CHAPTER – VII

Suggestions and conclusion

7.1 Towards a successful advertiser-agency relationship – the advertisers’ perceptions
7.2 Duration of relationship and advertisers’ perceptions
7.3 Nature of business and advertisers’ perceptions
7.4 Type of products and advertisers’ perceptions
7.5 Predictors of agency-switch
Suggestions

The research has brought to open the advertisers' perceptions and the perceptual differences between the advertisers and the agencies regarding the factors leading to successful advertiser-agency relationship. In order to bring down the perceptual gap between the advertisers and the agencies the researcher has come out with problem-specific solutions/suggestions in the following pages. These suggestions would assist the advertisers and the agencies in developing a successful relationship.

7.1 The Advertisers' Perceptions - TOWARDS A SUCCESSFUL ADVERTISER-AGENCY RELATIONSHIP

Track record for results

The findings of this research makes it clear that, the advertisers are more concerned with the agency's ability to maintain a successful track record for results. As weakness in ad-campaigns would slow down the tempo of progress in a relationship, the agencies should consistently develop strong and successful ad-campaigns. This feature would help in developing a successful relationship with the existing clients as well as attracting new advertisers.

Full-service capability

The agencies should develop their infrastructure and abilities to achieve full-service capability. Full-service capability of an agency would draw new advertisers to the agency, would go a great way in developing a successful relationship with its clients and would also enable the agency to get a positive performance rating from the present clients. In addition, the agency's ability to
render the entire range of services from one umbrella would prevent the clients from thinking about or switching over to a new agency for fulfilling an unsatisfied need. If possible even out-of-the-line client’s needs must be catered to.

*The collaboration route*

The present study confirms the advertisers’ preference towards agencies with collaboration. By adopting the collaboration route the agencies can attract new advertisers, develop their organisational abilities and can inject fresh blood into their personnel for superior performance. The collaboration route can also assist the agencies in establishing market dominance.

*Fair treatment*

The advertisers irrespective of the size of their accounts would like to be treated fairly by their advertising agencies. This is not always possible because size of the account would determine the quantum of returns for the agency and accordingly agencies would determine their priorities. Still the agencies should work a way out from this situation, without depriving or disappointing the smaller clients, as today’s small spender may turnout to be tomorrow’s big spender. The agencies should strive to develop the small advertisers into big advertisers by assisting them to grow in their business. Such an act would improve the quality of relationship with the advertiser and would pave the way for the development of a loyal relationship. In certain cases, if the agency feels/ concludes a particular account to be a lame duck then it should develop the courage to bid farewell and utilise that time and efforts for the extra benefit of a potential client.

*Personnel continuity*

The agencies should strive for maximum personnel continuity from their side, as frequent changes in account or agency personnel would disrupt the
continuity in relationship and productivity. In certain cases, it would jeopardize and bring the entire relationship to a standstill. Hence the agencies, to improve the quality of relationship into a loyal relationship, should exercise utmost care in sustaining the services of their productive employees.

**Personal Chemistry**

The advertisers and agencies should work upon ways and means to build/develop a good mutual understanding and a smooth working relationship between them. Common/compatible objectives are a must to develop a good personal chemistry, which might ultimately open the gates to a successful advertiser-agency relationship. Hence the agencies should be cautious while arriving at objectives to work with a client.

In addition, the agencies should be closely associated with their clients and the changes that are taking place in the client’s organisation. In certain cases, the changes taking place in the client’s organisation might result in a change of agency. Hence by closely following the client’s footsteps, the agencies could prepare themselves for the final party and could avoid surprise break in the relationship. This would also protect the agencies from straining their financial muscles, due to a sudden client loss.

**Client focus**

The agencies should have policies that are more client-focussed i.e. more client beneficial or client oriented. Such client friendly policies at the agency would enable the agency and its personnel to work more seriously on a client’s account. This would intum bring the client closer to the agency and reduce the chances for agency switch. Such a situation would automatically result in the developing of a loyal advertiser-agency relationship.
Marketing assistance

The agencies should equip or develop client service executives with a marketing edge to arm their clients with the right marketing thrust or else the agency can set-up a common cell equipped with marketing stalwarts to assist the client service executives in fulfilling their client’s specific marketing needs. This would enable the agencies to improve their performance in the minds of the clients, and thereby providing for the development of a loyal advertiser-agency relationship.

In addition to the above, the agencies should also develop their capabilities to identify and forecast their client’s marketing and promotional needs. In the long run, this service feature would also add to the developing of a loyal relationship.

Creative and media-skills

Agency’s creative and media skills are the most important performance evaluation criteria. The agencies should develop specialized media buying and creative cells within their service umbrella to provide an edge to their clients to successfully handle competition. If agencies cannot afford to set-up specialized cells they may tie-up with the already existing creative and media independents and extend these services. This would help in developing a successful advertiser-agency relationship. On the other hand, if the agencies fail to offer creative and media services of a high order, they are sure to loose their clients.

Period of credit extended

This is another important factor that would determine the course of a relationship. During ordinary situations and during problem circumstances this is the factor on which the advertisers are mostly concerned with. The agencies while committing on the period of credit should be extremely cautious as it
may result in a financial strain to the agency or end-up in loosing a potential advertiser. The period of credit must be tailor-fixed to suit the individual needs of the advertiser.

**Economy in operations**

This factor should be the main theme of functioning for any agency that intends to grow through successful advertiser-agency relationships. By ensuring economy in operations, the agency can build confidence and trust in the minds of the existing clients. Economy in operations is all the more essential, when the advertiser's industry is in a recession and when every body is for economising on expenditure. This factor would go that extra mile in building a successful advertiser-agency relationship.

**Conflicting accounts**

The agencies should under no circumstance sign a conflicting account, as this would be against the interests of the existing clients. No advertiser likes this action from their agency and hence the agencies that wish to develop a successful relationship should prohibit themselves from committing into this.

7.2 **Duration of relationship and advertisers perceptions**

The advertisers' perceptions towards factors leading to successful advertiser agency relationship have changed with the duration of relationship with their present agency. Hence the agencies should take note of this feature and accordingly work out their service plan towards building a successful advertiser-agency relationship.

7.3 **Nature of business and advertisers perception**

The findings of the study clearly projects the idea that, the advertisers perceptions towards successful advertiser-agency relationship varies with the nature of business of the advertisers. The agencies should take note of this fact
while formulating their service plans. This would also enable the agencies in maximizing their productivity with minimum cost.

7.4 Type of products and advertisers perception

The type of products handled by the advertiser's too have a significant influence on the advertisers' perceptions towards a successful advertiser-agency relationship. So the agencies should tailor-make their agency services, keeping in mind the specific needs of the advertisers. This would enable them to nurture and develop successful advertiser-agency relationship.

7.5 Predictors of agency switch

The agencies should be cautious towards advertisers' perceptions regarding predictor factors like non-availability of full-services, poor media skills, poor creative skills and agency not close enough to clients' business. If the clients express their concern for the above factors in a relationship, then the agencies should take this as an 'early warning signal' and immediately initiate fire-fighting measures to rectify the problems in the relationship.

Thus the study has been successful in identifying the factors that contribute to the successful advertiser-agency relationship. Both the advertisers and the agencies should contribute to each other's efforts to make the relationship a success.

In addition, the researcher has the following suggestions to the agencies and the advertisers to nurture a successful advertiser-agency relationship.

The agencies

• Instead of relying on their own perceptions should consistently ask their clients for objective feedback regarding their performance.
• Should develop themselves into “Integrated Marketing Solutions Providers” (IMSP) and “Integrated Marketing Communication Providers” (IMCP).

• Should invest in developing a “Performance Evaluation System” for monitoring the climate of the advertiser-agency relationship and forestall signals of failure before they become critical incidents.

• Should apportion substantial sum of money for training the agency personnel in relationship building.

• May go in for periodic auditing of their operations, the results of which can throw open a comprehensive and systematic view of the agency’s performance. The audit should also review the productivity from the client side.

• When they loose an account, they should initiate a formal and systematic post-mortem to identify the reason. This would enable the agencies in not committing the mistake again.

• The agencies can try ‘Re-engineering’ through which they can meet the needs and wants of their clients cheaper, faster and better.

• The agencies can do away with the traditional pyramidal structures and form ”Strategic Business Units” in the agency. Through which advertisers’ accounts can be spinned-off as individual strategic business units or profit centres.

**The advertisers**

• Should treat the agency as an equal partner.

• Should inform their likes or dislikes regarding the advertisements and agency services to their agency.

• Should keep the agency informed regarding the latest developments or changes taking place in their organisation.

• Should set objectives for themselves and for the agency.
• May change people and not agencies, in case of problems in the relationship.
• Last but not the least, they should ensure that the agencies make a profit on their account.
Directions for further research

• The findings of this study have revealed that the advertisers' perceptions are significantly influenced by the duration of relationship with the agency, nature of business of the advertisers and type of products handled by the advertisers. Hence detailed and thorough research works can be commissioned to probe into how advertisers' perceptions change with these influencers.

• This research has been conducted in Chennai City and hence similar studies can be conducted in the other nerve centres of advertising in India like Mumbai, Delhi, Calcutta, Hyderabad and Bangalore to gain further insights into the subject.

• A comparative study as to how the advertiser-agency relationships are performed in India and in the west can throw more light into the subject.

• Agency specific, advertiser-agency relationship studies can be initiated. Such studies would highly benefit the agencies to improve their relationships with the advertisers.

• The present study gives importance to advertisers and assumes the advertisers to be the dominant partner's in the advertiser-agency relationship. Accordingly the study concentrates more on advertisers perceptions rather than on agency perceptions. Future studies can place more emphasis on agency perceptions towards successful advertiser-agency relationship.