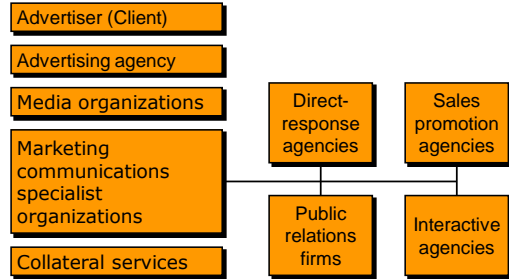


3

Organizing for Advertising and Promotion: The Role of Ad Agencies and Other Marketing Communications Organizations

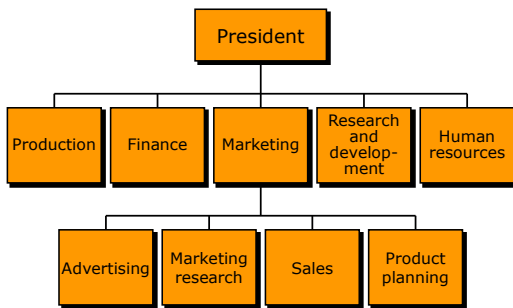
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Participants in the IMC Process



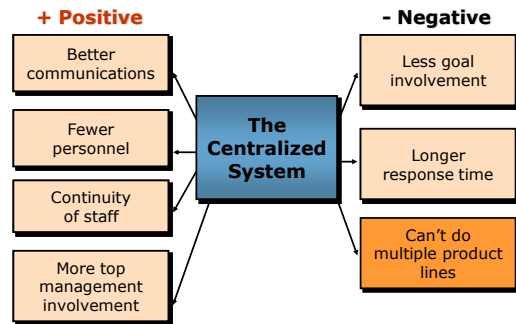
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Advertising Department Under Centralized System



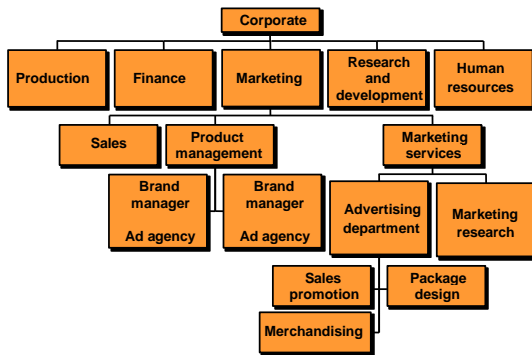
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Pros & Cons of Centralization



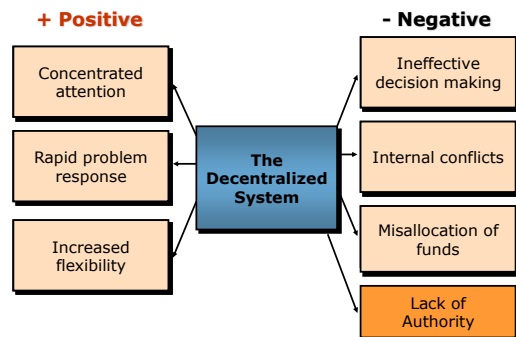
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Decentralized Brand Management System



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Pros & Cons of Decentralization



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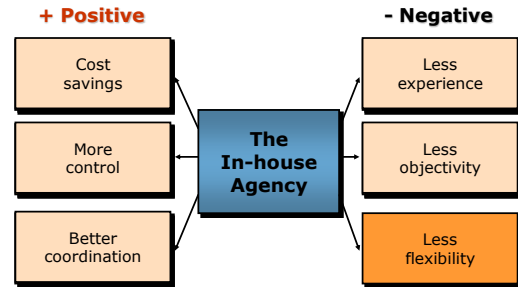
Test Your Knowledge

A major reason why some companies choose to use an in-house agency is to:

- A) maintain creative freshness
- B) reduce advertising and promotions costs
- C) better understand how advertising works
- D) win advertising awards that will enhance the image of their brands
- E) do all of the above

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Pros & Cons of In-House Agencies



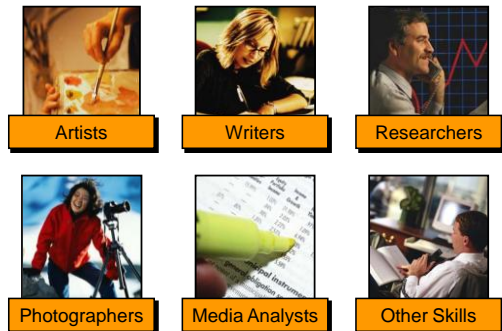
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Benetton's In-House Agency Works With Outside Agencies to Develop Ads



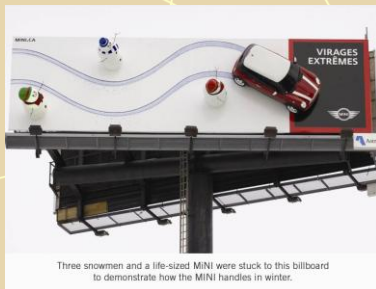
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Ad Agencies Have Skilled Specialists



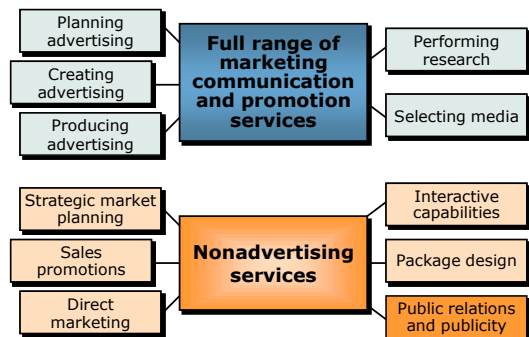
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Crispin Porter+Bogusky Found Creative Ways to Advertise the Mini



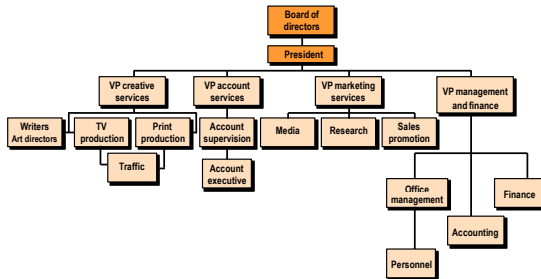
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Full-Service Agencies



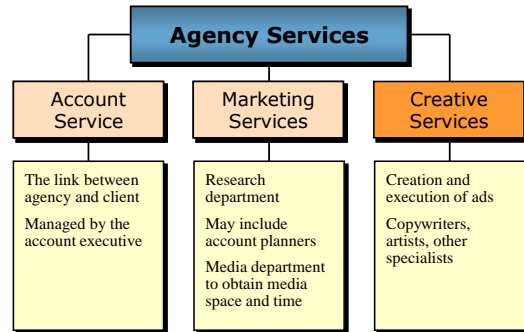
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Typical Full-Service Agency Organization



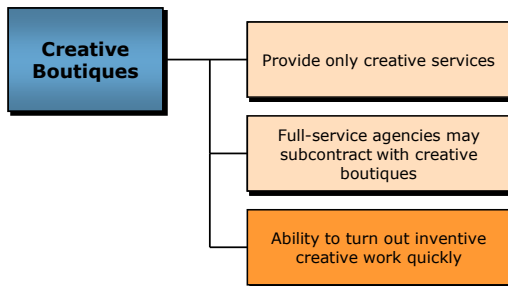
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Services Provided by Agencies



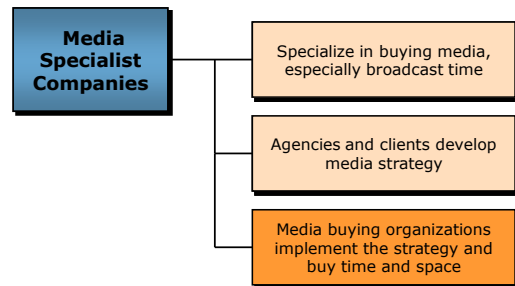
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The Role of Creative Boutiques



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Media Buying Can Be Specialized



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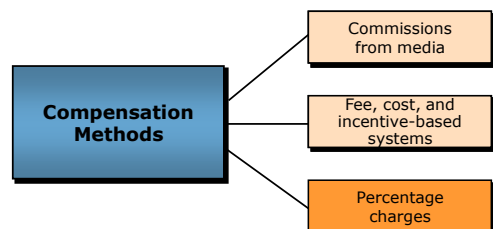
Test Your Knowledge

Which of the following statements about changes in the way advertising agencies are being compensated is true?

- Most clients do not pay full commissions to their agencies because they prefer to use some type of fee or incentive-based system.
- From the viewpoints of both the client and the agency, the traditional commission system is much superior to negotiated commissions.
- Since most clients want their agencies to be in total charge of the integrated marketing communications process, they are willing to compensate them based on media commissions.
- All of the above statements about changes in the way ad agencies are being compensated are true.

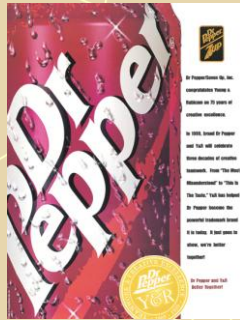
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Methods of Agency Compensation



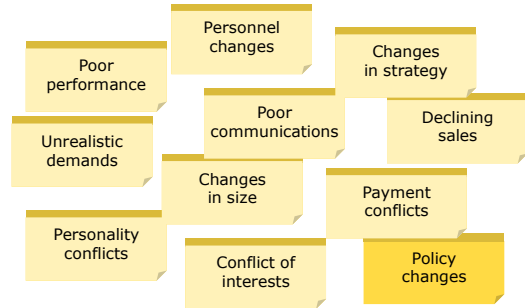
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Young & Rubicam has handled Dr Pepper for over 30 years



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Why Agencies Lose Clients



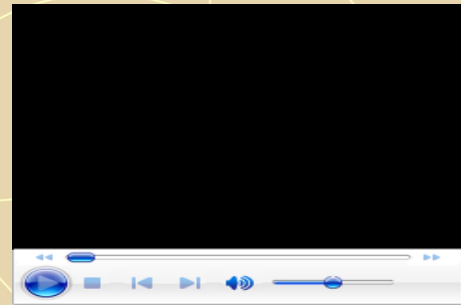
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How Agencies Gain Clients



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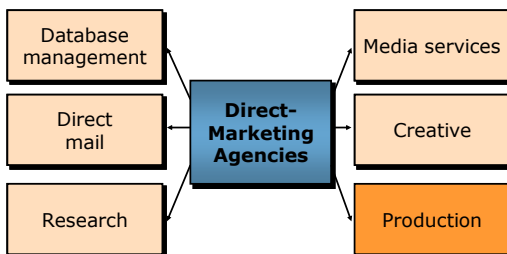
A Change in Strategy Led to a Change in Gateway's Advertising and Agency



*Click outside of the video screen to advance to the next slide

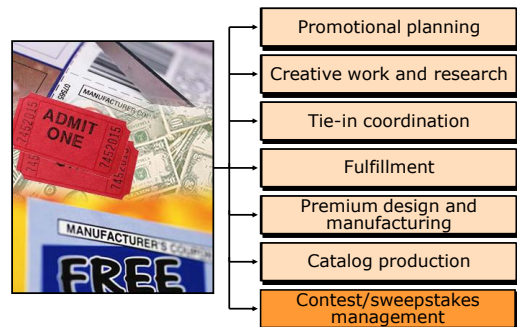
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Direct-Marketing Agency Activities



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Activities Performed by Sales Promotion Agencies



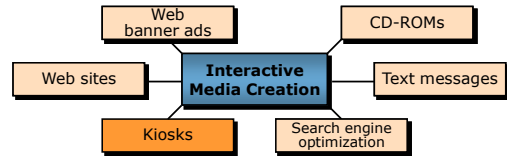
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Functions Performed by Public Relations Firms



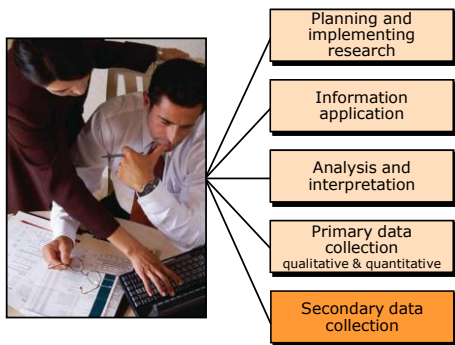
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Functions Performed by Interactive Agencies



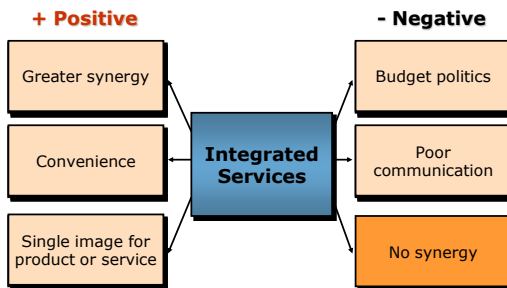
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Marketing Research Companies



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Pros & Cons of Integrated Services



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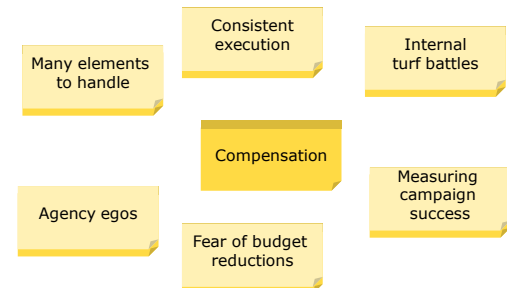
Test Your Knowledge

Surveys of marketing and ad agency executives about integrated marketing communications (IMC) have shown:

- agency executives do not support the idea of integrated marketing
- marketers and agency executives have similar opinions regarding who should be in charge of the IMC program
- internal turf battles, agency egos, and fear of budget reductions are seen as major barriers to successful IMC campaigns
- marketing executives feel a lack of people with IMC skills is a major obstacle to implementing integrated marketing

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Obstacles to Implementing IMC



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