

Advertising Agency Ranking in India : Worth a Second Look ?

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- Tapas Gupta -

Ranking is an integral part of every race, be it in business, sports, politics or any other discipline. We all run races to win and get acknowledged and the fact that we run races everyday for everything we do make it even more important for all of us. And in such races rankings play a pivotal part in every business enterprise functioning. The advertising business is one such industry where the race is stiff and photo finishes are prevalent. Provided the referees are adopting mechanisms that enable the ranking to be fair, credible and unbiased through systems and analysis that are robust, and accepted by the industry without any questions.

The Ranking Game

Agency Ranking in India started with A&M, then the premier magazine on Advertising & Marketing and rankings, acknowledging frontline players in the late 80's. The listing was based on the Gross Income Generated by agencies and capitalised billing.

This was strictly a ranking, based on the gross revenue generated, and therefore only a financial performance ranking.

Globally, even today, this is the way ranking of ad agencies and their Holding Companies are done. In India, very few agencies are publicly quoted on Stock Market companies, and therefore A&M those days resorted to asking agencies to submit their Balance Sheets duly attested in original by the CA Firm based in-charge of the audit in order to rank the company. This methodology continued till early millennium, but by then A&M was a sinking ship.

Millennium Ranking

The era of Advertising Portals began with AgencyFaqs (afaqs.com) and Exchange4media.com. None of them took up cudgels over agency ranking as they possibly found it difficult to be non-controversial, unbiased, authentic and credible. Advertising pundits in the country started questioning the 'gross income methodology adopted by A&Mas advertising after all is a creative business.

The other school of intellectuals also tried to argue that awards won alone cannot be the benchmark of creative agencies as 'Award winning advertising' is often created for 'winning Awards' and not necessarily for the brand.

The "Noble" Equity

The questionable methodologies of ranking thus far resulted in a modified (at least easy to justify) initiative by the Brand Equity of ranking agencies, the "Agency Reckoner" (creative, media, digital, production houses, design agencies, influential people in creative's and media etc.) based on the agency's 'brand image and reputation'.

We moved from the extremely tangible parameter of financial (gross income) yardstick to the other end of extremely intangible parameters (reputation, brand image, proactivity, broad spectrum services, providing effective strategic and creative solutions, et al) as perceived & judged by some industry professionals chosen by one research agency.

Sample size break-ups per city and other choice parameters are unclear. Without casting aspersions, there has been a traditional bias towards Mumbai based agencies for instance as traditionally Mumbai was considered the Mecca of advertising since the seventies. The situation today is a bit different. In last 20 years, cities like Delhi, Bangalore, Chennai, and Hyderabad have caught up big. Even Large cities like Kanpur, Surat, Baroda, Ahmedabad, Indore, and many more are today contributing substantially to the advertising pie.

The present methodology adopted for yearly ranking of agencies are based on qualitative surveys on totally intangible factors by a sample size less than miniscule, and the fates of creative agencies, media houses, digital agencies, production houses and professionals are summarily decided one bright morning and headlined on the D-Day every year in June or July.

Agency rankings are important and helpful for the industry. . But there needs to be a far more credible, robust and unbiased methodology to arrive at the rankings. And it should be a mix of tangibles and intangibles. Financial performance cannot be wished away. Gross incomes of agencies, status and size of clients and brands they handle, client's brand loyalty with an agency (number of years they have worked together) the infra-structure the agency, client satisfaction, new business gained and businesses lost by agencies, and many more such issues can be evaluated fairly. Of course, Awards, the reputation of top professionals behind the agency, the breakthrough ideas, campaigns or innovations they have created in that year, and many more intangible parameters need to be factored in as well.

As an important advertising industry issue this can't be left to one research agency and one media house. There are bodies like the Advertising Agencies' Association of India (AAAI), in which leading professionals are actively associated in the AAAI Executive Committee and who can apply themselves to work on a more robust structure and set guidelines for agency rankings in active co-ordination with Brand Equity and A C Nielsen who have been doing surveys with professionals. ISA (Indian Society of Advertisers) can be roped in to advice and guide through a joint committee of AAAI & ISA.

Let us professionals not act like Ostriches digging our heads in the sand when we are all aware that all is not right in the structure and methodology of Agency Ranking in India.

This is an important industry issue and I hope this will be treated by my peers and colleagues in the industry as a matter that need the attention of top minds of professionals and bodies like AAAI and ISA to apply themselves to work on more robust methodologies for Agency Ranking in future.

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Disclaimer : The views expressed by the author in this feature are entirely his own and do not necessarily reflect the views of INVC NEWS.

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