

BrandRepublic industry guide - advertising



Whether it is viewed as an art form or simply a means of selling a product, there is no doubt that advertising plays a huge role in the modern world. Stephen Whyte, chief executive officer of Leo Burnett, gives a beginner's guide to advertising, what it does and how it works

"Advertising is the greatest art form of the 20th Century." Marshall McLuhan may have had his tongue in his cheek when uttering this much-quoted statement, but he started a debate which has continued into the 21st century.

You can dispute whether or not advertising is art, but there is no arguing that advertising is big business. In the UK, £16bn is spent on advertising every year and the industry employs roughly 12,700

people, more than 75% of whom work in London.

It is a young business, where 51% of employees are under 30 and 82% are under 40. Advertising is also a dynamic business, thanks to the entrepreneurial spirit of those who work in it. New agencies spring up regularly, while more established agencies are regularly prone to mergers and acquisitions.

Advertising's global landscape is also changing constantly, as agencies and holding companies consolidate to achieve international clout and economies of scale. In this way, global advertising agencies reflect the global set-up of many clients, from Procter & Gamble and Unilever, to Nike and Levi Strauss.

Last year, French-owned Publicis bought US-based Fallon and Saatchi & Saatchi, while WPP Group, the UK holding company which owns J Walter Thompson and Ogilvy & Mather, became the largest advertising and marketing services group in the world when it bought the US-based advertising network Young & Rubicam in a \$4.5bn (£3.2bn) deal.

A new holding company, B|Com3, was also created in late 2000, when three formerly independent agencies — Japan's Dentsu and two US-based global networks, Leo Burnett and D'Arcy — got together to combine their clout.

In 2001, the advertising landscape changed again as the Interpublic Group of Companies swooped on its smaller rival, True North. With that acquisition, Interpublic was able to add FCB Group advertising network to become its fourth global agency. The deal also gave it the smaller Bozell Group and the BMSG Worldwide public relations network, which has since been merged with Interpublic's Weber Shandwick Worldwide to create the world's largest PR firm.

Despite all this muscle, it is getting harder and harder to reach a mass audience because there are more media environments in which to place advertising than ever before.

The ongoing digital revolution has increased consumer choice, bringing more television channels, more ways to purchase products and new outlets (such as the worldwide web) for advertisers.

Media, telecommunications and electronics are converging to become one giant industry,

illustrated by powerful alliances, such as the merger between AOL and Time Warner.

Media expansion causes problems for advertisers, but it also presents new opportunities by increasing the possibilities for effectively targeting individuals, rather than taking a scattergun approach. Advertising is currently preoccupied with finding the best ways to adapt to this new media environment.

Advertising agency structure

As chief executive officer, there is nothing at this agency I should not get involved in, to varying degrees. Essentially we are in business to make a product — advertising — and I have to make sure that the advertising factory works effectively and efficiently.

The most important relationship I have is with the creative director. You have to have a close working relationship, because that is what brings the whole business together.

Apart from that, the managing director acts as a senior account manager and has a lot of contact with senior clients. He or she also works on new business and running the agency, which means paying attention to the quality of the product and making sure the agency continues to grow and evolve.

One thing you always have to remember is that clients move, so we have to try and lengthen the average tenure of a client, but also to maintain an influx of new clients. I also keep an eye on profitability — it's why we're in business.

All the department heads report to me and I deal with their appraisals, pay and everything else. I also have responsibility for financial planning and capital investments such as information technology.

Clients, creativity and new business are the three big pillars of my job, and of the agency as a whole. If one of those goes wrong, there's no hope.

Account management

More than anything else, account handlers manage the relationship with the client on a day-to-day basis. For the client, they provide a gateway to the agency.

The account manager is the hub in the wheel — someone who organises the agency team of account managers, planners and creatives. They call in all the right resources and make sure that everyone works together to deliver a project on time and on brief.

Account managers also look after the day-to-day business, such as billing the client and looking after the financial side of the account. They also get involved in seeing the execution of the creative work through, obtaining copy approval and getting the client to sign off quotes.

At a more senior level, the account director is a communications adviser. The role extends beyond advertising. They must be business-orientated and commercially aware of the broader issues relevant to the client's business, such as manufacturing and distribution.

The partnership between account directors and planners is very important for developing advertising strategies.

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Planners

The planner's role is to find the most compelling communication strategy and develop a real insight into the relationship between the brand and the consumer.

Consumer research is an important tool of the planner's trade. A planner needs to keep in touch with prevailing attitudes and trends to ensure that the agency's advertising is effective and relevant. They must understand the brand and know how it interacts with the people it is selling to.

Planners are given information from the client about the product and what the client wants the advertising campaign to achieve. The planner then develops a brief which goes out to the creative department and should act as springboard to great creative work.

The three roles — account manager, planner and creative — should be as seamless a team as possible; the planner should not do all the thinking on their own.

Planners used to be much more separate from the whole process, but clients now expect to have a relationship with all the people developing their advertising.

If an agency is about brilliant ideas, planners are about brilliant strategic ideas — they should be the most creative thinkers in the building.

Creatives

The creatives are the brilliant executional thinkers. They work in teams — made up of a copywriter and an art director — to develop the planners' ideas and think up ads which will give brands a strong competitive advantage.

Creatives must be strategically capable as well as being able to think up brilliant ads. More and more often, they are also asked to present their own ideas to the client instead of handing over to account management at the final stage. They also manage and lead the production of the ads, once the idea has been approved.

The creative department is the engine room of the agency's culture. Creatives should drive their culture through the whole agency and charge it up with energy so that everyone at every level is pushing hard for better and better creative work.

New business

The new-business department is the marketing department of the agency. It is responsible for communicating the agency's strengths and capabilities to the most appropriate potential clients.

We develop relationships with possible future clients, even though sometimes it is years down the line before something comes of it. There are also brokers and consultants, such as the AAR which matches clients with agencies, and opinion formers like journalists to keep in touch with.

At a more junior level, new business involves lots of administration, cold-calling potential clients, writing letters and putting together tenders for pitches.

The new-business departments produce marketing material, such as showreels of our ads and brochures. We also have to manage our PR and ensure the agency remains high profile — this is important for attracting potential clients, but we also have to manage the agency reputation within the industry, because that is where we get most of our employees from.

The rest

These are the four biggest departments at an agency but there are lots more, including TV production, which makes deals with artists and draws up contracts with those who deliver the creative work. There is also an art studio, art buying, print production and traffic, which pushes work through the creative "factory" efficiently and effectively.

The information department helps with intelligence for pitch teams and keeps us all on top of client business. Of course, ad agencies have all the other usual departments like finance, admin, human resources and information technology.

The Heinz Salad Cream campaign

Once the new-business team has got us on a pitch list, it is up to us to win the pitch. Normally, a senior team will go in to get the briefing from the potential client, which often takes a long time.



With the Heinz pitch, it also involved a few trips across the Atlantic to Heinz's headquarters in Pittsburgh.

It is important to discuss how much contact the client expects during the pitching process and what information it wants to share with us. Some clients want to see you all the time, and some don't want any more contact until the pitch. Heinz was keen to keep an open dialogue throughout the process.

The pitch was originally for Tomato Ketchup and the Salad Cream account came on the back of that win.

We pull together a team of relevant, available, appropriate people for the pitch and we test the product we are pitching for and we bond together as a team. We research the business, which means desk research and consumer research, so that we can form an intelligent view on the client and get to a good creative brief.

The work is then developed and often there are key stage meetings with the client, in which you can test out or pre-sell your thinking.

Three or four days before the pitch date, you decide on the exact creative route you want to take and then you spend the last few days working on your presentation. It's all about developing strategic thinking and working out how to make a difference and evolve a better strategy. There's always a final presentation — the pitch — which can take up to two hours.

The pitch

Usually four or five agencies are pitching against each other and they present back-to-back over a couple of days. Then there's a delay of one to three weeks, during which the client might knock some agencies out and ask some questions.

If you make it through to the shortlist, there is a second phase of meetings with the clients and discussion of terms of business. At this stage, Heinz met the Leo Burnett team which was assigned to work on the business if we won it.

You win. You celebrate. Then you get the debrief, when the client tells you what they love and

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what they're not sure about and together you work out how to go forwards. Usually, you start again creatively — the pitch is really about demonstrating a good understanding in a short period of time.

Developing the work

Heinz was thinking about withdrawing Salad Cream, so we looked at developing a strategy to give it one last go. The product was stuck in the Sixties — people had warm feelings towards it but they were too embarrassed to buy it.

Only people over 45 bought Salad Cream, so we had to think of a way to appeal to twenty-some-things. We found that lots of them like to mix old and new. They go to Ikea but also buy antiques; they eat stir-fry as well as roast beef. So we went for a retro appeal in the campaign, which spanned television, radio, posters, press and new media.

The client was involved in the whole process. Heinz has the expert product knowledge and it is important that it buys into our ideas and feel a part of it — it makes it much easier for everyone. There was a lot of enthusiasm for the Salad Cream project.



So, we refined our thinking and creative work. From the time we give them a brief, the creative department usually gets four weeks to come up with a campaign. We send scripts to the Broadcast Advertising Clearance Centre, which checks them before we present them to the client, because there's no point selling a great idea which will never run.

Then, when you have settled on one route, there's a round or two of research so that the clients can validate their decisions and justify spending the money.

The production budget for the campaign is then signed off and a director (for a television campaign) or photographer (for press or posters) is chosen.

Once the ads have been made, there is often a final round of research, because the costs of a major advertising campaign are so heavy.

Then the ads are supplied for the media schedule, which has usually been booked a couple of months in advance. The ads are out there and, hopefully, the sales shoot up. Our Heinz Salad Cream work has achieved high awareness and it has lifted sales for the category.

This campaign is still ongoing, so we have continuous debriefs and we are regularly putting out new executions. You don't relaunch a brand overnight.

Suggested reading

***Behind the Scenes in Advertising* by Jeremy Bullmore, NTC Publications, 1998, £26**

Bullmore, a former chairman of J Walter Thompson, has more than 40 years' experience in advertising. This collection of his speeches to the advertising community and features he wrote for the trade press provides real insight into the industry, as well as giving a flavour of what it is really like to work for an advertising agency.

***Conflicting Accounts: How Corporate Greed and Mismanagement Led to the Crash of Saatchi & Saatchi, the World's Largest Advertising Company* by Kevin Goldman, Simon & Schuster, 1997, £17.99**

The story of the Saatchi advertising empire.

***Pocket Advertising* by Caroline Marshall, Economist Books, 1997, £10.99**

A guide to the essentials of advertising from A to Z, plus essays on the future of the industry.

The Players

WPP Group: Ogilvy & Mather, J Walter Thompson, Young & Rubicam

Omnicom: DDB, TBWA, BBDO Worldwide

Interpublic Group of Companies: Lowe Lintas & Partners, McCann-Erickson Worldwide, FCB, Bozell

B|Com3: Leo Burnett, D'Arcy, Dentsu (owns 20%)

Publicis Group: Saatchi & Saatchi, Fallon, Publicis

Havas: Euro RSCG Worldwide, Campus, WCRS, Partners BDDH, Arnold Communications

Grey Global: Grey Advertising, the only independent network in the top 10

Cordiant: Bates, Scholz & Friends (based in Germany), Campaign Palace (Australia)

Key Industry Bodies

Advertising Standards Authority

Tel: 020 7580 5555 Web: www.asa.org.uk

Watchdog for all non-broadcast advertising (ie press and posters). Does not pre-vet advertising but reacts to complaints from the public.

D&AD

Tel: 020 7840 1111 Web: www.dandad.org

Design & Art Direction is a professional association and charity that promotes creative excellence in the advertising and design communities. Its annual awards ceremony is held in May.

Broadcast Advertising Clearance Centre

Tel: 020 7843 8265 Web: www.bacc.org.uk

Approves television advertisements before they go on air. Agencies begin discussions on new commercials at the script stage, before they have even been filmed.

Committee of Advertising Practice

Tel: 020 7828 4224 Web: www.cap.org.uk

Polices the advertising industry's system of self-regulation. Works closely with the ASA and the BACC.

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Incorporated Society of British Advertisers

Tel: 020 7499 7502 Web: www.isba.org.uk

Promotes and protects the interests of advertisers — the clients.

Independent Television Commission

Tel: 020 7255 3000 Web: www.itc.org.uk

Through its codes of practice, ITC regulates the content of commercial television, including the adverts and the programmes.

Institute of Practitioners in Advertising

Tel: 020 7235 7020 Web: www.ipa.co.uk

The industry body for UK advertising agencies.

NABS

Tel: 020 7299 2888 Web: www.nabs.org.uk

Charity providing support for people working in advertising and marketing. Services include a careers consultant, an advice line and a flat-share database.