

Critical Study of Ad Agencies in India

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ABSTRACT

The word "advertisement" comes from the latin word "advertere," which means "to draw notice to anything." a public announcement is what advertising refers to. However, advertising now perform roles other than making news, such as persuading potential buyers, reminding buyers, creating demand, and promoting brand preference and loyalty. This journal article is based on a critical examination of advertising companies in India.

1. Introduction

Adaptive communication will undoubtedly become a significant, if not the most significant, competitive advantage for businesses. It enables possibilities to develop new business models and discover whole new ways of doing things, as well as opportunities to strengthen current customer relationships and tap into previously untapped areas. Consumer attention is drawn to advertising, and communication has always been at the heart of the industry. Television advertising, which debuted 50 years ago, ushered in a revolution in advertising. Companies could suddenly reach customers in their homes, simultaneously and nationwide, in a way that the written page, radio, and other mediums could not. The result was a shift in retailing and a gain in brand power. In today's fast-changing world, it's clear that you can't do business with yesterday's tools. In this setting, advertising and marketing must be more proactive in developing new tools to deal with consumers and brands. Advertising and sales promotion have increased dramatically in the new millennium. The ever-increasing number of television channels, cable television, radio commercial services, newspapers, periodicals with ad pages, and online advertising all contribute to a high demand for advertising services. Ad-services are used by corporate giants to employ various promotional media, but they are also used by small and large companies such as banks, airlines, hotels, and tourism organisations. Government agencies, in addition to non-profit groups, are increasingly using the media. A vast number of ad firms have sprung up in india to assist the aforementioned media users in effectively expressing their message. The focus of all advertising strategies will be on developing commercials and delivering them through relevant

media at the lowest possible cost. Modern advertising firms provide the particular knowledge, ability, and experience required to create an effective advertising campaign for clients in this setting.

2. The significance of modern ad-agencies

There is no firm that does not require the services of an advertising agency. It is absolutely acceptable to handle all marketing communication in-house or to outsource the services and processes to a number of different specialists. Most businesses, on the other hand, find it easier to hire an ad agency or many firms to handle their advertising campaign. In this approach, clients obtain the advantages of simple lines of communication, competence, and creativity, as well as, frequently, a great deal of professional guidance, for which they may spend a lot more from a consulting firm.

Ad agencies have a rich history and heritage in communication, which will aid in a better understanding of consumers in a quickly changing marketing and advertising industry. Agencies, on the whole, have the ability to turn information and knowledge into an action plan that puts the customer first.

Planning the advertising strategy, generating and producing the advertisements, planning and procuring the media in which to run them, and managing the process with the clients are the four major responsibilities that modern ad agencies provide to their clients. Finance, personnel, production, and information/library will all be separate business support roles. Office management, it, and other forms of marketing communication solutions may be available.

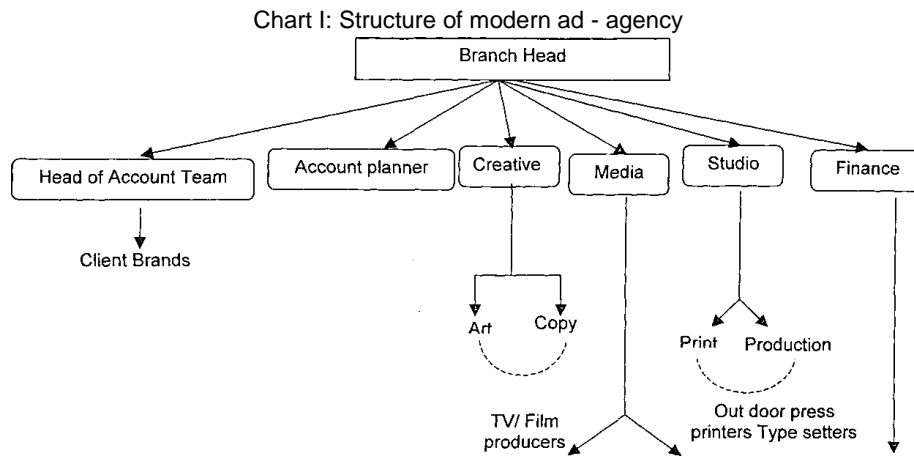


Figure: Media buying bank financiers client suppliers media houses (print, electronics, outdoor, others)

3. Indian ad-industry and challenges

The Indian advertising sector is becoming more globally competitive these days, with Indian agencies accounting for more than 33% of Asia pacific profits and ranking as the sixth greatest profit generators in the world of advertising. The Indian advertising scene is dotted with many international players. In India, global agencies account for about 47.4% of the market. These worldwide agencies in India are begging for a higher return on their investments in the country, and Indian advertising skills are regarded as the greatest in the world. "Advertising is an intellectual business, and Indian ad

companies have some of the strongest analytical skills in the world."

The Indian advertising sector is expected to expand by 15% in 2004. There will be good times ahead. In 2004, most sectors, such as FMCG, durables, and services, would almost certainly grow their ad spending." Industry and services are two categories that have already produced impressive outcomes. India's it sector will continue to grow at a rapid pace.

The rise of Indian advertising agencies during the previous six years is depicted in table 1:1. (i.e. 2013 to 2019).

Table 1.1: the Indian ad-industry growth (in percent)

Year	Percent
2013-2014	30.4
2014-2015	22.4
2015-2016	17.9
2016-2017	17.8
2017-2018	24.8
2018-2019	23.5

Source: Agency Report Analysis by A& M

Table 1:2 Advertisement Share of Different Product Category

Product category	Advertisement share in percentage	
	2015	2019
FMCG and Food & Beverage	51	44
Durables	14	12
Automotive	9	12
Finance	6	9
Real estates	2	4
Telecommunication	2	7
Personal care	16	12

Source: Agency Report by A& M

The consumer mindset is changing as a result of increased exposure to global marketplaces. The diversity of the Indian market makes things harder for ad agencies in India. Indian ad firms are being pushed to the limit by the necessity to provide advertising solutions that can be used across the

country. The following are some of the challenges that this delicate sector faces.

- the advertising sector has been compelled to adapt to technological advancements.

- with new media options and developing media appearing every day, media planning is getting increasingly complicated.
- advertising clients are increasingly demanding greater services and results.
- advertising companies should focus on volume and transform into one-stop communication businesses.

These are obstacles, but they are not insurmountable. In fact, these stumbling blocks are opportunities in and of themselves. Telecommunications, healthcare, banking, and insurance are all promising sectors for the advertising industry these days. However, the most significant potential to date comes from internet advertising, which is rewriting the rules of the game and shifting advertisers' attention from broadcasting to narrow casting.

The distance between the internet and advertising firms is closing as a result of these new online activities. Not only are the aforesaid improvements going to render the Indian ad-industry technologically sawyer, but they are also going to redraw its every composition with the coming entrance of additional online media such as wap phones, itv, and so on.

There are several cross-holdings, merger acquisitions (m & a), and strategic alliances being employed as strategic weapons in the Indian advertising sector. Ad agencies in India would need to be clear about their focus and primary strengths. "most ad agencies here, big and small, are buying and selling one another, with the more well-known one being wooed by big multinational networks eager to extend their operations and acquire size."¹.

4. Ad-agency and its media planning and practice

In the context of advertising, media services refer to the selection and purchase of media for a campaign. In a full-service ad firm, this is normally the duty of the media planner and buyer. The media buyer's role is to negotiate the price of the media once it has been selected. This work used to be simple. Because there are only a few ad agencies and limited media, advertising clients are limited. However, things have completely altered today. Advertising firms and marketing professionals think that media planning and buying will give them a competitive advantage in the future.

5. The new world of media opportunity

Digital TV is transforming advertising and bringing up a whole new universe of chances for reaching consumers with the arrival of new technology, the media shifting into a digital age, and the entire method in which communication will be different. Traditional areas related with advertising have evolved, developed, and changed significantly. Consumers now have more options than ever before when it comes to reading, watching, and listening.

According to media week 2001, we spend 70% more time on the internet than we do reading newspapers or periodicals. Traditional media is still alive and well. Surprisingly, today's youth are more likely to listen to the radio. In the evenings,

many people turn off their televisions and turn on their computers and radios.

Traditional media is only one of the possibilities available to a media buyer or planner. Today, anyone working in advertising or the media must come up with new and exciting ways to accomplish things. Anything can now be utilised as a medium for advertising. The skies, bus tickets, match boxes, street small bins, taxi cabs, parking metres, shopping bags, ball point pens, lids from take away dinners, supermarket floors, gas nozzles, golf holes, films, and so on have all seen advertisements.

As a result of the foregoing, media positions have gotten far more creative. Digital media will have a significant impact. The agency media planning and buying function has become more professional as a result of the significant rise in media and the opening up of new media opportunities.

Table 1.3: estimated ad spends in the year 2018 (Rs. In millions)

Media	Amount
Press	67934
Press N.P.	59908
Press magazine	8025
TV	49000
TV TRR	13085
T.V & C S	35914
Outdoor	6300
Radio	2500
Internet	500
Cinema	200

Source: Lynnde souza: 2018 a year for building the second st.

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