

Advertising: The Advertising Agency and the R&D Department

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ABSTRACT

The role of the advertising agency in selling products is discussed. Suggestions are made on the importance of the R&D Department in helping an agency develop and implement a sound advertising campaign.

Advertising is salesmanship in any medium that reaches a potential customer. Advertising helps to familiarize people with the product and brand name, reminds them when and where to buy, spreads the word about new products and improvements, supplements a retailer's advertising, reassures customers after they have bought a product, and helps to personalize the company.

An advertising agency is an organization of business and creative people dedicated to making advertising succeed.

Advertising agencies basically have seven tasks to accomplish:

- Study the product and what it is supposed to do; determine its advantages and disadvantages compared to the competition.

- Study the product's present and potential market. Who uses the product? Why? Are there other uses not yet thought of? Are there pertinent seasonal or geographical factors? Would the product appeal to another market?

- Study the product's distribution system. How can the product be moved to the point of sales profitability? Who are the key people in distribution channels? What does the competition do differently? What discount structures or price promotions could help move more product?

- Study the potential advertising media. What media will get the message to the best potential customer at the lowest effective cost?

- Formulate a marketing plan. What markets are to be reached? What media channels will be used? What will it cost?

- Implement the plan. The advertising agency prepares the messages, contracts for space and time, and distributes the advertising messages. Then the agency verifies the messages were run as purchased before preparing the billing and making payments.

- Cooperate with the sales effort.

There are several departments within an advertising agency that are pertinent to research and development activities. The account group is liaison between the client and the agency; it represents the client at the agency and it represents the agency to the client.

The creative department is responsible for the execution of creative strategies. The art director is concerned with the overall visual look of the advertising message while the copy writer has to translate the product message into a meaningful written or verbal communication.

The success or failure of advertising rests on its ability to persuade a sufficient number of prospects to buy a product.

Effective advertising must present a difference between products that truly makes a difference to the consumer. Successful products stem from consumer needs. An advertising claim, then, must be different and important; it must show how a product's benefits solve a consumer's problem. The primary claim of an advertisement—its Unique Selling Proposition(USP)—must separate the product from its competitors, and grab the potential buyer's attention to create awareness about the brand. The USP should help convince the prospect of the product's benefits, thus persuading him or her to buy the product.

There are various regulations and industry codes that promote truth in advertising. The Federal Trade Commission was established in 1912 by an act that stated "Unfair methods of competition in commerce are hereby declared unlawful." In 1971, the Council of Better Business Bureaus and the American Association of Advertising Agencies (AAAA) took steps to police the advertising industry by forming the National Advertising Division (NAD) and the National Advertising Review Board (NARB). Both groups concern themselves with advertising content to determine whether an advertisement has the capacity to mislead or deceive.

Other factors promoting ethical advertising include: the advertisers themselves with their own standards; various industrial advertising codes; the AAAA creative code; agency and client legal departments; networks concerned with Federal Communication Commission guidelines; local, state and federal agencies of diverse interests; consumers; and competitors.

There are several ways in which research and development workers can work more effectively with the advertising agency.

- Sit down and talk. The company, and particularly its R&D employees, know best about the product. The agency knows best about the consumer. A good initial think session may establish a sound basis for an advertising campaign.

- Try to provide your information as soon as professionally possible. Advertising is an industry of continual deadlines.

- Develop substantiation for any claims as early as possible. At some time, someone is going to ask for documentation.

- Develop a list of product benefits and problems, from the consumer's point of view. This will give the agency basic information at the start and save some time in answering questions later.

- Ask your agency for information about products in a similar category and for information about the competition's marketing and advertising. This can be helpful in new product planning or in reformulating existing products.

- Finally, be patient. The agency is only trying to make you a winner.