Chapter 5

The Organizational Structure of Advertising Agencies and New Directions

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ABSTRACT

The acceleration of globalization caused transformations in the area of communication, as in many other areas, and innovations brought about by information technologies have diversified operation methods and management, as well as organizational understandings of business companies within the global competition environment. Evolving towards post-modern structuring, companies have gravitated to customer-oriented business management strategies, where companies see their customers and market environment from different angles while conducting their advertising activities. The mass marketing sense, which was effective for a long period of time, was gradually alienated, and particularly with the intense utilization of social media and digital environments, the understanding of personal marketing (which more quickly connects products with their target audiences) was adopted in order to influence customers, who now have a multitude of choices. This chapter focuses on introducing the new organizational structures of advertising agencies in the social media age.

INTRODUCTION

Customer-oriented business management strategies require both the correct management of information and the rational use of services in terms of quality, cost and time for the consumer. Due to the diversity of and differentiation between communication areas, companies’ foreseeable risks can be minimized, and this can provide an advantage for companies within the global competition environment. The effective utilization of information and communication technologies reduces opera-
The Organizational Structure of Advertising Agencies

The organizational structure of advertising agencies plays a crucial role in modern times. The increasing competition and the shortening of product life cycles have led to companies seeking ways to maintain their presence in consumers’ minds. As a result, advertising agencies have had to adapt their structures to meet new requirements and search for innovation.

Advertising agencies must work synergistically with business companies in many fields. They must adopt identities for brands, create customer value, and form new media. Only by doing so can advertising agencies protect their advantages in the global competition area, as long as they can render their investments compatible with the information processing technologies required by the social media age.

The concept of advertisement exists in our life; it has become a concept identified with popular culture and has consequently shaped the consumption patterns and fashioned the understandings of people in the information age. Regarded as a method of communication, advertisement is a communication type that conveys information and news, can create common feelings and thoughts, and generates motivation for the formation of certain ideas, behaviors, and purchasing patterns (Canpolat, 2012, p. 98).

While a positive brand image is formed in the consumers’ minds through advertisement, a connection is made between brands and the consumer with the aim of creating loyal customers. An advertising agency is a professional company that conducts its activities for the purpose of conducting and sustaining works, such as creating an advertising campaign, developing main sales theme, submitting advertisement tools to companies, and publishing these advertisement tools (Mucuk, 2009, p. 230).

Today, it is vital that advertising agencies highlight their original creative abilities while working towards the goal of increasing sales; this is their primary goal, as it is vital for business companies. Transforming the concept of “agency” in modern times within the advertising sector started during the 1960s when Marion Harper expanded the McCann agency using various purchases and mergers under the name “Interpublic”.

A SHORT VIEW ON THE FUNCTIONS OF ADVERTISING AGENCIES, AGENCY TYPES AND STRUCTURES

This study aims to evaluate the reflections on the social transformations caused by the gradual and widespread use of information technologies in the communications management strategies of companies and advertising agencies in light of newly available media and other prominent developments. The first section touches upon the functions, types, and constructions of advertising agencies; the varying aspects of advertisements and advertising agencies are further examined within the context of providing a competitive advantage within the global market environment. The second section explores the widening working fields of advertising agencies due to the echoes created by new media and the consequent development of digital environments, as well as the applications featured in this sense. The third section shortly touches upon the subject of new tendencies in agency organizations within the age of social media. The Conclusion section is reserved to determine and present certain future projections.