Ad Agencies loosing Out

Marketing executives are not always turning to ad agencies to handle their interactive work, according to a survey in ‘Advertising Age’. A survey of over 300 marketing executives found that interactive work is frequently assigned to specialists rather than agencies, and in some cases, such work is dealt with in-house, in preference to an ad agency.

Says Debra Aho Williamson, editor of Advertising Age’s Interactive Media & Marketing and author of the report: The survey shows that marketers view their ad agencies as just another name in a roster of suppliers not particularly better, and sometimes worse, than their new-media competition. Agencies that once thought they could dominate the market must now fight tooth and nail for every scrap of business.”

In interactive terms, Web developers are moving in on the ad agencies, being the choice of over 26 percent of respondents. Whilst ad agencies are the choice of 29 percent of respondents, almost 23 percent of marketers are dealing with interactive work in-house. Not only this, but over 46 percent of marketers planning to make changes in their interactive roster this year said they will take more work inside.

A number of changes are being called for; 37.2 percent of respondents would prefer their agency to set up a separate, dedicated interactive unit; 26.9 percent said they would give more work to their agency if it integrated interactive capabilities; and 26.6 percent said they wanted to see their agency form alliances with outside suppliers.