Client/Agency Relationships

As with any relationship in business, it's important to note any concerns quickly and professionally. The most-reported concerns in relations with advertising agencies include:

- results not as planned or agreed to;
- agency has trouble communicating with advertiser;
- proposed ad campaign does not meet expectations;
- agency does not try or is not able to understand advertiser's industry or business;
- agency has turnover in critical staff, thereby changing fundamental working relationship;
- agency works with advertiser *too long* and relationship becomes stale.

## What to Avoid

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### You Use the Wrong Size of Agency

A large agency may have the resources and scale to support national or international campaigns, but if your account is small, you may only get to work with less-experienced staff. It may be more appropriate to work with a smaller agency where you will get personal service from the senior people.

### You Pick the Wrong Type of Agency

Be sure you are working with an agency that knows your industry. Agencies, like any other business, develop specialties. Their expertise may not coincide with your needs. If you carefully examine an agency's client list, you should be able to recognize at least some of the names on it.

## You Trust One Creative Pitch

Often, advertisers select an agency on the basis of one pitch—a presentation that shows how an agency would tackle a specific project. It's okay to say “wow!” at the end of a pitch, but you should fully discuss how the agency's ongoing performance will keep you satisfied.

## You Hold Back Key Information

Clients often expect a lot from a new agency, but you must be open and complete in telling the agency staff about your particular business. The agency can only know what you know *if you tell them*. If you are concerned about confidentiality, discuss this and procure a signed agreement from the agency management.

## You Don't Set a Budget

An ad agency is a business just like yours. From the outset, discuss how much you plan to spend and what you want to achieve—competent agencies will tell you what is possible, given their own cost of staff and other business costs. Advertising is an investment. Make sure that you have a reasonable expectation of the return that you seek on that investment.

## Where to Learn More

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### Books:

Mack, Ben. *Think Two Products Ahead: Secrets the Big Advertising Agencies Don't Want You to Know and How to Use Them for Bigger Profits*. Wiley, 2007.

Dahl, Gary. *Advertising For Dummies*. Wiley, 2007.

### Web Sites:

American Association of Advertising Agencies: [www.aaaa.org/eweb/startpage.aspx](http://www.aaaa.org/eweb/startpage.aspx)

Answers.com on Advertising: [www.answers.com/topic/advertising](http://www.answers.com/topic/advertising)

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