

## Chapter 82

# 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,

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and this can provide an advantage for companies within the global competition environment. The effective utilization of information and communication technologies reduces operation costs, thus providing economical efficiency. Due to the shortening of product life cycles, the need for companies to stay alive in the consumers' minds creates more intense relationships between advertising agencies and advertiser companies. As a result of the competition environment, variations in operation processes have also changed market conditions and, in parallel, advertising agencies have rearranged their structures with new requirements and have searched for innovation. Having to work synergistically with business companies in many fields, such as adopting identities for brands, creating customer value and forming new media, advertising agencies can 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. In addition to the fact that traditional advertising has moved away from the idea that certain areas of specialization may be more effective in reaching consumers, designs compatible with the new and current media in communications management started gaining prominence. Thanks to a network communication system, which was created by the correct evaluation of data, the prospect of reaching all shareholders, primarily consumers, is quite attractive for advertiser companies and it is also convenient for structures that provide ease of access within the global market.

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.

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

The concept of advertisement exists in our life; it has become a concept that has been identified with popular culture and it 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.

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