

A Study on Problems Faced by Advertising Agencies in Chennai City

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ABSTRACT- Marketing is more than just distributing goods from the manufacturer to the final consumer. It comprises all the stages between creation of the product and after market which follows the eventual sale. One of these stages is advertising. The stages are like links in a chain and the chain will break if one of the links is weak. Advertising is as important as every other stage or link, and each depends on the other for success. The product or service itself its naming, packaging, pricing and distribution, are all reflected in advertising, which has been called the life blood of an organization. Without advertising, the products or services can't flow to the distributors or sellers and on to the consumers or users. When a marketers or a firm has developed a product to satisfy market demand after thoroughly analyzing the market, there is a need for establishing contact with the target market to eventually sell the product. Naturally, the best way to reach this mass market is through mass communication along with such other means as publicity, sales promotion and public relation. The main aim of advertising where ad agency plays the major role in market research, making of creative, launching it in the market, taking the feedback of consumers and making any product famous and acceptable among consumers. Ad agencies are playing an important role in shaping present and future of not just selected brand out of the entire company. Media continues to lead in the advertising setting and research shows that it still has a capability to gain further momentum with the next few years as more and more delivery systems are being introduced which appear to be favoured by both the customers and clients.

Keywords – Advertising Agency, Marketing.

I. INTRODUCTION

Marketing is a long term forward looking process whereby, its design, brand and package is to appeal the target market to seek to exploit on. The overall Marketing refers to the plan and preparation to get the product or service ready to sell and identifying the target customers for the product.

The needs and drives for individuals in their 20's differ greatly from individuals in their 50's, so taking the time to assess the target market is important .The branding and messaging have to reach different groups will vary, and to ensure a successful advertising ,is the need to ensure that it is effectively communicated to these groups. So, the marketing involves the ground work of branding and researching the needs of the target market, but advertising is the process whereby it is actually communicated to the target market.

Advertising is considered as the successful resource and a combination of different techniques that could be used for the purpose of promoting goods, services, companies and ideas, usually performed by an identified sponsor. It involves the process where in a message is designed so as to promote a product a thought, an idea or even a service.

The concept of advertising has assumed a dynamic form with the use of the various mediums of communication. From the newspaper, magazines, posters, neon and fluorescent signboards, billboards to the commercial on T.V., laser shows, Window display, display on telephone directories, transit sign on buses, lamp posters ,banners etc., Advertising as an effective medium, it uses a variety of techniques to create effective advertisements.

The main aim of advertising where ad agency plays the major role in market research, making of creative, launching it in the market, taking the feedback of consumers and making any product famous and acceptable among consumers. Ad agencies are playing an important role in shaping present and future of not just selected brand out of the entire company.

STATEMENT OF THE PROBLEM

When the marketer or a company develop a product to satisfy market demand after carefully analyzing the market, there comes for establishing contact with the target market to sell the product.

Being it is a mass market and mass communication, advertising helps in selling the product and it is a tremendous challenge for advertisers to design a message which must give an advantage in a highly cluttered world, where customers are becoming increasingly proficient at simply tuning ads out.

SCOPE OF THE STUDY

This study is confined to the Advertising Agencies in Chennai city. It provides the details of the functions of advertising agencies and about the problems faced by them.

OBJECTIVES OF THE STUDY

1. To find out the Advertising agencies in Chennai.
2. To identify the functions of Advertising agencies.
3. To analyze the problems faced by the Advertising agencies.

II. RESEARCH DESIGN AND METHODOLOGY

Exploratory research is suitable for a problem that has not been analyzed more clearly, with the intention to establish priorities, develop operational definitions and improve the final research design. Exploratory research helps determine the best research design, data. Exploratory research is an examination into a subject in an attempt to gain further insight. With ER, a researcher starts with a general idea and uses research as a tool to identify issues that could be the focus of the future research. A means or manner used for analyzing the study on problems faced by advertising agencies in Chennai city

- A. Selection of sample size.
- B. Selection of Advertising agencies.
- C. Nature of the study.

SOURCE OF DATA

Primary data is collected from the questionnaire relating to Advertising Agencies and topic related to them. Secondary data is from the books, e-books, journals, web sites etc.

SAMPLING METHOD

Stratified Random Sampling was used to identify the advertising agencies in Chennai **PERIOD OF THE STUDY**

Period of the study was from 2016-2018.

AREA OF THE STUDY

Chennai, formerly known as Madras is the capital of the Indian state of Tamilnadu, located on the Coromandel Coast off the Bay of Bengal. Being it is the one of the metropolitan city, the large number of products and different types of brands are available to the millions of people. This brand and the products which are available should reach all the type of people in the city in the proper

way. For that, media like newspapers, radio and TV plays a major role in advertising the product. For advertising the product in the media, advertising agencies plays a predominant role. Chennai is the largest city and there are more than 2000 advertising agencies and my study covers advertising agencies which are located in the North, South and Central Chennai.

LIMITATIONS OF THE STUDY

1. Due to time availability, the sample size was taken as up to 250 respondents.
2. The data was collected through questionnaire method and it is related to Advertising agencies only.
3. The study is only from the employees, who are working in the Advertising Agencies.
4. Details of the marketing plan will not be appropriate and unclear.
5. The budget is unconfirmed and changing day to day.

III. REVIEW OF LITERATURE

Advertising catalog as a source of information Kristina Titrate (2018) The modern catalogue is a tool for persuading and conquering customers. An advertising agency is a tool that gives a complete idea about the product goods and services offered, the customer is convinced that the company is better and more interesting than competitors. The aim of the current study of this article includes types, aims services offered factors role, problems faced by the advertising industry. Research methods, theoretical research of analysis of literature related to the industry and internet resources.

Taylor Francis (2018) Agencies transmitted into 'ad groups' by leveraging their branding, methods and client networks. This chapter addresses how advertising became organized globally with in groups and how it developed across different regions of the world. The chapter also highlights a series off challenges that working globally involves for advertising practitioner and identifies the leading exponents of globalised advertising today.

American marketing association (2013) It involves someone usually an organization of some sort paying for the right to display a message for his or her own choosing at a particular space or during a particular time, usually in some form of mass media with the aim of persuasion of some kind.

Falls, (2010) states that advertising creatives have always primarily focussed on traditional media and therefore are not wed savvy. For most of the employees, during the traditional advertising era, there were technological or electronic designing classes. Advertising was more art focussed which means the agency directors and designers were and still are more art focussed than technological

Dewdney and Ride, (2006) state that one of the key features of new and emerging media technologies which are now being used to advertise are often portable and have the capability to reach a wider audience within a very short space of time.

IV. ADVERTISING AGENCIES IN CHENNAI

There are more than 2000 advertising agencies are in Chennai. Some of them are

1. Single Stroke: It carries out a range of business related services for small and large organizations.

Services offered: Branding, Advertising, Design, web design, Brochure design, digital marketing, videos, music and photography.

2. New 10 media: It is a top player in the category ad films makers in the Chennai. This well-known establishment acts as a one stop destination servicing customers both local and from other parts of Chennai.

3. Newsmen Associates Ltd: It provides the small and big business platform to showcase themselves in front of their large scale audiences via newspapers, magazines advertising,

Pamphlets insertion, services, advertorials, airports, astrology, banner, brand promotion, brochure, business card etc.

4. Almighty media solutions: Alpha photography caters people who are in need of photography and videography services in the field of wedding, family events, corporate events, portfolio and commercial products.

5. Zero Ads India Pvt.Ltd .As the name implies specializes in offering excellent advertising services for people based in Chennai.

Services offered: Personalized indoor/outdoor advertising, TV advertising, banner designing service.

FUNCTIONS OF ADVERTISING AGENCY:

- It saves the costs and time of the companies who are trying to market their products and services
- It allows the companies to create brand awareness among the customers.
- It supports the companies in improving sales and market value of their products and services
- It will convey the products and services messages of the specific company to the customers
- On behalf of companies, advertising agency is capable of making efficient advertisements in order to succeed themselves in the market place

Table No. 1 Frequency Distribution of Agency's ownership of Advertising Agency

Agency's ownership	Frequency	Percent
Government	10	4.0
Private	240	96.0
Total	250	100.0

From the above table,4% of Advertising agencies are owned by Government sector and 96% of Advertising agencies are owned by Private sector.

Table No.2 Mean and SD of Functions of Advertising Agency's

	Mean	SD
Identifying Brands	4.960	0.196
Information	4.680	0.509
Persuasion	4.800	0.401
Demand	4.780	0.461
Previewing New Trends	4.820	0.385
Customer Base	4.740	0.659
Pricing	4.760	0.473

Based on the mean score Identifying brands (4.960) is the most important functions of advertising agencies followed by previewing new trends (4.820), persuasion (4.800) and so on. The least factor is information (4.680), customer base (4.740) and so on.

Table No.3 Mean and SD of Problems faced by Advertising Agency's

	Mean	SD
Demanding Clients	4.800	0.634
Shrinking Margins	4.580	0.534
Change in Technology	4.520	0.609
Agencies by Publishers	4.580	0.604
Critical hunt for Talent	4.640	0.657
Creating Identity	4.720	0.450
Extra Cost	4.600	0.567
Organization	4.540	0.574
Rapid Changes in Media	4.680	0.467
Changing Marketing Conditions	4.560	0.536
Fragmenting Landscape	4.640	0.626
Clients Attitude	4.780	0.461
Lack of Comprehensive measurement	4.500	0.576
Difficulty of Tracking	4.500	0.609
Difficulty of Buying	4.580	0.604
Banner Size	4.520	0.609
Low Commission	4.540	0.538
Improper Message	4.420	0.804
Poor Encoding	4.520	0.782
Poor Media Selection	4.360	0.891
Inaccurate Decoding	4.420	0.828

Based on mean score, demanding clients (4.800) is considered as the most important Factor followed by clients attitude (4.780), creating identity (4.720), rapid changes In media (4.680),critical hunt for talent(4.640),fragmenting landscape (4.640),extra cost (4.660),shrinking margins(4.580),agencies by publishers (4.580),difficulty of buying(4.580),changing marketing conditions (4.560),organization(4.540),low commission(4.540),change in technology (4.520), banner size(4.520),poor encoding(4.520),lack of comprehensive measurement(4.500),difficulty of tracking(4.500),improper message (4.420)inaccurate decoding(4.420),poor media selection(4.360).

V. FINDINGS

1. 96% of Advertising agencies are owned by Private sector.
2. Identifying brands (4.960) is the most important functions of advertising agencies
3. Demanding clients (4.800) is considered as the most important problem faced by the advertising agencies
4. There are more than 2000 advertising agencies in Chennai
5. Growing competition was the threat to the agencies
6. The agencies create brand awareness
7. It helps in improving the sales and market value of the products

VI. SUGGESTIONS

1. Advertising agencies should track the changing market condition.
2. Due to change in technology also, problems exists in the advertising agencies.
3. Poor encoding and improper message are the areas stills the advertising agencies are have to improve on.
4. Selecting the suitable media for advertising the product is considered to look upon.

VII. CONCLUSION

Overall part of this study covers to identify the problems faced by advertising agencies.

Suitable steps to be taken to overcome the problems. In conclusion, it is apparent that the rise of competition has posed challenges for advertising agencies in that major changes have been realised within the advertising industry as a whole and to the role of advertising agencies in particular. Advertising agencies work as a link between clients and consumers however the speed with which the delivery systems avails new content on various platforms cannot be matched by platforms used by advertising agencies. Media continues to lead in the advertising setting and research shows that it still has a capability to gain

further momentum with the next few years as more and more delivery systems are being introduced which appear to be favoured by both the customers and clients,

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