



## ASSESSING THE IMPACT OF ADVERTISING AGENCIES ON EFFECTIVE ADVERTISING CAMPAIGNS

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**ABSTRACT:** *Advertising agencies are key players in any advertising campaign. They have several roles in the initiation, production and dissemination of commercial messages through a suitable medium. Advertising campaigns are undoubtedly very crucial and require being handled and executed by experts to avoid wasting human and material resources. As such, advertisers engage the services of advertising agencies to help them realize their commercial goals. This paper specifically examines the impact of advertising agencies on successful advertising campaigns. Empirically, this paper adopted a survey method to gather resourceful data from 250 respondents who were accidentally selected among media practitioners, including a certain class of residents of Osun State, for their in-depth knowledge of advertising. Asymmetric Theory and Persuasion Theory, that are relevant to this study, were adopted. In the end, analysis of data collected with the aid of descriptive statistics of frequency, percentage and pie chart, as well as inferential statistics of Chi-square, proved to the fact that the role of advertising agencies on successful advertising campaigns cannot be overemphasized. The study recommends that advertising agencies should put more effort in discharging their duty to clients and should step up and take their place in the present globalization revolution.*

**KEYWORDS:** Advertiser, Advertising Agencies, Advertising campaign, Client.



## INTRODUCTION

Advertising is everywhere. We tend to ignore it but even at that, in the words of Batey (2014), advertisers find new ways to make it more ubiquitous. As a result and as with television, no one is neutral about advertising—we love it or we hate it. Many of us do both, consciously or unconsciously. According to Eisenberg (2012), the typical person sees 3,000 advertising messages a day and more than 2 million ads by the time he or she is 25 years old. Batey (2014) buttresses this view when he said that there are a lot of ads and a lot of advertisers, so pitches are showing up in some unusual places.

Historically, those businessmen of ancient time who had products and services to offer to the public used a form of advertising to achieve good turnover. Sandage (2011) states that advertising came to the colonies (Nigeria inclusive) via England and British advertising was already leaning toward exaggeration and hyperbole, but colonial advertising was more straightforward.

Lintas (2013) paints an accurate picture of the establishment of the first advertising agency in Nigeria and consequently, modern advertising practice, in the following words: *A way up on the Gold Coast, as Ghana was known then, a trading company by the name of The African & Eastern Trade Corporation, was operating under the commercial umbrella of the United Africa Company.* Advertising in Nigeria therefore has its roots in a global business environment. However, with further nationalistic posturing, the Indigenization Decree of 1972 reserved ownership of advertising agencies to only Nigerians. This meant that all foreign agencies operating in the country had their ownership transferred to Nigerians. These agencies included LINTAS Lagos; Oglivy, Benson & Mather; Grant; among others. Not only were agencies fully indigenized, all outdoor advertising businesses were indigenized as well as the ownership of the print medium.

By 2005, almost all the global agency networks had found their way into Nigeria. This development was not a localized Nigerian experience. According to Russell (2010), the media got much of that advertising through the advertising agency, which started out as men selling advertising space on a percentage basis for out-of-town newspapers. Later, they also planned, prepared and placed the ads and rendered further services. The story of the advertising agencies is deeply rooted in the growth of American industry and advertising. The world of the advertising agency is one of dramatic change. In the words of Russell (2010), agencies once known for their personalities and definite ad philosophers have either disappeared or merged at the international, national, regional, or local level. There are a lot of opinions about the changes—pro and con. Many of the new agencies have not existed long enough in their merged state to develop a personality or a clear image of themselves.

Categorically, they stated that there are good reasons why most general advertisers prefer to use an agency for at least part of their advertising. First, an agency retains high-priced and highly skilled specialists whom a single client could not afford. Some ad agencies specialize in a single type of business. Most offer a broad array of specialized services that can be tailored to the client's needs.

### Advertising Defined

Large promises are the soul of advertising practice. The promise is geared towards persuading the prospective end-users of goods, services and ideas to buy such advertised



products, goods or services. Advertising is everywhere. As it becomes more ubiquitous, we tend to ignore it. But as we tend to ignore it, according to Baran (2014), advertisers find new ways to make it more ubiquitous. As a result, no one is neutral about advertising. We love it or we hate it. Many of us do both. Taking a cursory look at few definitions of advertising, we understand why there is the frequent placement of advertisements on daily bases (Dunn & Barban, 2012).

Advertising is the communications arm of the marketing process. Like any communications technique, advertising can tell a number of stories, each with its own goals and objectives. Advertising is a method of delivering a message from a sponsor, through an impersonal medium to many people. Russell and Lane (2013) posit that the word “advertising” comes from the Latin *ad vertere*, meaning “to turn the mind toward”. From their point of view, it means that the roles of advertising are many: it can be designed to dispose people to buy a product, to support a cause, or even to do less consuming (demarketing). In corroborating this definition, Dunn and Barban (2012) state that advertising is a message paid for by an identified sponsor and delivered through some medium of mass communication.

Advertising in Nigeria is said to have begun naturally with one of the earliest forms of mass communication—town crying. This traditional African medium performed the universal communication function of disseminating information about available goods, services, and ideas to the people (Ogbodoh, 1990 cited in Na’Allah, 2014).

In the Igbo areas of Nigeria, as in many other parts of the country, the most important information was disseminated in the village squares and market places through these town criers. Town crying was also frequently employed to carry out advertisements or information about inter-tribal wars, disasters of some sort, and important ceremonies including marriages, births, deaths, products, services, ideas, personalities and bargains. Ogbodoh goes further to state that hawking and displays were the other known methods of advertising in Nigeria in the earliest times. Hawkers advertised their wares by calling out the wares they had, and asking people to buy them by extolling the quality and quantity of such goods (Ogbodoh, 1990). He further opines thus about displays:

The advent of the printing press in 1450 affected advertising a great deal. In Nigeria, the first printing press was established in Calabar by the Presbyterian Church in 1846. The establishment of the first Nigerian newspaper by a Reverend Henry Townsend, a Christian Missionary Society (C.M.S.) Reverend in Abeokuta in December 1859, changed the face of advertising in Nigeria. The newspaper was titled: “*Iwe Irohin Fun Awon Ara Egba Ati Yoruba*”, meaning “Newspaper for the Egba speaking people and Yorubas”.

Furthermore, Bel-Molokwu propounds that: The first formal media advertisement ever carried out in Nigeria was in Iwe Irohin and was in the form of information on shipping movement and cargo. It was a classified category ad. From then on, other sorts of advertisements began to appear in the newspapers, while growth of printing saw the emergence of well-printed black-and-white posters which led to the birth or organized outdoor advertising as we know it today (APCON, 2000).

Consequently, other advertisements like obituary, social activities like christenings and ballroom dances began to appear in the newspapers. The development of modern photography also added depth to newspaper and outdoor advertising. The advent of the “Iwe



Irohin” led to the establishment of other newspapers. According to Osunbiyi (1999), the year 1863 saw yet another birth of a newspaper in the country called Anglo African. It was founded by Robert Campbell and regarded as Nigeria's first English newspaper. The latter part of the 19th century witnessed the establishment of many more newspapers. They included the Lagos Times, the Gold Coast Advertiser (established in 1880), and the Lagos Observer, with Bogan Benjamin as its publisher. In 1882, The Eagle was established followed by Owen Macaulay's Lagos Critic in 1883. Most of these early newspapers were short-lived because they did not develop the flair for attracting advertising support.

With the oil boom of the early 1970s, there was an upsurge in business activities and turnover. This led to the need for more advertisement by these companies. This led to the formation of more advertising agencies. Such agencies include Rosabel, Goldmark, PAL, Insight Communications, and others. Today, in Nigeria, advertising is now a big business. There are more than two hundred agencies registered with the Association of Advertising Agencies in Nigeria (AAAN); while you can count up to about two hundred or more small agencies not registered with AAAN.

### **The Advertising Agency**

These are organizations that help advertisers produce their advert copy. You may be curious and want to know why companies will not just create its own advert copy by itself and save costs or why an advertiser will rather use an agency over another despite the exorbitant bill of the former.

Arens (2008), quoting the American Association of Advertising Agencies, defines an advert agency as “an independent organization of creative people and business people who specialize in developing and preparing marketing and advertising plans, advertisements and other promotional tools”. Nwawenne (2003) adds that the advertising agency also purchases advertising space and time in various media on behalf of different advertisers or sellers to help them find customers for their products.

These definitions give an insight to the role of advertising agencies. Because advert agencies are independent, that is, they are not owned by the advertisers or its management, they stand to view the product objectively and can bring in objective viewpoints to advertisers’ businesses.

Advertising agencies are loyal only to their clients (the advertisers). Their obligation morally, financially and otherwise is to their clients. Advertisers in turn rely on them to create more effective advertising and select more effective media than they can themselves. They employ the services of advert agencies in their own interests.

### ***Types of Advert Agencies***

Advert agencies are usually classified by their geographic range, the types of services they offer and the types of businesses they do.

Geographically, advert agencies are grouped into local, regional, national and international agencies. By what services they offer, advert agencies are grouped into full service agencies and specialized service agencies. Full service advert agencies offer both advertising and non-advertising services to their clients, while non-advertising services include packaging, public



relations, producing sales promotion materials, annual reports and so on. This kind of advert agency is either a general consumer agency or a business-to-business agency.

### ***In-house Agencies***

These are advert agencies fully owned by advertisers. Usually, they carry out the same function as an independent advert agency would but they are under the directives of the management of the company.

### ***Advertising Suppliers***

Suppliers are organizations or people who produce specialized services to the advertising business. They include art studios, web design houses, artists, film and video production, production houses, and research companies.

### **Functions of Advertising Agency**

An advertising agency is an independent service-rendering organization. It delivers various services and performs many functions for its clients, who are the advertisers. It is mainly involved in activities like planning, preparing and placing of ads in media. It also performs non-advertising functions for them. It offers them advisory and creative services. It does so to make a profit.

Williams Backie (2007) highlighted eleven main functions of an ad agency as follows: attracting clients, research function, advertising planning, creative function, media selection, advertising budget, coordination, sales promotion, marketing research, non-advertising functions and public relations.

## **THEORETICAL FRAMEWORK**

### ***Rhetoric/Persuasion Theory***

Mr. Hovland's "Rhetoric/Persuasion Theory" of 1940 posits that the more people learn and remember from an ad, the more persuasive the ad will be. His research was designed around the step-by-step process through which people are persuaded: attention, comprehension, yielding and retention of the message. This theory is relevant in the context of this study since a successful advertising campaign is built on conviction and persuasion.

### ***Asymmetric Approach***

Asymmetric Theory, a public relations theory also called "scientific persuasion" propounded by James Grunig and Todd Hunt in 1984, generally focuses on achieving short-term attitude change; it incorporates lots of feedback from target audiences and the public. This theory is essential to this study as it creates the opportunity for an organization to primarily interest in having its public come around to its way of thinking rather than changing the organization, its policies, or its views.



These theories are relevant to this study on the area of changing their attitude and creating another buying behaviour for a particular product. These necessitated the following research questions:

- (i) To what extent do advertising agencies contribute to successful advertising campaigns?
- (ii) Does successful advertising campaign rest on good advertising agencies?

It is a known fact that the advertisers, agency and media must work together to achieve success in any advertising campaign, but this study intends to examine the role of an advertising agency on a successful advertising campaign.

### **Objectives of the Study**

The aim of this study is to assess the impact of advertising agencies on effective advertising campaign, while the objectives are:

- i. To determine the extent to which advertising agencies contribute to successful advertising campaigns
- ii. To ascertain whether successful advertising campaigns rest on good advertising agencies.

### **Hypothesis**

H<sub>0</sub>: Successful advertising campaigns do not significantly rest on advertising agencies.

H<sub>1</sub>: Successful advertising campaigns significantly rest on advertising agencies.

### **METHODOLOGY**

The study employed survey research method. Baran (1999, p.350) writes that surveys are designed to scientifically describe phenomena and their relationships in the actual environment at a given time. Survey is appropriate for this study in that it is used for investigating attitudinal and behavioural change(s) in people in their natural setting. The study adopted an accidental mean of non-probability by randomly sampling to select 250 media practitioners and certain class residents of Osun State, most especially those who were knowledgeable about advertising concepts. The questionnaire was used for data collection and the technique for data analysis was simple percentage method expressed in table of frequencies. Inferential statistics of Chi-square was also adopted for hypothesis testing with the aid of Microsoft Excel 2007 and SPSS IBM vs23.

## DATA PRESENTATION AND ANALYSIS

**Table 1: Respondents on the extent to which advertising agencies contribute to successful advertising campaigns**

Variables	Frequency	Percentage
Large extent	155	62%
Low extent	85	34%
Zero extent	10	4%
Total	250	100%

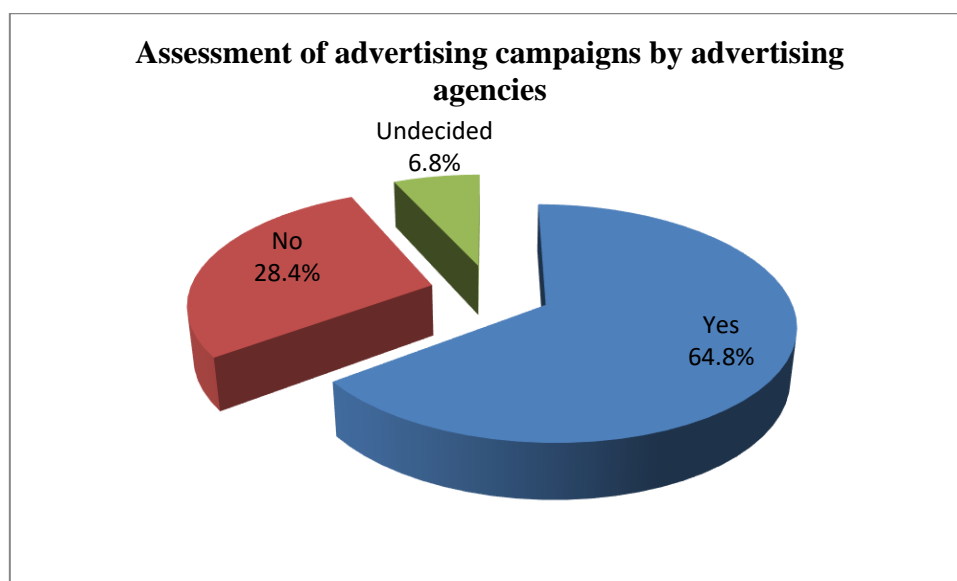
*Source: Field Survey, 2021*

**Analysis:** The table above indicates that 155 respondents (62%) said advertising agencies contribute to successful advertising campaigns to a large extent, 85 respondents (34%) said advertising agencies contribute to successful advertising campaigns to a low extent, while 10 respondents (4%) said advertising agencies contribute to successful advertising campaigns to zero extent. By implication, advertising agencies have immense contributions to successful advertising campaigns.

**Table 2: Respondents assessment of whether successful advertising rests on advertising agencies**

Variables	Frequency	Percentage
Yes	162	64.8%
No	71	28.4%
Undecided	17	6.8%
Total	250	100%

*Source: Field Survey, 2021*



**Figure 1: Assessment of advertising campaigns by advertising agencies**



**Analysis:** The above indicates that 162 respondents (64.8%) believe that successful advertising rests on advertising agencies, 71 respondents (28.4%) claimed otherwise, while 17 respondents (6.8%) were undecided about the question.

The table proved that advertising agencies have a lot to do to achieve successful advertising campaigns.

### Chi-Square Test

**Table 3: Variable**

	Observed N	Expected N	Residual
Yes	162	83.3	78.7
No	71	83.3	-12.3
Undecided	17	83.3	-66.3
Total	250		

**Table 4: Test Statistics**

	Variable	Frequency
Chi-Square	128.888 <sup>a</sup>	128.888 <sup>a</sup>
df	2	2
Asymp. Sig.	.000	.000

Since p-value (0.000) is less than the 0.05 level of significance,  $H_1$  is thereby accepted and inferred that successful advertising campaigns significantly rest on advertising agencies. In other words, advertising agencies have a lot to do to achieve successful advertising campaigns.

## DISCUSSION OF FINDINGS

Some research questions were raised in order to analyze and explore the topic, “The Impact of Advertising Agencies on Successful Advertising Campaigns” Questions related to these research questions were included in the questionnaire. After thorough field work, collation and analysis of the data collected, it was discovered that advertising agencies have immense contributions to successful advertising campaigns.

From table 4 above, it shows that the majority of the respondents believe that advertisers engage the services of advertising agencies for their campaigns at high rates, and it is inferred that successful advertising campaigns significantly rest on advertising agencies.





## CONCLUSION

Having carefully reviewed relevant literature materials and having interpreted and analyzed the responses from the respondents, it is safe to conclude from the data collected and analyzed above that the best advertising campaigns are staged by advertising agencies. Advertising agencies have a great impact on successful advertising campaigns. Also, it is to be noted that not all advertising agencies produce good campaigns as a result of outdated strategies or invalid research outcomes.

## RECOMMENDATIONS

It is no doubt that advertising agencies have immense importance to the economic market, so it is highly recommended that

1. Advertising agencies should put more efforts in discharging their duty to clients
2. Advertising agencies should step up and take their place in the present globalization revolution in the world
3. And most importantly, they should make sure not to adulterate the Nigerian culture while trying to promote the goods and services of their clients.

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