

CHAPTER 2

The Advertising Industry

LEARNING OBJECTIVES

Students will be able to:

1. Identify the organizations that comprise the industry
2. Identify and describe the various advertising management systems used by clients
3. Identify the roles and responsibilities of clients in the advertising development process
4. Describe the roles and responsibilities of the agency in the advertising development process
5. Discuss the nature of relationships between clients and agencies
6. Distinguish among the various types of advertising agencies
7. Outline the organizational structure of agencies and the functions of agency personnel
8. Identify the key concepts associated with managing a client's business
9. Identify the methods of compensating advertising agencies.

CHAPTER HIGHLIGHTS

A. Composition of the Advertising Industry

There are five primary groups: advertisers, agencies, media, advertising support companies and audience measurement companies.

Advertisers (The Client)

This group includes manufacturers, retailers, service firms, governments, and non-profit organizations. Among the largest advertisers are Procter & Gamble, Rogers Communications, General Motors, BCE and Ford Motor Company.

Canadian advertisers' views are represented by the *Association of Canadian Advertisers*. The ACA's mandate is to exercise leadership in advancing the advertising interests and responsibilities of Canadian advertisers.

Advertising Agencies

Agencies are service organizations that create, plan, produce, and place advertising messages for their clients. Essentially, four multi-national communications conglomerates control the ad agency business worldwide—Omnicom (American), WPP (British), Interpublic (American), and Publicis (French). Most of the large agencies in Canada are owned by American organizations and are part of an International network of agencies. The largest Canadian-owned agency is Cossette Communications Group. Students should be familiar with the different types of agencies available to advertisers (e.g., full-service versus specialty-boutique operations). Smaller, regional agencies tend to serve the needs of local and regional clients.

The *Institute of Canadian Advertising* represents the views of full-service agencies. Its mandate is to act as spokesperson, negotiator, and defender of advertising practices and procedures and to undertake tasks to promote the growth of member agencies.

The Media

There are three broad categories: *broadcast* (television and radio), *print* (newspaper, magazine, outdoor, transit, and direct-response), and *digital* (Internet and various forms of mobile communications). Revenue generated from all media sources is approximately \$14.6 billion. Television is the largest single medium with advertising revenues of \$3.4 billion.

Advertising Support Companies

Students should be aware of the major support (resource) groups that work with a variety of interested parties in the advertising industry. Included in this group are commercial production companies, music and sound specialists, and media representatives who sell time and space. Production companies that specialize in interactive communications are growing and their role is such that they are taking business away from traditional agencies.

Media Support Services

Support organizations help promote the medium they represent in order to increase that medium's share of revenue. In this group are organizations such as the Television Bureau of Canada (TVB), Newspaper Marketing Bureau, Magazines Canada, Radio Marketing Bureau, the Outdoor Advertising Association of Canada, and the Interactive Advertising Bureau.

Research and Measurement Companies

These organizations provide information that assists media planners. Included in this group of companies are BBM Bureau of Measurement, Nielsen Media Research, Audit Bureau of Circulations, Nielsen/Net Ratings, and Print Measurement Bureau.

B. Client-Side Management

Advertising can be managed several different ways in a client organization. Among the more common alternatives are brand management and category management, regional management and global management.

1. ***Brand or Category Management*** - Advertising and other marketing planning activities are the responsibility of a brand manager (product manager). In some cases a category manager oversees the activities of a team of brand managers.
2. ***Regional Management*** - Advertising management based on geography to ensure that advertising plans are developed considering the varying needs in different regions. Regional managers can respond quicker to changes in the marketplace.
3. ***International Management*** - Clients interested in worldwide opportunities are looking for agencies with international affiliations. "Think globally and act locally" is now a common battle cry among multinational advertisers. Their goal is to implement campaigns that will work in as many markets as possible (e.g., all of North America instead of separate campaigns in Canada and the United States). Good ideas, regardless of their source should be used as it saves money in terms of production (the cost of producing advertising materials).

C. Client Roles and Responsibilities in Advertising Planning Process

Responsibility for advertising management varies according to the management structure of an organization. While job titles vary from one organization to another, the advertising manager's responsibility is divided into six main areas:

1. ***Briefing Agency on Assignments*** – The advertising manager compiles and presents all relevant information for an advertising assignment. Communications briefs typically include market data, competitor information, brand information, market share data, a positioning strategy statement, a list of key objectives to achieve, and the budget for the assignment. The nature and scope of a brief varies from client to client.
2. ***Coordinate Advertising with Other Marketing Variables*** - Ensuring that advertising works congruently with other elements of the marketing mix and marketing communications mix. Cohesion is vital in order to maximize impact of the message. Blending traditional media with digital media (online, phone, social media and video

games) and video games is a major challenge for the advertising manager and the agency.

3. ***Liaison With Advertising Agency*** - Day-to-day contact with agency personnel. Major areas of concern centre on getting agency assignments completed on time and securing senior management approval for advertising recommendations.
4. ***Monitoring the Advertising Program*** - Ensuring that activities are implemented according to plan (e.g., media expenditures or adapting to changes when necessary throughout the year).
5. ***Evaluating the Advertising Program*** - Being accountable for the success or failure of the campaign (e.g., did the campaign achieve the objectives established in the advertising plan?). The manager may conduct appropriate research to evaluate advertising activity.

D. Agency Roles and Responsibilities

1. ***To Provide Experience/Expertise in Communications*** - In accordance with the marketing plan, the agency develops the communications component of the plan (advertising, sales promotion, experiential marketing, and other activities may be part of the plan). Clients may utilize specialized agencies for various components of a plan or they may employ a full-service agency that plans and implements all elements of the plan.
2. ***To Provide Planning Assistance*** - Agency account groups are external planners who can provide client assistance in areas other than advertising. They can look at the bigger picture and provide clients with new points of view.
3. ***To Provide Objectivity in Planning*** - The agency can present recommendations that will have an impact on the target market. Such recommendations should not have to conform to the internal working expectations of the client. They must strive to get the client to accept ideas that they believe will work. They must encourage a client to take certain risks and move in completely new directions if the situation so dictates. Advancing communications technologies are forcing organizations to adapt to new ways of doing business.
4. ***Liaison with Clients*** – It is important that agencies and clients communicate regularly. Account managers should be in constant touch with the client regarding assignment progress. Managers at comparable levels of both organizations should also keep in touch with each other to foster better understanding and relations.

E. Client-Agency Relationships

The relationship between a client and agency is a business partnership. This relationship is often very delicate and the relationship can turn sour for many reasons. Unsatisfactory relationships lead to a significant amount of *account shifting* (movement of an account from one agency to another) each year. Some common reasons for account shifting include: client dissatisfaction with quality of advertising, new communications demands not being adequately served, philosophical differences in style/approach, perceived chemistry problems among people on both sides (people change over time so relationships are in a state of flux), clients' decisions to consolidate their business with fewer agencies, and account conflicts due to mergers. Several good examples of why accounts are shifted are included in the chapter.

To encourage the best possible working relationship, both parties are urged to evaluate the performance of each other on an ongoing basis. The review and evaluation process can flag potential problem areas and allow for corrective action where applicable. A good relationship depends upon honest and open communications. A reality of the business however is that agencies frequently take the fall when sales and market share goals are not met.

In recent years there has been a migration toward short-term relationships. Clients are assigning work to agencies on a project basis. With this approach agencies find that they must continuously prove their worth in order to be assigned new work. Results are essential!

F. Types of Advertising Agencies

Clients have a choice of working with communications generalists or communications specialists. There are arguments in favour of both alternatives.

1. ***Full Service Agencies (Generalist)*** - A full-service agency provides clients with a complete range of services (advertising, public relations, sales promotion, marketing research, direct response, etc.). Clients are now searching for agencies that can provide integrated marketing communications. Full-service agencies are typically divided into three main areas: account management, creative, and media. Many have expanded their operations to include other services to the point where they refer to themselves as marketing communications agencies. Many full-service agencies have acquired “specialist” expertise (e.g., digital media expertise) to meet client demands and expectations.
2. ***Creative Boutiques (Specialist)*** – An agency specializing in the development and execution of creative (message) ideas. Such a boutique is typically staffed with personnel who gained experience at a full service agency. It is common for account personnel and creative to join forces when opening a creative boutique. Such was the

case when Rethink started up in Vancouver. These experts enjoy working in smaller shops where they can be closer to the clients (to do what they do best).

3. **Media Buying Service (Specialist)** – An agency responsible for planning and buying the most cost-efficient media for a client. This specialist is not concerned about the message, but how to spend scarce media resources wisely. A majority of media placements in Canada are planned and bought by a media buying company.
4. **Direct-Response, Digital and Experiential Specialists** - Other communications specialists are available for services such as direct response advertising, online advertising and experiential marketing campaigns. Digital agencies, for example, differentiate themselves by offering web-based services such as web design and development, search engine marketing and online communications strategies (banner, and video display ads. See the discussion about Twist Image in the chapter for more details. Agencies such as Mosaic and Capital C are experts in developing experiential marketing campaigns for clients seeking face-to-face interchanges with customers. Other specialists focus on product categories and industries (e.g., healthcare agencies) and specific target markets (e.g., agencies that specialize in campaigns for baby boomers or youth targets). Such agencies are serving the unique needs of demanding clients.

The type of agency a client chooses to work with depends on a host of factors such as size, the need for certain types of services, the extent of geographic coverage required and existing affiliations with agencies. Generally speaking, there is a trend toward using specialist agencies. For more insight see the vignette **Big Agency or Small Agency: Which Direction to Take?**

G. Roles and Responsibilities of Agency Personnel

A typical full-service agency is divided into three functional areas: account management, creative, and media.

1. **Account Management** - This group manages the affairs of the agency's clients. As consultants and coordinators, the primary task is to advise clients on strategic planning and motivate agency resources to build a client's business. Typical position titles include: account executive or account planner (junior management), account supervisor (mid-management), and account director (senior management). The account executive defines the task, provides information to creative and media personnel and presents recommendations to the client.
2. **Creative Department** - This group is responsible for the generation of communication ideas and concepts. Headed by a creative director who is ultimately responsible for the quality of creative output, the department consists of copywriters (message) and art directors (visual). The copywriter and art director work together as a team creating ads for a select group of clients. Production managers provide

technical advice and work closely copywriters, art directors and external suppliers. Traffic managers are responsible for ensuring materials reach their media destination on time.

3. **Media Department** - This group is responsible for the planning and placement of media time and space. Functional responsibilities include: media planning, media buying, and media research. Position titles include: media buyers (make effective/efficient buys), media planner (assess strengths, weaknesses, and cost efficiencies of alternatives), media supervisor (mid-level position managing buyers and planners), and media director (senior-level administrative position accountable for planning and placement of all media).

H. Managing the Client's Business

Agency Teams

Advertising agencies usually designate an **account group** or **team** to handle a client's business. This group consists of a cross-section of personnel from the agency including an account executive, copywriter, art director, account supervisor, media planner, and media buyer. For the client, an account group (team concept) provides two main benefits: even if changes do occur in the structure of the group, the group is familiar with the client's business, and a certain consistency in approach will prevail.

The team concept has recently expanded now that the digital media is part of the picture. It is important for specialists in traditional media and digital media to meet during the planning stages of a campaign in order to develop and assess potential ideas that will work in all media. Such teams are referred to as **hybrid teams** (bringing the two areas together). In many cases the digital team is often the lead in such meetings. Based on consumer behavior, all media are now being funneled through the internet. This has important ramifications for both creative teams and traditional media teams. See the **Juniper Park** vignette for more details about planning for success.

Competing Accounts

Agencies avoid conflict situations. Since the client-agency relationship is a confidential partnership, agencies do not accept assignments from advertisers that compete with their current clients.

Agency of Record

Many advertisers divide their advertising assignments between several agencies. In such cases, the client usually designates one agency to be the *Agency of Record* (AOR). The AOR is the central agency responsible for media negotiation and placement for an advertiser using more than one agency. The AOR is responsible for corporate contracts

under which other agencies issue placement orders. The AOR may be a full-service agency or a media buying company depending upon how a client organizes its advertising activities. The AOR usually receives higher compensation than other agencies working for the client.

I. Agency Compensation

Advertising agencies receive compensation on the basis of commissions, a fee structure, or by performance. In the *commission system*, the agency receives a 15% rebate from the media based on the dollar volume of time and space purchased on behalf of the client. Example illustrations are contained in the textbook. Advertisers are now seeking better deals with agencies and they are negotiating lower rates of commission.

In a *fee system* the client and agency agree on an hourly, annual, or overall fee. Common practices include minimum guarantees, hourly rates, and cost plus profit margin schemes. Fee systems tend to be cumbersome and require lots of administration to work effectively. As well, the system does not consider the quality of work produce by the agency.

In a *payment by results (PBR)* system actual performance determines the level of compensation. Such a system eliminates traditional media biases and allows for more objective media recommendations by agencies. If the desired results are achieved, an agency could make even more than what a traditional commission rate would have generated. For this system to work the key is to have both client and agency agree to results that are achievable. This compensation system is growing in popularity and for certain is forcing agencies to look at all forms of marketing communications as a means of generating the desired results. Refer to Figure 2.7 for more details about PBR.

For more details about this issue see the vignette Agency Compensation: What's Fair? The vignette presents two new proposals for compensating agencies: a concept fee and a licensing fee.

ADDITIONAL ILLUSTRATIONS OF KEY CONCEPTS

1. Branding Important in Agency Name

To meet the constantly changing demands of clients and to stay in touch with modern thinking about marketing communications, the Diesel agency changed its name to Sid Lee (an anagram of Diesel). Diesel was a confusing name since a famous brand of blue jeans has the same name.

More to the point, Sid Lee says they never believed in an ad centric model. At the new Sid Lee the mantra is advertising should be seen as a tool, not the tool box. Their tool box is now called "commercial creativity." The box includes other important ingredients such as

brand and retail architecture, experiential marketing and industrial design. Sid Lee's goal is to execute plans on different platforms.

It is no longer good enough to simply offer up advertising solutions to clients. Sid Lee is in touch with the bigger picture.

Adapted from "Who is Sid Lee?" *Marketing*, December 11, 2006, p. 8.

2. Creative Agencies are Hiring Media Directors

With the emergence of so many new media, creative agencies come up short in understanding the new media. The strength of a creative boutique has been in developing ads for traditional media. In a traditional sense, art directors and copywriters did their thing and media people did their thing—there wasn't that much of a need for the two parties to work closely together.

However, in an increasingly fragmented media landscape, creative agencies and media shops must forge a stronger bond. Y&R Toronto recently appointed Catherine Dunlop as its first ever Creative Channel Director, a role rooted in the agency's creative department, but one that will see her liaising with sister agency Mediaedge. "It's recognition of the change in the media landscape and so much consumer choice. I will bring a new perspective to the table in the planning stages of a campaign," she says.

The emergence of a hybrid creative/media planning role points to how complicated a brand's life has become. It's all about finding new intersections where it makes sense for creative and media to meet. As an example, consider the creative use of the media for the launch of the Toyota Yaris. It employed more than 40 touch points including branded pizza boxes, branded music compilations and bathroom graffiti.

Adapted from "It's the medium, stupid!" *Marketing*, October 23, 2006, p. 13.

3. Agencies Weak on Social Media Expertise and Use

Social media and their influence on consumers are growing exponentially but are ad agencies tapping into this phenomenon. Upstart agencies are filling the void. Social media agencies specialize in the promotion of brands in various social media platforms like blogs, social networking sites, Q7A discussion forums, etc. Their services embrace social media marketing and online reputation management.

With regard to social media marketing, a recent survey indicated that 61 percent of Canadian consumers use social media to seek product information before making a buying decision.

With regard to reputation management agencies specializing in traditional public relations should take note; their services may no longer be required. While PR practitioners use social media for their own personal reasons they are not employing them effectively for business purposes. In the survey 70 percent of PR respondents indicated they did not have a tool to monitor social media.

Adapted from “Survey Says Social Media Influencing Buying Decisions,” , April 29, 2010, www.canadaone.com.

4. MediaCom is Canada’s Biggest Media Services Firm

The planning process is changing in the agency business. Smart agencies now involve all concerned parties in the initial briefing sessions and subsequent internal discussions. John St., a Toronto-based agency, for example, involves graphic designers upfront. The agency believes it is important to apply the innovative and creative processes used by designers if their ventures are to be successful.

Agencies like John St. and Taxi (they also employ a similar model) work on the premise that designers be involved with projects, providing broad and creative thinking to clients long before any specific advertising campaign is developed. Gone are the days of calling in designers at the 11th hour and saying to them “make my work look good.” If an agency still does this they are selling their designers short.

Adapted from Richard Blackwell, “Ad firms tout design thinking,” *Globe and Mail*, October 16, 2008, p. B3.

5. Canada’s Leading Advertisers

Packaged goods, telecommunications, and automobile lead the charge in advertising spending in Canada. Here is the latest list available for Canada’s top 10 advertisers for 2008. Please be advised that Nielsen Media Research no longer publishes publically the dollar value spent by advertisers.

1. Procter & Gamble
2. Rogers Communications
3. BCE Corporation
4. Government of Canada
5. General Motors
6. Telus Corporation
7. Provincial Government Lotteries
8. Government of Ontario
9. Johnson & Johnson
10. Ford Motor Company

Adapted from “Which Companies Shelled Out the Most for Ads? Marketing, December 2009, p. 44.

6. WPP Group Creates Team Mazda to Meet All Marketing Needs

A new agency model for managing a client's business has been implemented by WPP. Team Mazda will operate as a separate unit of WPP and offer its expertise and services in any and all aspects of marketing and marketing communications.

WPP embraces the practice of building dedicated teams for client pitches which appeals to the "integrated" needs of most clients and the efficiencies that come with it. Other agencies look at this model and wonder, "Can they deliver what they promise?"

Team Mazda will have about 100 employees, a single profit and loss statement and its own leadership. All disciplines will be represented, from traditional advertising and media planning and buying and digital media, direct marketing, public relations and analytics.

Mazda is looking forward to the partnership and sees open and direct dialogue as a key benefit to the management model. He sees good communications leading to a firm understanding of objectives among both parties. Mazda spends about \$150 million in measured media in North America each year.

Adapted from Andrew McMains, "WPP Looks to Repeat Success of Team Detroit and Learn from its Enfantico Stumble with Dell," *Adweek*, July 26, 2010, www.adweek.com.

7. Tips for Maintaining a Good Client-Agency Relationship

What does it take to keep a relationship on the right track? In the client-agency relationship two things are clear: marketers and agencies want to create good work that grows both businesses and the path to great work is a joint responsibility. From the marketer's perspective their key role is to create an environment that allows the agency to thrive and deliver their absolute best work. There are three things that marketers can do to build a better relationship:

- ∞ ***Really get to know your agency team*** – build familiarity by knowing the agency people assigned to your projects
- ∞ ***Expand the creative sandbox*** – engage the agency with your marketing problem or opportunity and encourage beyond the norm creative solutions
- ∞ ***Reduce subjectivity*** – creativity is highly subjective so too many fingers in the pie on the client side can ruin a good creative solution (resist the temptation to do so)

Adapted from Tom Hendrickson and Zo Ratansi, "The keys to happiness," *Marketing*, February 20, 2006, p. 24.

8. Tips for Making Agency Evaluations Work

To effectively evaluate an agencies work clients must start evaluating all aspects of marketing communications the agency is accountable for. There is a tendency for clients to focus on creative when conducting evaluations. Agency evaluations must be a productive experience. Here are five tips for accomplishing that goal:

- ∞ All marketers, even those with small budgets, should conduct formal agency reviews regularly.
- ∞ Use a consistent format for all agency types, though specific questions can vary.
- ∞ Present results in person and discuss them openly with the right agency people.
- ∞ Have clear corrective action plans with due dates assigned to “owners.”
- ∞ Try to eliminate game playing and politics. Be open and honest with the feedback so that agency personnel can consider corrective actions. The repercussions should be positive rather than negative.

Adapted from Jack Neff, “ANA Survey: Agency Performance Reviews are Now Business as Usual,” *Advertising Age*, September 14, 2009, p. 3.

ANSWERS TO END-OF-CHAPTER QUESTIONS

Review Questions

1. The three primary groups comprising the advertising industry: advertisers, advertising agencies, and the media. Creative and media support companies and audience measurement can also be included as industry participants.
2. Common systems for managing the advertising function include: brand and category management, regional management, and global management. Brand and category management involves the development of advertising for national brands regardless of location in Canada. Regional management considers geographic and cultural differences and develops advertising that is best suited to unique regional needs. Global management involves using successful ad campaigns from one country in other countries.
3. The client (usually represented by the advertising manager of marketing manager has five primary roles: planning and budgeting, coordinating advertising strategies with other communications strategies, monitoring the implementation of plans, evaluating plans for effectiveness (e.g., their ability to achieve desired results), and liaising with agencies on a day-to-day basis.

4. Agencies have three primary roles: to provide experience and expertise in the areas of creative planning and media planning, or any other aspect of communications that the client demands; to provide planning assistance where necessary (e.g., this assistance may go beyond communications planning); and to provide objective ideas and concepts that will help sell the client's products (e.g., provide customer-focused campaigns rather than client-focused campaigns).
5. Client-agency relations refer to the nature and quality of the relationship between the two partners. Both parties must take the necessary steps and actions to ensure there is a good working relationship. For example, establishing reasonable objectives that both can agree to is a good first step. Having a system in place that ensures good two-way communications is another step. Taking the time to evaluate each other's performance is another step in the relationship-building process. Other factors work against the relationship. For example, not providing a sufficient level and quality of service, philosophical differences in creative direction, and lack of effective communications all contribute to a poor working relationship.
6. Account shifting is a situation where clients move from one agency to another during the course of a year (e.g., a client fires one agency and hires another). The sum total of such actions by all clients and agencies is called account shifting. Account shifting is a sure sign of poor working relationships between the two parties.
7. A full service agency can be equated to a one-stop shopping concept. Clients that use full service agencies expect service in a variety of communications areas: advertising, public relations, direct response, Internet, sales promotion and so on. In contrast, specialists such as creative boutiques and media buying services focus on one particular area, usually claiming that such a focus will produce better campaigns for their clients. Trends indicate that specialists are becoming more prominent with clients.
8. The **account management** group is made up of consultants who manage client business/advertising affairs. They provide advice on strategic planning matters and are responsible for motivating agency staffers to build the client's business. The **creative department** is responsible for the generation and development of communication ideas and concepts. The **media department** is responsible for the planning and placement of media time and space on behalf of the client.
9. Agency teams (account groups) are formed by the agency as a means of managing a client's business. The team consists of a cross-section of agency personnel (creative, media, and account management). Such a concept is important to the clients as they want agency personnel to be totally familiar with their competitive situation and advertising requirements at all times. Also, clients usually look for consistency in how an agency handles their business. What the clients want is a management approach from the agency that will complement their long-term marketing planning.

10. The Agency of Record is a term describing the central agency responsible for media negotiation and placement for a multi-product advertiser using more than one agency. Such a designation provides the client with more efficient media buying (e.g., greater corporate discounts when purchasing time and space through a central service).
11. The three methods for compensating an agency are *commissions, fees, and payment by results*. In the commission system, the agency receives a 15% rebate from the media based on the total value of media time and space it purchases for a client. Several options are available in the fee system (e.g., an agreed upon hourly rate for various agency personnel, minimum guarantees, and costs plus profit margin). In the payment by results system, agencies agree to work for a lower commission but will receive bonuses if they meet and exceed desired results. Details regarding objectives to be achieved have to be mutually agreed to well in advance.
12. The commission earned by the agency would be:

For time and space:	$\$3\,000\,000 + \$450\,000 + \$250\,000 \times .15$	=	\$555 000
For production:	$\$400\,000 + 60\,000 \times .1765$	=	<u>\$81 190</u>
Total Commission:		=	\$636 190
Media Receives:	$\$3\,700\,000 - \$555\,000$	=	\$3 145 000
Client Pays:	$\$3\,700\,000 + \$460\,000$	=	\$4 160 000

Discussion Questions

- The purpose of this question is to have students evaluate the pros and cons of using full service agencies or a team of specialist agencies. There are good arguments in favour of either direction. Firms with global objectives seem to be teaming up with networks of full service agencies while firms with primarily domestic objectives can use either a full service agency or teams of specialists. Specialists are attracting a lot more interest as creative boutiques now focus on specific forms of communications (e.g., direct response and digital) or communications for specific industries (e.g., pharmaceutical advertising).
- This is an opinion question. Generally speaking the client should not be too involved in the development of creative strategies. Clients provide information and advertising experts develop the ads. That's why the agency was hired in the first place. Clients who interfere or who have too much say often results in a poor working relationship with the agency. The result is client-driven advertising rather than customer-driven advertising. It is the client's money however so their input cannot be neglected.
- Students should analyze the meaning of the word *partnership* and provide their own insight into how a client-agency partnership should operate. The characteristics of a good partnership are much like that of a good marriage (I often draw this analogy in class). Factors such as trust, understanding, respect, open communications, and common goals are

the ingredients of a successful relationship. When any of these factors starts to sour, the relationship will hit some rocky patches and eventually disintegrate.

4. Agency compensation is a controversial issue. Students should have diverse opinions on which system is best. Issues to consider include: the simplicity or complexity of any particular system; the size and scope of a client's business and the services it requires from an agency; the ability to identify objectives and measure results (in a performance-based system), and so on. It is a known fact that clients will pay more for good results. "You get what you pay for."
5. Can a message transcend geographic boundaries? This is an opinion question that may require a little secondary research in order to provide a good answer. Students should consider language and cultural differences when offering their opinion. Apparently the McDonald's campaign is working effectively but it could be the exception rather than the rule.