Chapter 20
An Investigation of Advertising Agency Creative Managers' Perspectives on the Impact of Digital Threats and Opportunities:
The Case of UK SMEs – It Is Tricky; How Does a Brand Leopard Change Its Spots?

Antonius Raghubansie
British Council, UK

Chandrani A. Samaradivakara
Lancaster University, UK

ABSTRACT

UK advertising agency managers' perspectives on the impact of digital media (threats and opportunities) on their roles and models of managing are explored in this chapter. In the context of digital creative strategy, and the advertising industry specifically, there is far less published work, much of which has been in the context of larger, often global agencies rather than on independent SMEs. This interpretive research reviews the literature then employs semi-structured in-depth interviews with creative managers within a range of UK SME advertising agencies to analyse their views and responses to digital media. The study finds four key themes which illustrate how managers in SME advertising agencies have responded: 1) digital media as a pre-test laboratory, 2) unclear boundaries among the actors within the nodes of the agency social network, 3) fewer financial resources but more dedication to creative concepts, and 4) reduction in customer information processing costs. Relationships with larger agencies are being redeveloped as opportunity, but SMEs also represent a threat to agencies through innovation.

INTRODUCTION

The stereotypical views of an advertising agency made up of groups of people, involved in energetic exchange of ideas is an old one and while still partly valid, increasingly out of touch today (Cohen, 2020; Hackley and Hackley, 2019). The very core of what is classified as "advertising" itself has experienced considerable change. It can mean turning a bus station into a bedroom for a day, sharing emails of Gorillas playing drums to Phil Collins' music, posting Carlsberg's photo examples of "probably best in the world" on Facebook, Instagram and WhatsApp. Advertising tools which were perceived as emerging have quickly established themselves as part of the creative agency's arsenal (Carah and Brodmerkel, 2021; Hackley and Tiwsakul, 2011). These have had profound effects, particularly among SME agencies that make up the largest proportion of the new interactive advertising agencies.

Ad spend was reducing consistently over the decades running up to and post the millennium. However, new platforms and types of ads, especially online have had sharp growth, consistently, despite the shocks of recession, Brexit and the pandemic. Budgets spent grew from £5 billion a decade ago to more than £15 billion now (Advertising Association, 2020). At the same time advertising agencies and brand owners have much to do in truly meeting the opportunities delivered by digital. Technology leaders are delivering the platforms but the creatives are still to respond fully, or to develop management processes that give confidence to brands (Bharadwaj et al, 2013). The increase in mobile (phones, tablets, streaming etc) will drive another wave of wireless social connections, marketing opportunities and new business structures (Carah and Brodmerkel, 2021; Hackley and Tiwsakul, 2011).

In other words, the advertising industry recognises that digital is delivering a creative eruption that has and will continue to change business models (Harms, Bijmolt and Hoekstra, 2017). One such business model in advertising agencies came out of the 1960s, from Doyle Dane Bernbach (DDB) agency who had developed iconic, globally acknowledged work for brands like Volkswagen. To achieve this, they created the art director and writer combination which changed the industry, became the new paradigm (Busca and Bertrandias, 2020; Mallia and Windels, 2011). The changes which digital is heralding are on a similar scale as in the 1960s (Raghubansie and El-Gohary, 2021).

At a macro level, they represent threats particularly to the established agencies and opportunities to the new (El-Gohary, 2012; El-Gohary and El Gohary, 2016). Today, viral marketing (VM) probably best illustrates this change as it happens. Viral marketing refers to the online sharing of marketing campaigns (videos, emails, images) from consumer to consumer (Huh et al, 2020; Raghubansie, El -Gohary and Samaradivakara, 2013). It is the closest to the conventional form of TV advertising (Fard and Marvi, 2019; Southgate, Westoby and Page, 2010). Very often, there is a two-way relationship between today's viral and TV with some virals starting online and then coming to TV and vice versa (Raghubansie, El -Gohary and Lewis, 2014). VM perhaps best illustrates how the changes to the paradigm are emerging (Eckler and Bolls, 2011; Makrides, Vrontis, and Christofi, 2020). Some indicators show that interactive, or web-based, independent agencies combine the whole of their work into one brief (Carson and Springer, 2012; Raghubansie and El-Gohary, 2021). In other words, beyond the DDB model of writer/creative director, towards a cooperative model, based on teams. What other changes are taking place? How will creative roles and processes develop? Given that most of these agencies are small or medium-sized enterprises and tend to be independent, what is the nature of their operation compared to larger firms? How do they construct relationships to larger agencies?

These questions are considered in this paper and contribute to the hitherto limited literature on advertising SMEs within the UK. This study examines the phenomena of viral marketing and its impact

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