

How to Select an Advertising Agency: A Structured Approach

J. Scott Armstrong

The Wharton School, University of Pennsylvania

Below, I suggest a structured procedure for evaluating an advertising proposal or “pitch.” If you would like to see an example of the use of this procedure, see Armstrong (1996). To apply this procedure, use the Proposal Evaluation Sheet, available on the Advertising Principles homepage. This application relates to a bidding of the Subaru account.

Ideal Selection Criteria: What the Clients Should Get

I suggest an examination of 11 criteria when selecting an agency. To determine whether my list is comprehensive, I reviewed it with five experts. In all, they represent over 120 years of experience in advertising. One of these expert is currently a director of a large New York advertising agency, one had been the head of advertising research for a large consumer products company, one is the founder and head of a moderate-sized Philadelphia agency, and two are marketing professors who have worked for ad agencies. I asked them what is missing from the list and how would they weight these factors in the evaluation of an agency.

Interestingly, the experts did not think anything was missing from the list. Also interesting was that they thought that each of the elements was of some importance. The average weightings across the five experts are provided in parentheses.

1. **Planning techniques:** Do they know how to plan a campaign effectively? For example, do they provide an effective time-line for developing a campaign? Do they consider alternative strategies? Do they have contingency plans? Did they plan this meeting effectively? Much evidence exists that formal planning techniques will improve the performance of an organization. Are they aware of this research and of the recommended procedures? (9%)
2. **Objectives:** Do they focus on your primary objectives? Do they know how to assess the effectiveness of advertising so as to be able to determine whether the advertising is meeting these objectives? Can they tell whether the advertising is providing a good ROI? What are the measurable outcomes and what level of success might be expected on each? Will they provide any guarantees on the success of the campaign? Is their own compensation tied into your success? (11%)
3. **Target market research:** If it is necessary to obtain additional information about the target market, do they know how to design and evaluate such studies so that they will relate effectively to the advertising campaign? Do they know how to effectively use survey research methods? An examination of one of their prior reports might be useful here. Are they aware of the research in this area? [One way to assess this would be to compare one of their target market research reports with the research-based advice provided by Dillman, 1978]. (9%)
4. **Creativity techniques:** What techniques and procedures do they use to enhance creativity? For example, when they say that they used brainstorming, does this merely mean that a group of people sat around and tossed out ideas, or does it mean that they actually followed a highly structured brainstorming procedure? Whereas clients may not be able to judge the level of creativity of a proposal, they should be able to judge whether the *procedures* seem to be useful, so they should ask the agencies to explain these procedures. It is difficult to predict whether a group will come up with another creative

- idea just because they came up with a creative idea for the proposal. Worse yet, it is difficult to judge the creativity of a given idea. But much evidence exists to show that structured creativity techniques are superior to unstructured group processes. (16%)
5. **Persuasion research:** Are they familiar with the extensive research findings on how to persuade people? If yes, how do they ensure that this research is brought to bear on the advertising campaign? Do they have good grounds for violating this research (for example, research on the specific product may show that it is an exception from the general principles.) (4%)
 6. **Copy alternatives:** What copy alternatives would they consider and why? If they base this on the “big idea,” what alternative “big ideas” were considered. And why was this big idea selected? (9%)
 7. **Copy testing:** What procedures would they recommend to test and select the most effective of their copy alternatives? (7%)
 8. **Media alternatives:** What media alternatives would they consider and why? (9%)
 9. **Media testing:** How would they determine the optimal amount to spend on an advertising campaign? What procedures would they recommend to select the most effective media? Do they focus on the objectives? For example, how would they calculate ROI by media? (7%)
 10. **Capabilities of the team:** What are the capabilities of the people who will be working on the proposed account? Do they have any conflicts of interest? Do they have a complete list of clients served so that failed as well as successful relationships might be examined? (15%)
 11. **Taste/legal/ethical guidelines:** What procedures does the agency take to protect your company from causing offense to interest groups, from boycotts, or from legal or ethical consequences? For example, do they have a formal review board that has legal expertise and that recognizes the interests of groups that might be affected? Do they have a written code of ethics that they formally apply to each campaign? (4%)

There are three themes underlying the above list. The first is that it is easier for an advertiser to evaluate the *procedures* that an agency uses than to judge the ads themselves. Along with this is the assumption that there are many proven procedures for developing an advertising campaign. Second, much research-based knowledge exists on how to effectively persuade people. And, third, it is important to do research for a proposed campaign. The latter would cover target market research, copy testing, media evaluation, and ways to monitor the success of the campaign.

Interestingly, the experts place much more importance on the creativity process (criteria 4 at 16%), than on the copy alternative (criteria 6 at 9%). This is consistent with the results of Henke’s (1995) survey on why agencies switch. She concluded, “creative skill is by far the most important criterion used in evaluating an agency.” At the same time, she found that “winning numerous awards was not very important.

Note that the experts placed such little importance on persuasion research. They rated it as the least important item. This is consistent with Helgesen’s (1994) interviews of 40 representatives of the ten largest advertising agencies in Norway: He concluded that “As to the potential support from academic research, in order to improve advertising effectiveness, the opinions and attitudes were utterly vague or nonexistent.” In contrast, I believe this to be the most important aspect of an advertising campaign. The research findings over the past half century tell what strategy is likely to persuade people to buy a product. It tells when it is important to use a

two-sided appeal, when to use comparative ads, and when to use long copy. Some of these findings conflict with advertisers' beliefs. Of course, some of this evidence is consistent with what advertisers believe, such as research on when you do not want to provide a clear message (when to distract the consumer). You do this when you have a bad product. Rothenberg (1994) cites the old adage that "nothing will kill a bad product faster than good advertising."

Would agencies be able to provide such ideal proposals? I am sure that agencies would learn quickly if their clients asked them to provide such information in a proposal.

References

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