The Death of the Traditional Ad Agency:

Why Traditional, Full-Service Advertising Agencies Crash and Burn

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by

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# TABLE OF CONTENTS

TABLE OF CONTENTS ........................................................................................................... i  
LIST OF FIGURES ................................................................................................................ iv  
ACKNOWLEDGMENTS .......................................................................................................... v  

I. INTRODUCTION ................................................................................................................ 1  
The Reasons That Agencies Fail........................................................................................... 10  

II. LITERATURE REVIEW ...................................................................................................... 12  
   Established Advertising Agencies Don’t Just Close Up Overnight – Or Do They? ........ 12  
   Too Many Eggs; Only One Basket .................................................................................... 20  
   Management Woes ........................................................................................................... 21  
   Losing the Leader ............................................................................................................ 22  
      Talent Exodus ............................................................................................................... 22  
   Penniless and Closed ...................................................................................................... 23  
   Sometimes it’s Just Time to Go ....................................................................................... 25  
   You Can’t Spend What You Don’t Have ........................................................................ 26  
   No Business Still Being in the Ad Business ................................................................. 27  
   Death of Ross Roy CEO Glen Fortinberry ...................................................................... 28  
   Franco Accused of Insider Trading .............................................................................. 29  
      When Agency Heads ‘Gone Wild’ .............................................................................. 29  

III. METHODOLOGY ............................................................................................................. 33  
   Survey Objectives and Methodology ............................................................................. 36  
      Overview ...................................................................................................................... 36  
      Objectives: ............................................................................................................... 37  

Methodology: ........................................................................................................ 37
Response Motivation ............................................................................................. 38

IV. SURVEY RESULTS ................................................................................................. 40
Respondent Comments about the Key Reasons................................................. 43
  Poor business management: ............................................................................... 43
  Bad economy ......................................................................................................... 43
  Loss of major client ............................................................................................. 43
  Lack of new business ............................................................................................ 44
  Too rapid growth .................................................................................................. 44
  It’s all about the Economy, Stupid…Or was it? ................................................. 48

V. CASE STUDIES ......................................................................................................... 50
A Quartet of Ad Agencies That Definitely Had Seen Better Days............... 50
The Story of Griswold ............................................................................................. 52
What happened? ...................................................................................................... 53
  Griswold key reasons for demise ..................................................................... 56
The Story of MHW Advertising & Public Relations ........................................ 56
  MHW advertising & public relations key reasons for demise ..................... 59
The Story of the Jayme Organization ................................................................. 60
  JAYME key reasons for demise ....................................................................... 65
The Story of Meldrum & Fewsmith ................................................................. 65
  Meldrum & Fewsmith Communications key reasons for demise ............... 72

VI. CONCLUSION ......................................................................................................... 73
VII. FURTHER CONSIDERATIONS ............................................................................. 79
APPENDICES ........................................................................................................... 81
LIST OF FIGURES

Figure 1. Overview of Recent Advertising Agency Closings ........................................ 20

Figure 2. AAF Cleveland Membership 1990-2009 .................................................... 34

Figure 3. Respondent's Role in the Ad Industry ....................................................... 40

Figure 4. Years Associated in Ad Industry ............................................................... 41

Figure 5. Main reason for closing or downsizing ..................................................... 42

Figure 6. Contributing Factors .............................................................................. 45

Figure 7. The Story of Griswold ............................................................................ 52

Figure 8. The Story of MHW Advertising & Public Relations ............................. 56

Figure 9. The Story of JAYME ............................................................................. 60

Figure 10. The Story of Meldrum & Fewsmith ..................................................... 65
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CHAPTER I
INTRODUCTION

The suave, high society lifestyle portrayed by the ad execs at the Sterling Cooper agency in AMC’s hit show *Mad Men* are faced with a challenge as several of its key talents break away to form their own ad firm. But in real life, the business of communications has very little to do with communications at all. What happens when leading, traditional advertising agencies fail? It’s similar to that of a thrill-a-minute roller coaster ride: The car goes up, up, up; then it careens down at breakneck speed.

On the way down, a classic domino effect occurs – and most anyone who has worked in such an agency setting can tell you it is a sad and too often-repeated story: there’s a sudden loss of a leading client, which begets other client losses, and then key “creatives” (artists, writers) as well as other talent starts to leave. Then layoffs occur (usually younger, less-tenured account or graphics people, in essence, the ones who were doing most of the billable work). Then clients complain about deadlines not being met, followed by media and vendor bills not being paid (even though oftentimes clients have previously paid for such services or ad placements). Eventually, the shell of whatever was once a leading think tank of artistic brain trust is just a handful of “suits” (account supervisors or agency executives) that quietly “merges” with another, usually local, advertising firm.

Advertising agencies have always been good about tooting their own horn when business is good – new hires, new services, new accounts and new awards. But when things go bad, there’s not a word until one day, maybe a few years down the road at an association function, people walk around and say “Hey, whatever happened to so-and-so agency?”
The Research Question(s) this thesis poses is this:

Why were full-service advertising agencies failing in mid-sized markets in the late 20th and early 21st Century? What were the key, common internal and external factors that were prevalent in their demise?

This research management paper will review the rise and decline of leading advertising agencies – what traits have made them successful, and what qualities brought about their downfall. This paper will focus its original research on the Greater Cleveland (Ohio) DMA advertising agency community through several sources: an extensive literature review (of both the Greater Cleveland and national advertising industry marketplace); an online survey specifically designed for response by agency professionals who worked at or with now defunct advertising agencies; informative interviews with former agency staffers and/or prominent regional advertising authorities; and then via several case studies of formerly successful full-service ad agencies.

(Author’s note: I was employed with two of the larger agencies that will be examined in depth, which both closed after I left their employ).

A Look at Full Service, Traditional Advertising Agencies

Advertising, narrowly defined, accounts for 2.5% of America’s gross domestic product; its tentacles are found in newspapers, magazines, radio, television, the Internet, outdoor and direct mail (Ries & Ries, 2002). Advertising also touches most every form of social media. The American Advertising Federation has 210 clubs and 50,000 members. The American Association of Advertising Agencies, whose membership includes 494 agencies with 1,279 offices, represents the country’s most successful advertising agencies (Ries & Ries, 2002).
These figures, while being several years old, do not reflect an industry facing its biggest challenge in two decades. The age of digital marketing has dramatically changed the way messages are disseminated, as well as how consumers receive – or more so, want to receive – their information. This is a complete paradigm shift, because it is no longer the advertiser who pushes out his or her message through platforms that ad agencies regularly utilized to provide the largest number of impressions – network broadcast television; national ROP (run-of-press circulars). Instead, advertisers now find they must refine their messages, practically personalizing each pitch, and use specific (primarily digital) messaging venues that directly reach the targeted recipient. This factor, combined with smaller profit margins and clients’ insistence of having far more detailed ROI (return-on-investment) measurement metrics for every campaign, has forced agencies to work harder, faster, and with fewer resources, and all for less revenue.

As this thesis looks to examine the root cause or combination of trends for the demise of the traditional advertising agency, note the importance of this transition in how advertising is disseminated. According to emarketer.com the total spending on U.S. advertising will see its largest increase since 2004 – to more than $180 billion. By the end of this year, mobile will represent nearly 10% of all media ad spending, surpassing newspapers, magazines and radio for the first time to become the third-largest individual advertising venue, only trailing TV and desktops/laptops (eMarketer, 2014). And this reallocation in ad spending – and media platform placement (primarily print) directly affects advertising agencies (writers, creatives, media buyers, etc.) – as well as the well-being (and in many cases, the actual existence) of newspapers, magazines and all those they employ.
No longer is the quintessential advertising agency portrayed in *Mad Men*, or touted by David Ogilvy or J. Walter Thompson, a destination point for some of the Ivy League’s best and brightest. In fact, as reported by the CBS Interactive Business Network site BNET, at least 163,400 overall advertising industry jobs have been lost since the beginning of the last recession (tracked since December 2007). That total is based on a U.S. Bureau of Labor Statistics report as summarized by *Ad Age*. The industry total in the article includes layoffs at ad agencies and other ad-oriented employers. Out of those figures, the specific number of ad agency layoffs stands at 48,832, as of March 30, 2010 (Edwards, 2010).

But the recession and the digital age aren’t the only factors for the decline in the traditional full-service ad agency. Its fall as an effective business model has been coming for a long time. Full service advertising agencies were, by design, a complete one-stop entity for all of a client’s marketing communications needs. They featured strategic planning and creative messaging that provided complete, fully integrated campaigns. This included not only the creative team of art director and copywriter, but the account executive(s), internal research department, public relations practitioners, sales promotion, the design and production groups, yellow pages department, media buyers and the support staff those practitioners required.

At the peak of their glory, the leading advertising agencies were led by visionary pioneers who shaped and molded the way Americans – actually the world – became consumers. These included F. Wayland Ayer (N.W. Ayer & Son), James Walter Thompson (J. Walter Thompson), Leo Burnett, Bill Bernbach (Doyle Dane Bernbach, now Omnicom), Mary Wells (Wells Rich and Green) and David Ogilvy (Ogilvy and Mather, now WPP Ogilvy).
These icons paved the way for others in the full service advertising agency industry with bigger-than-life organizations that attracted the leading creatives, copywriters and some of the brightest minds direct out of Harvard, Yale and Princeton. They created groundbreaking advertising, helped their clients sell products, increase market share and invented brand awareness. They \textit{invented} brands.

Without big advertising agencies, you wouldn’t have had memorable advertising like: \textit{Wheaties – The Breakfast of Champions; Maxwell House – Good to the Last Drop; American Express – Don’t Leave Home Without it; Morton Salt – When it Rains, It Pours; and of course; Wendy’s – Where’s the Beef?} But unfortunately, the ad business became an assembly line as predictable as Henry Ford's. The client (whose goal was to get the word out about a product) paid an agency's account executive (whose job was to lure the client and then keep him happy), who briefed the brand planner (whose research uncovered the big consumer insight), who briefed the media planner (who decided which channel -- radio, print, outdoor, direct mail, or TV -- in which to advertise). Then the copywriter/art director team would create its work (a big idea typically represented by storyboards for a 30-second TV commercial) to the producer (who worked with a director and editors to film and edit the commercial). Then thanks to the media buyer (whose job was to be wined-and-dined by media companies while he/she negotiated down lower prices of TV spots, print pages, or radio slots), the ad would get funneled, like on a conveyor belt, into some combination of those five mass media, which were anything but equal.

For a very long time, TV ruled the world when it came to advertising dollars, and placement strategy. It not only reached a mass audience but was also the most expensive
medium -- and the more the client spent, the more money the ad agency made on commission (Sacks, 2010).

That was then. Over the past decade or two, because of a combination of Internet disintermediation, recession and corporate blindness, the assembly line has been obliterated -- economically, organizationally and culturally. In the ad business, the relatively good life of 2007 is as remote as the whiskey highs of 1962 (Sacks, 2010).

Compensation has always been a sticking point with agencies and their clients. The perception of overbilling, big fees, monthly retainers and huge media commissions set up an out-of-sync and now obsolete compensation model. In particular was the long history of the fixed-commission method of compensation (primarily mark-up on services or media purchased), which is still in part used today. The basic compensation for most agencies is a fixed percentage of advertising media billings (15 percent), for which the agency receives as a discount directly back from the media source in which the advertisement runs (broadcast, print or now, digital). On “non-commissionable” (non-media) services such as preparing a brochure or collateral materials, an agency would usually mark up the suppliers’ invoice cost 17.65 percent. (Aaker, Myers, & Batra, 1996).

The fixed commission system has been criticized because it encourages the agency to recommend higher budgets than may be appropriate, may not relate to the actual work the agency does for the client, and is not linked to the success of the advertising campaign (Aaker, Myers, & Batra, 1996).

New models for commission- and retainer-based accounts, along with the proliferation of low cost, volume-based media buying services, dramatically changed the advertising agency compensation model in the 1990s (see Greater Cleveland agency stories beginning page 49). As clients became more sophisticated and budgets more
scrutinized, agencies had to put out more (work), for far less (compensation). This combination put a strain on many long-time client-agency partner relationships. It was also one of the key factors that saw increased revenue pressure (smaller profits) on the entire, traditional ad agency model.

In the book *Advertising Management*, Aaker, Myers and Batra (1996), describe an *Ad Age* study of what leading chief marketing officers (then called ‘advertising executives’) say are the six most important components of an advertising agency:

1. Creative
2. Account Executives
3. Media
4. Top Management
5. Marketing
6. Research

The study respondents also said creative strengths and knowing the clients’ business were the two most important strengths needed in an agency, with the quality of its people a close third. Most glaring agency weaknesses were noted as not knowing the clients’ business, inaccuracies in billing (i.e. overbilling), lack of creativity, poor account executives and misrepresentation (Aaker, Myers, & Batra, 1996).

"Once upon a time, the advertising agency was the center of the universe for the marketer," said Bill Duggan, Executive Vice President at the Association of National Advertisers. "It was the key partner ... they used to be the keepers of institutional knowledge on an account. There are always peaks and valleys in relationships. Before, clients were more willing to ride out the valleys because they knew that the peak was
around the corner. Unfortunately, brands don't value agencies as much as they once did.” (Parekh, 2011).

No time in recent advertising history makes a better point in demonstrating how fragile agency-client “partnerships’ are then a review of the six month agency merry-go-round right after April 2010, as noted in an Advertising Age article in February, 2100 by Rupal Parekh entitled, “Why the Client-Agency Bond Just Isn’t What it Used to Be:”

- Harley Davidson parted ways with Carmichael Lynch after 31 years, with the iconic motorcycle maker pointing the finger at the agency for initiating the split and the agency citing differences of opinion creatively.
- Dr Pepper’s Snapple Group ended its 40-year relationship with Young & Rubicam (Y&R), after shifting bits and pieces of the business to Deutsch and McGarry Bowen.
- MetLife after 83 years cut ties with Y&R, moving its account to Crispin Porter + Bogusky
- And after nearly 100 years of working with McCann, Exxon Mobil put that account for review. Subsequently, on Nov. 4, 2011, despite 90+ years with its former agency partner, Exxon Mobil consolidated all its ad business (at least, that of its $200 million creative account) with Doyle Dane Bernbach

As client-agency relationships seem to deteriorate across the board, agencies are getting fired faster than ever before. Case in point: in the mid 2000’s, Heineken fired its fourth agency in four years and then declared a competition between two agencies it previously fired.

Avi Dan, agency owner and contributor to Forbes wrote in his Forbes.com (April 7, 2011) blog that agencies get fired for these top five common reasons:
5. *Life’s Not Fair.* Reasons beyond the agency’s control: consolidation, or a client outgrowing its agency and needing a bigger one.


3. *The Thrill Is Gone.* Clients know when the agency loses the passion for their business. Indifference will get an agency fired every time.

2. *What We Have Here Is A Failure to Communicate.* Clients actually fire their agencies for the obvious – if the advertising under-performs, and fails to increase sales.

1. *Changing of the Guard.* The #1 reason for an agency getting fired is the arrival of a new CMO (Chief Marketing Officer)

A good example of Dan’s number one reason for agency firings is a look at Heineken, previously referenced, when it let go its agency Euro RSCG. The beer brand brought in a new CMO, and the business was under-performing. The result is that the ad agency had to go. (Parekh 2011)

It was also clear that the during the last recession it made relationships between clients and agencies more transactional – brands were holding their agencies more accountable – they were expecting them to deliver, and fast. An oft-quoted study by recruitment firm Spencer Stuart found that on average CMOs last in their jobs only 23 months. It is thus understandable that a new CMO will want to bring in “his” or “her” agency team, one they have confidence in (Woolley, 2011).

The question is whether this is good business. Agency churn robs brands of a steadiness, and constant change of direction will diffuse brand image and confuse the consumer. This “new attitude client” smacks in the face of what has long been an
industry mantra, as coined by Al Ries and Jack Trout in *Positioning: The Battle for your Mind*, where the long-held tenet is that:

“Successful positioning requires consistency. You must keep at it year after year. Yet, after a company has committed a brilliant positioning coup, too often it falls into what the authors call the F.W.M.T.S. trap - Forgot What Made Them Successful. A constant switching of agencies to find the “next big thing” leads to inconsistency in a brand, and how its stakeholders view it.”

**The Reasons That Agencies Fail**

So if clients are changing rapidly, that means agencies must, too. After all, the clients’ business is going to go somewhere. Unfortunately for ad agencies, their very model of existence has been turned upside down. Besides constant CMO changes there has been a radical transition in the media-buying process, a transition to specialty shops (boutiques that are smaller, faster and more nimble at creating campaigns), and the outsourcing of various communications services (i.e. public relations to PR-only firms, label designs to package-specific design houses). Three significant recessions in the past 20 years affected all U.S. business, but particularly the ad agency marketplace, as defined by *Ad Age, including* a) July 1990 to March 1991, b) March 2001 to November 2001, and c) December 2007 to 2010/11 (Edwards, 2010).

No doubt there has tremendous pressure on full service ad agencies to maintain their status quo. But are there other factors, including some that are just basic, general business management principles, which should be examined about why does any company fail? This paper’s second research question asks: **What were the key, common internal and external factors that were prevalent in their demise?** Through evidence
gathered in the literature review, practitioners’ survey and industry expert interviews, it appears in the case of advertising agency demise, however, oftentimes the following points (and in some cases, combinations of them) were to blame:

- Poor business management
- Too rapid growth
- Agency culture shift
- Breakaway talent starts new agency
- Lack of new business
- Failed merger
- Inappropriate succession plan (Head of Office leaves, is incapacitated or commits malfeasance)
CHAPTER II
LITERATURE REVIEW

Established Advertising Agencies Don’t Just Close Up Overnight – Or Do They?

When it comes to all things relating to the status, trends and developments in the advertising industry, the one great and oft-referenced source is the leading trade publication, Advertising Age. And when it comes to knowing the financials, tendencies and inclinations of advertising agencies that make up the core of that industry’s business, Ad Age’s annual Agency Report – long considered by many insiders as the bible of agency rankings, financials and dealings – would be the logical source to review literature on the transition of the agency business.

The Agency Report is Ad Age’s annual ranking and analysis of advertising and marketing-services agencies. It features a database revealing immense detail on the billings and annual growth of the world's 50 largest agency companies. Ad Age has published Agency Report every year since 1945. (Advertising Age, n.d.).

Yet, in a review of numerous annual Agency Reports, aside from minor notes about only the largest agency mergers or acquisitions, these annuals do not provide a single type of article, treatise or monograph devoted to a trend (or trends) noting the common downsizing or demise of traditional advertising agencies.

In its 2002 version, the Agency Report noted an agency decline in its Interactive Agency Report (focusing on digital/online specific agencies), pointing out that the industry's interactive (digital/online) shops struggled mightily throughout 2001. Many of these types of agencies, it reported, tried a variety of methods in an attempt to reduce costs and survive. Advertising Age’s annual analysis found that three of the most common
strategies for coping were draconian cost-cutting, widespread layoffs and office closings (Schumann, 2002).

The report included data showing the top 100 shops suffered a 31% drop in interactive revenue. This resulted in massive cost cutting to stanch the hemorrhaging cash-crunch for many, with employee ranks falling 34.2%. It also noted that offices closed “in waves.” But nothing in the report, aside from the convenient reference to the Dot.com or overall economy collapse, detailed why these agency business declined, or in particular, closed.

Businesses close for all sorts of reasons: the economy, inexperienced management, under-capitalization, lack of innovation, major customer losses, etc. Advertising agencies are businesses, too. It is logical to assume many of them were forced to close their doors over time because of similar economic factors. But where many businesses compete on the same playing field (they both manufacture widgets, they both sell cheeseburgers), advertising agencies operate on a unique playing field. They aren’t manufacturers, they are in the idea business.

Like many professional service firms, agencies don’t produce a product but provide a service. Yet unlike accounting, financial advisement or law firms, they don’t provide consistent results like logical tax and audit spreadsheets or guilty/non-guilty verdicts. They provide something less tangible, but with plenty of potential: their ideas build brands, introduce new products, alter consumer perceptions, increase awareness and in all likelihood, sell products and subsequently, increase the market share of their clients.

The best agencies with the best ideas stay in business; these are the agencies that create breakthrough ideas. They retain clients and they pick up new clients. The agencies that don’t produce results go looking for new clients, over and over.
“How you get a breakthrough campaign rather than a run-of-the-mill one has long been the burning question for clients and their agencies,” says Alvin J. Silk, the Lincoln Filene Professor of Business Administration, Emeritus, at Harvard Business School. "Hence the famous saying attributed in U.S. advertising circles to legendary retailer John Wanamaker: “Half the money I spend on advertising is wasted; the trouble is I don't know which half’” (Blanding, 2012).

Silk’s work published by the Harvard Business Review was one of the few writings discovered in the literature review that related to the trend of growth and decline in the traditional full service advertising agency business model. In a trio of papers, Silk has laid out his research on three key developments that have shaped the industry in recent years: unbundling of agency services, the problem of competing clients sharing a common agency, and concern over consolidation with the growth of holding companies.

Unlike manufacturers or other businesses, the price structure for advertising agency compensation has always been very different, more so than most any other industry, because it includes a combination of monthly and/or annual professional services retainers and project fees, but also media commissions and outside purchase mark-ups. According to Silk:

For much of the twentieth century, companies relied on a "full-service" agency for most or all of their advertising service needs, including both creative development and media planning and buying. Agencies were compensated primarily by commissions related to the volume of media space and time they purchased for clients' campaigns.
This practice was institutionalized by an arrangement known as the "recognition system" between agencies and publishers, and administered by a set of trade associations. Among other things, the system supported standards for granting of credit to agencies and established a fixed commission rate paid by magazine and newspaper publishers to agencies. These practices served to discourage price competition among agencies and facilitated the bundling of services by full-service advertising firms (Arzaghi, Berndt, Davis, & Silk, 2010).

As Silk's research demonstrates, agencies have shifted historical industry policies, starting with a transformation from full-service and media commission-based compensation to now unbundling and cost-based fee compensation. But Silk’s studies then transition from agency decline trends and expand into mergers of the largest agencies, into Conflict Policies, and into competing clients sharing a common agency. These analyses focused on but a few of the largest, mostly multi-national agencies and their holding companies.

Aside from basic market size data in the annual Advertising Age annual agency review issue or IBS World Advertising Agencies in the U.S. Market Research report, very few trend papers other than Silk are available.

In addition to conducting extensive literature research on the subject, a large number of national industry sources and well-versed marketing watchdogs from well recognized advertising associations, marketing media and mass communications academia were contacted and posed with the questions such as:

- What happened to the traditional full service advertising agency?
- Are there any sources you can recommend regarding their collective demise?
- Are you aware of any studies or writings on what happened to them?
In multiple one-on-one conversations and correspondence with expert sources in the fields of advertising history, trends and specific marketing research, almost none of them contacted could quote or refer a definitive study or treatise of this topic. Some contacts were able to refer other possible sources for consideration, but in turn, similar research inquiries with these additional sources yielded little information as well.

Key examples of this search included the following from Advertising Age (whose researchers spent significant time trying to help get trend background for this paper’s development; note while these were one-on-one interviews conducted with researchers, this paper is including their comments in this chapter because it points to the dearth of existing literature available on this topic matter):

Catherine Wolf, Research Editor, Ad Age, stated: “In our review, Ad Age has not produced a white paper about the decline of traditional advertising agencies. I can point you to a timeline we did on ad agency mergers and consolidation.” (Advertising Age, History Lesson: A Timeline of Ad Agency Consolidation, Catherine Wolf, August 6, 2014) In a review of the timeline recommended, it disclosed a number of agency mergers, acquisition transactions, the transactions’ timing and details on the total (estimated) billings of numerous combined agencies. Unfortunately, nowhere in the timeline document did it disclose any specific data why any of the agencies pooled their resources, or if either was forced to merge.

Carol Davis from the 4As (American Association of Advertising Agencies) stated: “I reviewed information here and didn’t really see anything pertinent to the topic of trending ad agencies closing; of note, prior to this, I was a librarian for 15 years with Ad Age and I also don’t recall ever seeing any type of study specific to why ad agencies close” (personal communication, February 28, 2014).
Michelle Dopp at Crain’s Knowledge Center (Ad Age Research) stated: “I have searched our Ad Age archives and not come up with any overall agency closing trend articles – perhaps you can utilize the Duke University Hartman Center for Sales, Advertising and Marketing, as it’s quite extensive.” (personal communication, March 5, 2014).

A number of marketing and communications educators from some well-regarded universities with prominent advertising curriculums were also contacted. A snapshot of their collective response:

Joshua Rowley, Reference Archivist, Hartman Center for Sales, Advertising & Marketing History, Duke University stated: “I’ve reviewed with my colleagues here in the Hartman Center and I doubt that there is much out there, at least in the way of scholarly work” (personal communication, December 10, 2013).

Other conversations with similar academic archivists and marcom professors yielded similar responses – although it is appreciated they too did some investigation – and including inquiries by Vince Hazelton, Ph.D., APR, Fellow PRSA, Director of the School of Communication at Radford University; Dennis Gaschen, APR, Fellow PRSA, Communications Professor California State University – Fullerton; Laural Hammel, PhD, APR, Fellow PRSA Program Director/Associate Professor, Public Relations a& Marketing Communications, Ursuline College; and Charles Taylor, Ph.D. Villanova University and editor, Journal of International Advertising.

Contact also was pursued with leading advertising association, foundation and national groups like AAF (American Advertising Federation), editors at both the Journal of International Advertising and Journal of Advertising (the latter part of the 4As – American Association of Advertising) and other researchers at the 4As. Their response
was mixed; first, a 4As representative said that the association’s data were restricted exclusively to members. After another call to another person within the organization, an unnamed source responded saying, “And just why on earth would we ever track something where our own membership is going under?” (anonymous interview, 2013).

That said, both the past and present executive directors of the Cleveland chapter of the American Advertising Federation, Dan Leibundgut (2008 to present) and Rick Squire (1994 – 2008), were both extremely helpful in this project. But they, too, said they had no knowledge of any trend piece of the topic, and that included a review of more than 30 years of stories and articles in *Torchlight*, the chapter’s longtime publication.

Finally, a number of the leading advertising, marketing and media beat reporters at leading North American business publications were contacted. This was done via e-mail, voice mail and snail mail (traditional post office), asking similar inquiries for their thoughts on the topic, or possible recommendations for sources of existing research or white papers.

There were multiple attempts to get input, quotes or recommendations by contacting the following media and advertising beat experts: Alex McCain at *ADWEEK*; Alex Konrad and Avi Dan, both with *Forbes*; Daniel Roberts with *FORTUNE*; Bruce Horovitz and Michael Wolff with *USA TODAY*; Danielle Sacks with *FAST COMPANY*; Chris Palmeri with *Businessweek/Bloomberg*; Natalie Tadena with *The Wall Street Journal*; and Patricia Sellers with *CNN/Money*. All inquiries were ignored or they declined to respond, with the exception of Stuart Elliott of *The New York Times*.

Elliott, until recently, was the advertising columnist with the Times. In an exclusive interview pertaining to this thesis, he replied that in his 25 years of covering the advertising marketplace, he could not think of a single definitive study specific as to why
agencies have transitioned or specifically downsized. “I could tell you about a number of specific agencies failing, but the irony is, unless you’re really on the inside – you don’t know where all the skeletons are, or where all the bodies are really buried” (Stuart Elliott, personal communication, March 13, 2014).

Does that mean that there’s no literature to review on the topic of advertising agency failures? Certainly not. There just doesn’t appear to be a lot of existing literature to review about the overall trend or commonplace traits of full service advertising agency failures.

That said, there are accounts available regarding specific agencies and their specific downsizings (see figure 1). The following is a review of literature on almost a dozen advertising and communication agencies that closed. Through an examination of literature culled from advertising national trade publications, along with national and metro market business journals, these accounts demonstrate a number of the precise reasons these firms went out of business – but also begin to point out some of the consistencies in each of their collective expirations.
Figure 1. Overview of Recent Advertising Agency Closings

Too Many Eggs; Only One Basket

Pearson Partners, Indianapolis (33-year-old agency), closed 2010; CEO Ron Pearson announced the agency would close in July 2010, attributing the closure to difficult economic conditions. As reported in the Indianapolis Business Journal (July 6, 2010), the agency had more than 30 clients, but it suffered a huge blow in 2007 when locally-based national electronics retailer HH Gregg decided to switch its $20-million advertising account to Florida-based Zimmerman Advertising. Pearson indicated that profit margins on the account had become so tight that it wasn’t worth trying to compete when HH Gregg put the account up for review. The Pearson agency, which had handled Gregg’s advertising for 24 years, had billings at the time of $48 million, ranking it among the city’s top five or six agencies (Olson, 2010).
The bottom line? Having one account make up more than 30 percent of overall billings – and in this case more than 40 percent – of any business, particularly a professional service firm, is a recipe for disaster. It is imperative to diversify an agency’s account mix; much like a series of five or six anchor stores in a mall, so that the “balance of power” is equalized.

Management Woes

Jewell, Baker Zander Inc. Kansas City (21-year-old agency), closed in 2005. Formerly one of the region’s top 20 firms, the *Kansas City Business Journal* (May 15, 2005) reported it had $1.9 million in gross income in 2004 and serviced a range of clients including Cerner Corp., Carondelet Health, Belfonte Ice Cream-Dairy Foods and various divisions of Monsanto Co. JBZ agency President David Jewell said the closing was related to “cash-flow problems.” Former client Jan Shinkle, PR director for longtime client Liberty Hospital, said she was told the economic aftermath of 9/11 crippled billings from the agency’s manufacturing and international clients. Jewell reported the agency lost $250,000 in 2001, reported small profits in 2003 and 2004, but a cash shortfall occurred when several client projects didn’t start early as expected (which may have hurt cash flow or led to inflated payroll numbers). This was reiterated by agency partner John Baker, who said, “It’s an accumulation of things, and we just reached the tipping point, and we couldn’t get over it” (Roth, 2005).

Blame it on 9/11 four years after the fact? Claim fault with cash shortfalls when projects didn’t “start on time?” After running an agency for more than 20 years, it seems like JBZ’s agency management did not manage its business in accordance with regular management practices of balancing cost, profit and margins on a regular basis.
Losing the Leader

Cochrane, Chase, Livingstone & Co. (26-year-old agency), failed in 1991. Known as the grand-daddy of Orange County advertising industry, the agency suddenly closed its doors and dismissed its 33-person staff, according to the Los Angeles Times (Nov. 5, 1991). In its time the agency spawned at least seven local agencies founded by its former employees. At the time of its demise, billings were less than $10 million, down over 80 percent from previous reports of $59 million in 1987. In its heyday, the agency handled advertising for Carl Karcher Enterprises, Beckman Instruments, Dollar Rent A Car, Lucky Stores and Pirelli Tires. The New York Times reported the agency had been sold to Saatchi & Saatchi Holdings in the mid-1980s, and the impending departure of the company’s affable founder Cochrane Chase, in late 1988, left the company “rudderless,” according to Peter Stanger, president of competitor Della Femina McNamee WCRS Los Angeles. He told the Los Angeles Times, “At one time it was a very, very vibrant Orange County agency, but a lot of the agency’s persona was wrapped up in Cochrane Chase” (Michaud Pioneer, 1991).

Further evidence that agencies (or any business, for that matter), that live and die by the personality of a flamboyant or overly charismatic principal, run the risk of facing a huge vacuum when that person leaves.

Talent Exodus

Cliff Freeman & Partners, a New York 22-year-old agency, closed in 2009. “Cliff Freeman & Partners, one of the most successful New York advertising agencies of the 1980s and 1990s, is no more,” wrote Stuart Elliott, The New York Times advertising columnist (November 3, 2009). The agency was founded in 1987 by Cliff Freeman after he wrote the iconic “Where’s the beef?” campaign for Wendy’s. The agency simply
withered away, noted AdWeek.com, which estimated the firm, just before closing, was down to five staff members, after a recent peak of 60 (Patel, 2009).

Several top executives who spoke with Ad Age were unable to point to any single reason for the agency’s collapse. Some said poor account management was to blame. Another person cited the failure to replace lost clients, and one even said it was cyclical and that small, independent agencies were more vulnerable to economic cycles. Mr. Freeman’s firm did well-known work, including the Little Caesar’s ‘Pizza, Pizza’ campaign and several campaigns with long-time client Baskin-Robbins. In its last decade, though, Ad Age reported the agency had trouble emerging from the dot-com bust and an exodus of clients (among them Bonefish Grill, Staples and Quiznos). By 2003, it began leaking crucial talent. One trio of top executives started the boutique, Amalgamated, and Creative Director Eric Silver bolted to rival agency BBDO. In regard to the agency closing, Elliott wrote: “In addition to creative talent departing, Freeman’s executive suite was also in turmoil recently as two chief executives left the agency in five months” (Patel, 2009).

Agencies are made up of many parts. And while the foundation and/or the penthouse may be strong, much like a game of Jenga if you continually pull out the middle parts, the whole thing collapses like a house of cards. Who is there to do the work? Or do the work at the same level of expectation that has been previously set?

**Penniless and Closed**

Eisner Communications Inc., a Baltimore 60-year-old firm, was one of the city’s biggest and oldest advertising agencies when it closed in November, 2006, as reported by the Baltimore Business Journal. Just six months earlier, it employed 80 people and boasted a client list that included Provident Bank, the National Aquarium in Baltimore
and Maryland State Lottery. “Eisner Communications today announced to clients and associates that the firm shut down effective immediately because it doesn’t have any money,” said Abe Novick, a senior vice president at Eisner, in a statement. He then deferred calls to the agency’s attorney. Media Post noted the agency once reported billings in excess of $300 million, but was always suspected of exaggerating its financial well-being. Principal Steve Eisner dismissed those suspicions as professional jealously (Dash, 2006).

Media Post also reported the agency’s woes began when it lost the U.S. Airways account (after the airline merged with America West), in 2005. Eisner posted revenues of $18.3 million that year, a 40 percent drop from 2004, according to Advertising Age. Later that year, Steve Eisner stepped down and former Saatchi & Saatchi executive Jeremy Clarke took over. Soon after that, the company’s PR, interactive and boutique subsidiaries were shuttered. The entire firm closed ten months later (Siebert, 2006).

According to the Media Post article, “The agency’s attorney says there are a number of bills outstanding that were owed to media vendors. He said that the company shut down because it ran out of money and wasn’t able to pay employees or cover expenses.”

It’s one thing to lose a flagship account, but seeing that airline mergers don’t happen overnight (and after 60 years in business); one would assume that contingency plans, rainy day funds and long-range contingency planning would be in effect. This was obviously not the case. Not only were thousands of dollars owed to vendors and media partners, but employees terminated did not receive payment for their last working period, severance or leftover vacation. This was no way to run an airline – or an ad agency either, in this case.
Sometimes it’s Just Time to Go

Henderson Advertising, Greenville, S.C., 60 years old, closed in 2006. Having struggled for the past decade amid client defections and an inability to reinvent itself, Henderson Advertising closed, idling 42 workers and ending six decades as a fixture on the Western South Carolina agency scene, according to AdWeek (April 4, 2006). The closing surprised many observers, as the first notice most had of the closing was a recorded message on the independent shop's office telephone: "Henderson Advertising officially closed on April 3, 2006. Thank you." Ralph Callahan, Henderson's chairman and CEO, did not return AdWeek’s calls, but did issue this statement: "We have ceased operations and closed our doors effective April 3. We are conducting an orderly liquidation but not bankruptcy. And that's all I can tell you because of ongoing litigation at this time" (Lovel, 2006).

AdWeek reported that the nature of that litigation was not immediately known, but sources said it pertained to the shuttered shop's financial condition. The agency had lost several accounts in the past three years, including Gold's Gym, SouthTrust Bank and Costa Del Mar sunglasses, without adding any clients of comparable size. The shop tried to add more business from its largest client, DaimlerChrysler (Henderson worked on the client's estimated $30 million commercial vehicle account). That additional business never came and Andy Mendelsohn, former executive creative director at Henderson said, "They've been trying for the past decade to dig out of that hole. They also tried to become something else and it didn't work." Part of that attempt to re-invent itself included buying Mainline Marketing Communications, a public relations firm, in 2003, and Resolutions, an event marketing company, in 2004 (Lovel, 2006).
The fact that the agency held on for close to ten years makes one wonder what kind of work was being done, or what the clients were receiving for their advertising dollar. Agencies do go through down periods, and they do, on occasion, need to reinvent themselves. But to suddenly lock up the shop, with little or notice after 60 years is another testament to the poor management running this company.

You Can’t Spend What You Don’t Have

Rockett, Burkhead & Winslow, Raleigh, N.C., 14 years old, closed in 2009. Stung by lower spending by its major clients, advertising agency, the agency filed for Chapter 11 bankruptcy protection and laid off its 15 employees, according to the Triangle Business Journal (February 2, 2009). In its filing, the Raleigh company listed about $1.6 million in assets and $7.3 million in liabilities. Just a year before closing, the company estimates that it had more than 200 creditors. CEO and President Grant O’Neal said “RBW was harmed by decreased ad spending, particularly among its large clients.” He declined to name those clients but pointed to the company’s website; some of the bigger clients listed there include BB&T, Dollar Tree and Old Dominion Freight Line. Companies also set plans for their annual advertising spending later in the year than they had been, O’Neal added, which left agencies such as RBW in the lurch. “What we are seeing, almost universally, is a real difficulty of clients nailing down their plans. That’s what created the significant problem for us. We knew we couldn’t operate as we exist today,” O’Neal concluded. A year before filing, RBW’s gross revenue in 2008 was about $38 million, versus $36 million in 2007 (Coletta, 2009).

However, client delays should not have forced the agency to buy on its behalf, in advance. The simple rule of business applies – you can’t spend what you don’t have. And in this case, the agency bought millions of dollars of media and other services – so it
claimed – either without client approval or with delayed client approval. When you run a business, accounts payable must be kept up to date. Then result is, if agencies “act like a bank” for their clients, even sometimes for additional compensation, they run the risk of getting overextended. To avoid these situations, agencies should stick to what they know: advertising. If clients want media placed, they must pay for it – and in timely manner. If clients delay their plans, then the agency must delay media placement.

**No Business Still Being in the Ad Business**

Robinsons Marketing & Advertising Inc., Orlando, Fla., 60 years old, closed in 1993. John E. Robinson, grandson of the company’s founder, said he was forced to shut the agency down because of a tax dispute with the Internal Revenue Service and the company’s accountant dating back 11 years, as reported by the *Orlando Sentinel* (February 1, 1993). With more time, he said, he might have sued his accountant over alleged flawed tax returns and raised the money demanded by the IRS for back taxes and penalties. Robinson would not identify the accounting firm, but said the result was “really sad – it displaced the people and the jobs.” Two of the employees had recently left and started their own advertising firm, Sitter & Patregani Marketing, and were negotiating to bring along Robinsons’ biggest client, Red Lobster. Robert Sitter said he and his partner left because they had been uncertain about the agency’s future, but that non-compete contracts stopped him and others from leaving, until they learned Robinson planned to close the agency (Feigenbaum, 1993).

Poor management can occur in any business, but in the agency business, the agency recommends spending placement strategy, oversees where monies are spent and often has complete control of significant client funds. If the agency can’t handle running
their own business, its budget, and paying its taxes, why should it be expected to manage another firm’s?

The above examples are reflective of several reasons, a majority of them related to poor agency management, why advertising agencies fail. Another example is when the head of the agency – often the namesake personality of the shop – leaves, retires, dies or commits some sort of malfeasance.

Death of Ross Roy CEO Glen Fortinberry

*The New York Times* obituary read:

Mr. Fortinberry was the chairman and chief executive officer of the Ross Roy Group, the nation’s 17th-largest advertising agency, and was former chairman of two major trade associations, the American Advertising Federation and the American Association of Advertising Agencies. For 16 years, he worked at J. Walter Thompson, which was the largest advertising agency in the world, where he rose to vice chairman. He left Thompson in 1980. Under his leadership, the Ross Roy Group’s annual billings grew to more than $700 million from $180 million. Its clients included Chrysler and Kmart (Lambert, 1993).

In less than two years after Fortinberry’s death, Ross Roy agreed to be acquired by the Omnicom Group, the giant company that owned global networks like BBDO Worldwide and DDB Needham Worldwide. According to Stuart Elliott of *The New York Times*, in just 20 months, it had dropped to the 27th-largest agency in the United States, with 1994 billings down $200 million to $508 million. It lost one of its most important accounts when the Kmart Corporation left after 26 years for Campbell Mithun Esty in Minneapolis (Elliott, 1994).
Besides the death, departure or incapacitation of a dynamic agency leader, an agency’s CEO malfeasance can certainly decimate the firm as well as its troops. David Ogilvy, in *Confessions of an Advertising Man*, said, “Running an agency takes vitality, sufficient resilience to pick oneself up after defeats…and morality – people who work in advertising agencies can suffer serious blows to their spirit de corps if they catch their leader in acts of unprincipled opportunism” (Ogilvy, 1963, p. 43). Two communications agencies (actually more PR-oriented than advertising), saw their billings tumble immediately when their respective bosses got their hands slapped – in one case severely – when caught on the proverbial cookie jar (Ogilvy, 1963).

**Franco Accused of Insider Trading**

In perhaps the best-known incident involving communication professionals and insider trading concerned Anthony Franco, who, in 1985, was president of Anthony M. Franco Public Relations (the 15th largest PR firm in the country); he was also president of the Public Relations Society of America (PRSA). According to the SEC, Franco was accused of a violation of fiduciary trust for allegedly purchasing stock in a company to which he was a consultant, based on insider information that the company would soon be acquired by another corporation. Although formally admitting no wrong doing, Franco eventually resigned from the PRSA presidency and pledged not to act on insider information in the future (Moore, 1998).

Soon the Franco agency dramatically downsized its staff, number of clients and billings. Within two years Tony Franco sold his agency to the Ross Roy Group.

**When Agency Heads ‘Gone Wild’**

Ron Watt lived large and he flamed out the same way, according to an expose published in *Cleveland Scene* magazine (March 29, 2006). It was quite an indicting
article about the flamboyant former head of Watt, Roop & Company. Watt couldn’t read it, however, because he was serving three-and-a-half years in prison for fraud. Before his incarceration, his communications agency was one of the best known in the Midwest, with a list of clients that ran from FedEx to the Cleveland Browns. He served on 15 boards, including those of the Red Cross and the Tri-C Jazz Festival. He was the national chairman of the PRSA National Counselors Academy, as well as chairman of its ethics and standards committee. Unfortunately, despite his good works and reputation, Watt’s expense accounts practically made headlines and he was infamous (to a fault, it turned out), for his extensive travel and entertainment habits.

Then, in the first acquisition made by the newly public, St. Louis-based Fleishman-Hilliard agency, he sold his firm – but agreed to stay on for an annual salary in excess of $250,000 and considerable perks. Apparently, though all that wasn’t enough. His lavish lifestyle had put him more than $1.2 million in debt. When loans were suddenly called, he forged bank documents, was caught and then fled the country. (Roberts, 2006).

Watt later returned, but there wasn't much to do but arrange the best plea he could get. In court, the prosecutor pointed to Watt's Rolex and called him a victim of his lifestyle. In the meantime, Fleishman’s Cleveland office never took off or was even been ranked among the top 10 agencies in the region.

Ownership transition does, eventually, have to take place at advertising and public relations agencies. Success depends on having a strong succession plan. Typically the principal has rewarded the loyalty of his or her lieutenants, and the new team goes on without missing a beat. David Ogilvy said, “Clients sometimes ask me what would become of my agency if I were run over by a taxicab. It would change.” When Senator
Benton and Governor Bowles left their agency, it changed – for the better. J. Walter Thompson survived the departure of Mr. Thompson. McCann-Erickson hit its stride after Harry McCann retired. Even the retirement of Raymond Rubicam, who probably was the best agency head in history, failed to arrest the progress of Young & Rubicam (Ogilvy, 1963).

So while agencies close for different reasons, most emit similar signs when the decline starts. Gary Koepke, CEO of former 180-person advertising agency Modenista, which closed its doors in 2011, reviewed the signs he observed in an Advertising Age column titled, “Closing an Agency Is Harder than Starting One”.

If you're an agency owner and you find yourself in a situation where your gut instinct tells you it might be time to close up shop, but your heart's not letting you -- here's a list of signs, from my experience, that it's probably best to do the former.

1. Nobody wants to admit things are bad.
2. Staff begins to depart for other agencies.
3. Your 8-year old-daughter asks "What's wrong?" every night.
4. Projections aren't being met and overhead is tipping greater than revenue.
5. In pitches, other agencies tell the client you're going out of business.
6. When you do win business, it's often only the smaller fish, not the big ones.
7. You start having conversations about M&A or bank loans.
8. You have this nagging feeling things aren't getting better and it just doesn't go away (Koepke, 2011).
As noted, the literature review undertaken to examine established trends on why mid-size, full services advertising agencies failed provided limited information. Further study into specific ad agency collapses revealed some external reporting as to some of the reasons for their individual failures. However, to provide a more concrete examination of the research questions, this paper will undertake a more quantified and qualified look by not only conducting a survey but also detailed interviews with ad agency personnel who lived though and saw firsthand the reasons their agency ceased to exist.
CHAPTER III

METHODOLOGY

According to the 4As new infographic “Evolution of the Advertising Agency Business”, the overall number of advertising agencies in the U.S. in 2000 was 13,866. That number fell by close to 20 percent in just two years, to 12,415 in 2002; that decline was also reflected by the professionals employed by U.S. advertising agencies: 202,800 in 2000, down to 174,400 in 2002, and then dropping to 165,600 in 2004 (aaaa.org, n.d.).

At one time the Northeast Ohio advertising community was one of the best known and largest between New York and Chicago (sans Detroit, which was almost entirely automotive-centric). It too, reflected a similar decline in ad agency employment.

According to available U.S. Census Bureau data (NAICS 54181) for the Greater Cleveland-Elyria OH, MSA, advertising agency employment had dropped more than a third from 2001 to a reported 1,515 professionals and then just 1,073 in 2006. This decline was similarly noted in this formerly vibrant creative marketplace by the paid membership of the American Advertising Federation – Cleveland chapter, which had long been the standard in Northeast Ohio advertising agency representation. Its member numbers too, significantly evolved: from 778 in 1985, to a high of 953 in 1990; back to 762 in 1995 with a slight growth to 790 in 2000; then dropping to 608 in 2005; and to just 310 in 2009 (aaaa.org, n.d.).
Seeing these significant declines in advertising agency employment in this marketplace, during this examined time period, the Research Question(s) this thesis poses is:

**Why were full-service advertising agencies failing in mid-sized markets in the late 20th and early 21st Century? What were the key, common internal and external factors that were prevalent in their demise?**

This thesis will study the Northeast Ohio marketplace as a microcosm of the nationwide advertising agency marketplace to ascertain if there are specific trends or factors that might explain why so many full service advertising agencies failed during the 1990s. Having found limited data and/or rationale in the previously catalogued literature review, this will be done utilizing two methods:
1. A survey of more than 50 marketing-communications professionals who worked for, or with, full service Northeast Ohio advertising agencies that failed between the years 1990 – 2000.

2. In-depth interviews of 25 agency professionals who worked in the Northeast Ohio marketplace during the time period under study.

In the cases of both of those surveyed and interviewed, many held leadership or senior management positions with one or more mid-sized, full service advertising agencies in the Greater Cleveland marketplace that saw their doors closed during the time range from 1990 – 2000.

The selection and subsequent interviews with former agency professionals was done through a review of four key full-service Greater Cleveland ad agencies that closed during the studied time period. This included contact and full, or partially completed interviews with a number of these agencies’ past senior staff, officers and in some cases, their client contacts. Also interviewed were Greater Cleveland advertising association leaders and Northeast Ohio business media members who, during the 1990s and early 2000s, covered the region’s advertising and marketing category. Similar to the mass survey, all were asked topline questions about general thoughts on their agency’s closure, but then they were asked more in–depth questions, very specific to reason(s) why their particular ad agency closed:

- What were some of the account losses the agency incurred?
- What were some of the reasons for losing this (these) businesses?
- Did the agency also suffer from a lack of new business?
- What type of plan or strategy (if any) did it implement to increase new accounts?
- Did the agency suffer from key talent departures?
- Did those professionals take existing business with them to other firms and/or start their own shop?
- Did any affects from the soft advertising marketplace (1990’s overall recession) affect the agency?
• How did the new development of industry compensation transition (new media buying procedures, changes in out-of-pocket services mark-up, etc.) affect the agency?
• The Greater Cleveland market in the latter 1980s and 1990s saw a significant departure in leading manufacturing and business headquarters. How did this regional market transition affect the agency?
• What was the business acumen of the agency leadership like? Did it suffer from poor or overwhelmed senior management skills?
• Did the agency suffer from too fast a growth pattern? What were examples that it was growing too quickly?

Some chose to respond to the prepared questionnaire only in part, or provided responses but asked to remain anonymous (inasmuch as some of these professionals interviewed were associated to a degree with their agency’s failed management, it is logical that some respondents did not want to publicly detail all their responses).

NOTE: This study’s focus is prior to the advent of the entire digital content age. The Internet, social media and technology have had a significant effect on communication in the last dozen years and with it, on the traditional advertising agency model.

The overall survey responses and subsequent follow up interviews provide specific insight as to why the overall agency model in the Northeast Ohio advertising marketplace changed. The survey provided insight to specific agency closure trends, and the interviews delivered detailed opinions about the demise of four long-term, established advertising agencies in Greater Cleveland, offered by those involved.

Survey Objectives and Methodology

Overview:

• Investigation conducted exclusively for Kent State University graduate program thesis paper
• All distribution coordination, questionnaire instrument development, survey methodology, data collection and analysis done by Chris Lynch, APR, Fellow PRSA and KSU graduate student

• The survey was created via QuestionPro format and hosted online by Babcox Publishing in Akron (the latter provided its web server as a support service so the respondent data to come in; this paper’s author was then able to download and analyze all responses and comments).

• Methodology conforms to accepted marketing research methods, practices and procedures

Objectives:

• Determine reasons Northeast Ohio traditional advertising agency closure from actual agency professionals, suppliers and clients who experienced those closures.

Methodology:

• Online survey instrument prepared and distributed though e-newsletter blasts to members of NOCA (Northeast Ohio Communications Advocates) and Cleveland Advertising Federation (formerly Cleveland Ad Club)

• Instrument was 10-question Question Pro format (see Appendix 1)

• Survey was distributed in March, April and May, 2014

• Survey was blasted to a combined 1900 members of the two professional communicators’ organizations. This target audience was chosen because it combined the largest existing core of present and former agency practitioners. However, survey completions were modest based upon this audience, because:
o Of the 1900 opt-in email recipients, less than half were identified as present or former agency personnel (others were artists, printers, publishers, etc.)

o Only respondents who worked for or with a Greater Cleveland advertising agency between 1990 and 2000 were allowed to complete the survey.

o Only respondents who met the above criteria AND worked for (and those working with) an agency that failed during that 1990 – 2000 time period

o Subsequently, because the survey was limited to this narrow base of former ad agency personnel - who all worked with/for an agency that failed during the allotted timeframe - set this paper’s modest goal to achieve at least 50 completed surveys (50 being a minimum target sample response rate required to yield enough responses to establish key trends and/or patterns).

  • Of those recipients, 375 opened the survey; 98 begin the survey (six others dropped out because they were not associated with an ad agency; 22 more were dropped because their agency did not close while they were associated with it; a handful did not complete the survey even though they met the criteria).

  • 59 eligible professionals completed the study

Response Motivation

  • To encourage prompt response and increase the response rate overall, the following marketing research techniques were used:
An overview of the study was included in the monthly association e-newsletter with a live link was included in the e-mail blast to route respondents directly to the online survey.

The survey was blasted to the combined membership three times.

The invitation was branded as a study for a Kent State University thesis to capitalize on the brand.

The study offered a drawing for a $100 VISA gift card among respondents.

In March through May of 2014, a survey was sent out to veterans of the advertising agencies and their related communities in the Northeast Ohio area to gather opinions regarding the forces affecting the industry during the period of 1985 to 2002. Ultimately, the goal was to understand why many of the area’s larger advertising firms closed or merged.

Working in conjunction with NOCA and the Cleveland Advertising Federation (formerly Cleveland Ad Club), a link was created which allowed the respondents to take the survey online. The link was disseminated in the associations’ respective e-mail newsletters and announcement, which targeted these professionals during April and May of 2014. To be eligible to complete the survey, respondents needed to not only work for or with a Greater Cleveland-based full service ad agency, but one that had closed its doors during that period. There were 59 respondents met the criteria for participation.
The first question was to gauge in which capacity an individual worked with or for an advertising agency. Of the 59 individuals that responded, 68% of those were an agency employee; 14% were on the client side, and the remaining 18% were a combination of agency freelancers/suppliers, an affiliate division (such as a PR agency), or consultants and in some other miscellaneous agency relationship.
The survey respondents were associated with an agency for a number of years, but their starting and ending periods were varied. 19% were associated from a time prior to 1988 and are currently still associated with an agency, while another 19% have only been associated with an agency from 2002 until present.

The next two key questions were to determine: 1) In their opinion, what was the number one reason their agency closed? and, 2) What other reasons contributed to their agency closing? Both questions were open-ended so as not to influence respondents in any way.
While there is evidence that there are a number of reasons advertising agencies close, in this case we asked NEO agency professionals for the main reason their own agency went under. By an almost two-to-one margin over the second main reason for their agency closing, almost 40% of respondents said their agency closed because of poor business management. Coming in at second at 21% was the generic “bad economy” by 21 percent. This was followed by loss of major client(s) at 13%; then lack of new business and too rapid growth, both at 7%; then change in media buy and inappropriate succession plan, and both at 4%; and finally, breakaway talent starts a new agency at 3%. Many opinions were given in an open comment section as to main reason that the agency closed down or downsized, including the following.
Respondent Comments about the Key Reasons

Poor business management:
- “I am not sure. I believe they could not maintain client retention and am guessing it was due to cost of services not supporting the quality of delivery.”
- “Too much overhead.”
- “Poor leadership; based in another geographic location and did not want to put time and energy into Cleveland location.”
- “Senior management left; poor team in place to take over.”
- “It was a husband and wife team that ran the agency. They were taking so much money out of it for their personal expenses; there wasn't enough to cover the payroll anymore. Coupled with their biggest account leaving, was the death knell for them.”

Bad economy:
- “Shrinking economy and lower budgets.”
- “Lack of perceived value and economic reasons; their monthly fees were too high for their clients to absorb.”
- “The size of the market declined. Major corporate clients merged, were acquired by others or left Cleveland. Corporate headquarters moved to other cities. Local agencies did not adapt.”
- “Significant loss of business and client budget cutbacks due to recession.”

Loss of major client:
- “Downsized, lost a major client.”
- “The loss of a large and 13-year in tenure client, and the inability to replace this revenue.”
“Too much business concentrated in too few clients so when we lost one, it gutted agency billings.”

“Lost major accounts, could not recoup”

“Inability to replace major accounts - some of these accounts closed business; others left for another agency/moved service in-house.”

Lack of new business:

“Agency did not effectively prospect for business, and was NOT nimble at adjusting to changing market.”

“Loss of key clients; agencies live and die on client retention. Loss can force sudden closings, while new business can accelerate growth and success. If agencies didn't make new business their constant number one goal then they are destined to fail.”

“Downsized significantly after losing major clients. Two huge national clients were lost to agencies that were owned by large holding companies within six months of each other.”

Too rapid growth:

“Quickly grew and then business slowed right down.”

“Bad management. Over extended themselves.”

“Market couldn't support the growth after it had added a PR division”
Contributing Factors for Closing or Downsizing their Ad Agency

Figure 6. Contributing Factors for Closing or Downsizing their Ad Agency (59 respondents – multiple answers)

After the above inquiry of ‘What was the MAIN reason for the agency’s demise’, an open-ended question was then offered up asking for several (or, any other “key”) reasons for their agency’s closure. Many respondents offered multiple reasons. Among them were: 71% of the respondents indicated that a lack of new business was a major reason for the agency’s downsizing or closure. The second largest reason at 60% was a loss of a major client or multiple major clients. At 45%, the poor economy was also a factor for closing, followed by poor business management at 41%.
Some of the more minor reasons for agency closure were: a shift in agency culture 36%, an inappropriate succession plan at 28%, a change in media buying compensation at 17%, a failed merger among agencies 14%, and then breakaway talent starting at an agency and too rapid growth, both at 12%.

In allowing respondents to weigh in via an open comment section, the following comments were provided. As pointed out early in this thesis, the advertising business did a significant about face with the advent of the digital marketing era in the early 2000s. However, many survey respondents noted this shift in focus to digital:

- “Technology shift was the main reason for the decline of full-service agencies. The IT departments began controlling many of the brand decisions as a part of website development and the rise of marketing automation meant that ad metrics started to be controlled on client side rather than the agency side.”

- “The agency business is difficult enough with changes in technology, media, economy and culture.

- “Traditional advertising declined due to the new social media and traditional ad agencies were not up on the new trends.”

But as noted in the outline of this study, this paper was to investigate the demise of the traditional advertising agency business occurring prior to the digital transition. In the open-end comment section of the Northeast Ohio communication marketing professionals’ survey respondents provided observations that called out combinations of specific issues as well as overarching concerns with the agency vocation.

- “Not necessarily aimed at agency management, but more so the longtime shift in the outdated, ad agency model”
• “Agencies just seemed to have inconsistent accountability, lack of teamwork, lack of trust and a changed model with no training on changing skill sets; surviving is nearly impossible.”

• “Agencies struggle to be a partner while adhering to the billable hour model... It was frustrating telling a client we are finished when we weren't but we ran out of time. I hire agencies now and insist on a contract that anticipates curve balls but ensures the project gets finished.”

• The old-style advertising agency business model has more competition than ever because any freelancer with a good computer and great ideas can gain ground across the world, through alternative media and online initiatives.

The survey general responses were also numerous in the ongoing trend of clients’ seeing a lack of cohesion (and price overhead) and noticed many of them turned to outsourcing of services rather than keeping marketing communications activities under-one-roof, as full-service agencies had always offered:

• “The best work these days is being done in design studios and boutique agencies. Big agencies are still ineffective at prospecting.”

• “Major corporate clients became more receptive to using small boutique agencies for specific and traditional agency functions. Creative services. Media buying. Market research. Project assignments. They sometimes would have multiple agencies on their roster, each with different product or brand responsibilities.”

• “The clients soon recognized that they could perform many of the tasks a full-service agency did, and at less cost. Free-lance creative talent was available
to these clients and often the creative product was better, faster and less expensive.”

- “Agencies used to charge for every service that they provided. Companies started to take advantage of fewer services in order to contain (or reduce) costs. Many companies took their media buying in-house and began to use agencies for creative work only.”

**It’s all about the Economy, Stupid…Or was it?**

A number of survey responses noted the economy as an issue in agency decline, this may have been particularly true in Greater Cleveland, where a number of larger corporate and regional brands closed or the region lost key clients in the latter 20th century. On the surface, it is a fact that major companies that were major advertisers in the region went through significant transition from 1990 – 2000. A number of their headquarters either moved (BP, Office Max, TRW), were acquired by a new corporate entity (Ameritrust, Dirt Devil, Hoover, Revco, Stouffers Hotels), or actually just went out of business (Dairy Mart, Figgie International, LTV Steel). These factors were noted by survey respondents when asked to comment about regional advertising agency declines:

- “Cleveland agencies fight with coastal firms for business and have to be able to get past the preconceived notion that we aren't “flashy enough” or “good enough” (because, why would talented people in advertising stay in CLE?), before we ever get a chance to bid.”

- “Regionally our corporate headquarters moved away, taking the creative and production roles with it.”

- “Some context: Northeast Ohio is not the major corporate city it once was; the new media of the last 15 years can function efficiently with or without the
association of advertising agencies, so in some respects, there is less need as this trend took effect.”

Because of the appearance of major account exodus in Northeast Ohio this might have been a primary reason for the larger advertising agency business in Northeast Ohio to suffer. In fact, this thesis was originally focused to examine at length this scenario as a key factor. However, in discussions with numerous Northeast Ohio advertising executives and an extensive review of agency client rosters from 1988-2000 from Cleveland Ad Club’s Torchlight client rosters, most of these larger companies did not list Greater Cleveland firms as their AOR (Agency of Record). In fact, in a number of interviews with leading Northeast Ohio advertising professionals, it seems of area client companies that left or downsized, only Dirt Devil (Royal Appliance) had any substantial work done in town and was shared between Griswold and Meldrum & Fewsmith. Subsequently, this tacit issue was not considered a significant factor in the demise of the traditional agency model.
CHAPTER V

CASE STUDIES

To further investigate and understand why mid-sized, full services advertising agencies close, this study included a more detailed follow up interview process after conducting the marketplace survey. As noted on page 35 in this paper, interviews were pursued and conducted with former agency professionals to create a review of four key full-service Greater Cleveland ad agencies that closed during the studied time period. This included interviews with a number of these agencies’ past senior staff, officers and in some cases, their client contacts. Also interviewed were Greater Cleveland advertising association leaders and Northeast Ohio business media members who, during the 1990s and early 2000s, covered the region’s advertising and marketing category.

A Quartet of Ad Agencies That Definitely Had Seen Better Days

In 1999 Crain’s Cleveland Business reported that the Cleveland Advertising Association made a pitch on behalf of some familiar clients -- its own members. The association conducted a “Cleveland Creative Works!” campaign. The campaign targeted national advertisers with messages that touted the creative talent at Cleveland marketing agencies, according to association president Rob A. Spademan.

“Part of our goal is to boost the number of agency-of-record accounts here,” said Mr. Spademan, who also is director of corporate communications for Picker International, a maker of medical imaging equipment based in Highland Heights. The campaign sought to attract the attention of advertisers nationwide, but it also was designed to catch the eye of national advertisers based in Northeast Ohio (Hardin, 2011).

“Landing several highly visible accounts could help draw creative talent to Cleveland and give the city's ad agencies the momentum and cachet to attract other
national accounts,” said Marc Wyse, president of Wyse Advertising. “Cities such as Minneapolis, St. Louis and Portland, Ore., have evolved into advertising centers using just such a strategy. This is important because of the decline of Cleveland's ad agencies in national prominence that has taken place over more than a decade. Going back 10 - 15 years ago, Cleveland was a much larger advertising center than it is today.”

Although most of the area's ad agency executives cheered the association's efforts, Mr. Wyse was skeptical that it will make much of a difference. “I doubt that it would be effective,” Mr. Wyse said. “You're known not by the city you're in, but by the kind of work you do” (Hardin, 2011).

And he should know. Just nine months later, it was announced that Mr. Wyse's agency, which over the years managed to win the business of several large, national advertisers including Office Depot and Sherwin-Williams, lost the position as agency of record for Applebee’s Neighborhood Bar and Grill restaurants. The account was worth $35 million to the agency.

So, noting the decline of the Greater Cleveland communications market, this paper will review four of its former leading advertising agencies – all which went from the mountain top to the deepest valley in the 1990s or early 2000s. At the beginning of the decade, these four full-service agencies combined to employ more than 600 professionals and bill almost $400 million. They are all gone now, but at the time they were:

- Griswold Eshleman (Griswold)
- MHW Advertising
- The Jayme Organization
- Meldrum & Fewsmith
The Story of Griswold

Griswold-Eshleman Co., once one of Cleveland's most prominent advertising agencies, was founded by Chas. Eshleman and Ray H. Griswold in 1912 with $200 in capital. By 1927, the year that Charles J. Farran joined the firm as a copywriter, the company had 15 employees. Farran steadily advanced to become president in 1957 and chairman of the board in 1969. During Farran's tenure as president and chairman, he transformed the company into an international agency, adding offices in Amsterdam, Brussels, Paris, Milan, and Dusseldorf, as well as in New York City, Chicago, and Pittsburgh. Farran built the company's business from about $9 million in billings in 1957
to more than $42 million in 1971, serving clients such as General Electric, Sherwin-Williams and Penton Publishing. By 1970 Griswold-Eshleman was the largest advertising agency in Ohio and one of the top 40 in the U.S. (Griswold & Eshleman, n.d.).

Following its purchase by Ross Roy, Inc., in 1983, the company shortened its name to Griswold, Inc., only to become Griswold-Eshleman Co. following a buyback in 1995. In between the company suffered significant client losses including Moen faucets, Dutch Boy Paints, Dirt Devil vacuums, to name but a few. By 1995 the company employed 70 employees in the Cleveland area and billings were down to $29 million.

While still a venerable firm, the agency was hurt by the loss of key clients. According to the 1997 edition of The Torchlight, a directory of the Cleveland Advertising Association, Griswold had a 10-client roster compared to 22 listed in the 1996 guide.

In 1997 Griswold lost Lincoln Electric Co., a Euclid, Ohio-based maker of welding products, to W.B. Doner & Co. of Detroit. Lincoln Electric was the firm’s very first client and the 80-year relationship was one of the U. S. advertising industries longest.

What happened? The agency’s CEO, Patrick Morin, returned from his second-in-command position at Ross Roy after the buy-back, and was barely involved in the day-to-day operation of the agency. He told other firm members that he preferred to be on the sidelines – that he saw his role as basically that of the agency’s “cheerleader” (anonymous interview, 2013). That type of hands-off management-style contradicts that of industry legends like David Ogilvy, who espoused the need to set an example by inspecting every campaign, being the first one in the office, and always being the last to leave. Ogilvy said, “I figure that my staff will be less reluctant to work overtime if I work longer hours than they do. An executive who left my employ noted upon leaving that the
staff had noticed; he told me ‘The word gets around’” (Ogilvy, Confessions of an Advertising Man, 1963, p. 38).

Several former Griswold employees interviewed, but asked to remain anonymous, said that many on the new management team constantly went out for the proverbial three-martini luncheon – far too often, it seemed. Once at the end of a new business meeting, the prospective client team stepped out to confer, one of the agency’s leadership members clapped his hands together and stated, “I smell revenue!” just as the clients walked in behind him (personal communication, March 30, 2013). Needless to say, Griswold did not get the account or many others in late 1990s new business pitches. In fact, after the agency bought itself back from Ross Roy, there was a staggering run of little or no new business wins in its latter years.

Morin was eventually forced out and three senior managers took over – Jeff Weber, Neil Davis and Anthony Cepiel. Cepiel came to the firm as an on-loan controller from Arthur Anderson, and later went on to become chief operating officer of The Flood Company, Realty One and now holds the same position at VitaMix. Unfortunately, Cepiel, a highly effective executive, didn’t stay at Griswold long enough.

There was also a revolving door in the creative suite, with four different creative directors in a span of seven years. They included Bill Brokaw (who left in the late 80’s to form his own, and still successful, Cleveland design firm); Griswold promoted, then let go, Tom Pappadimilis; it hired Bob Clancy (recruited from McCann Erikson in New York) and subsequently bought him out; and then finally brought in creative veteran Joe McNeil from Detroit. (anonymous interview, 2013).

By 1997 Crain’s Cleveland Business reported that Griswold would be swallowed up by Liggett-Stashower Inc., its large Cleveland rival that indicated it was following
through on a letter of intent to buy Griswold’s customer list. According to David Stashower, chairman and chief executive officer of Liggett-Stashower, “The agreement is in effect until Sept. 30. We will have until then to purchase. We are talking (to Griswold), but people talk all the time.” Mr. Stashower said some of Griswold's 20-plus employees, including executive vice president Jeffrey Weber and chief creative officer Joseph McNeil, may become employees of Liggett-Stashower (Hardin, 1997).

The Crain’s article concluded: If Griswold is purchased it would be the second Cleveland agency sold this year and would reflect an ongoing consolidation in the advertising agency nationwide. In April, (1997) Meldrum & Fewsmith Communications Inc. was sold to Toronto-based Wolf Group. In October (1996), MHW Advertising & Public Relations in Cleveland closed its doors after suffering client defections.

In the end, Griswold wasn’t purchased. It just went away. The agency shared space with First Merit Bank in the Landmark Office Towers, and one day the bank simply expanded its presence throughout the entire third floor.

“Griswold’s demise was a textbook study of how not to run an ad agency,” according to Lane Strauss, former Associate Creative Director there (1991 – 1995), and now VP/Creative Director, WYSE Advertising. “It was so poorly managed; there were too many cooks – constantly coming and going – with no consistent new business strategy. They didn’t keep their good creative or account people. As a result, there really was no real reason for clients to stay with them, either.” (personal conversation, August 21, 2014).
Griswold key reasons for demise.

1. Poor Management
2. Lack of New Business Acquisition
3. Creative Talent Departure
4. Weak Account Service

The Story of MHW Advertising & Public Relations

Figure 8. The story of MHW Advertising & Public Relations

The director of public relations for MHW (Mills Hall Walburn) Advertising and Public Relations said the agency’s end came suddenly when MHW president Michael Mooney walked into her office in November 1996 and said, “That’s it. That’s enough.” The agency suddenly closed its doors after more than 16 months of turbulence. “The demise was a combination of bad luck and probably some poor management,” said Jan
Gusich in a 2013 interview for this paper. She said the agency went from $40 million in billings and 40 people to practically nothing overnight.

The agency’s failure stemmed largely from the immense amount of media it was placing. This included much of the Greater Cleveland area film and entertainment media (Disney, MGM, etc.) which was all billed at 15 percent. That media model was changing in the mid-90s as much of it went to buying groups. MHW, and probably many other agencies, weren’t prepared for that transition” (Jan Gusich, 2013).

MHW also suffered tremendous revenue losses as large clients pulled their media buying. One major loss was Funtime Parks, Inc. which operated three large Midwest theme parks including Geauga Lake in Cleveland’s east suburbs, Wyandot Park in Columbus, Ohio and Darien Lake Park near Buffalo. In the case of Darien Lake, MHW had opened a large satellite office in Rochester to support its media and promotional efforts. Each Funtime Park account generated about $3 million in revenue, and each disappeared. Gusich said these losses were compounded by the loss of another keystone account, Honey Baked Ham, which deleted another $3 million from the agency’s coffers (Jan Gusich, personal communication, April 20, 2013).

Less than two years earlier, the agency was singing a different song – it was featured in a Crain’s Cleveland Business article “Growth Has MHW Bursting at the Seams (September 26, 1994).” The article sang the praises of the agency’s growth:

MHW has leased 7,500 square feet on a second floor of its Mayfield Heights office building, per Janice S. Gusich, director of public relations at MHW. The agency had occupied 10,000 square feet on a single floor. “We're really on an aggressive growth track; we literally have made offices out of everything. There's even one in the hallway. The agency will have at least 10 new faces in its new offices,” Ms. Gusich said. The staff
additions will bring MHW's employee roster to about 60, she added. “MHW is on the grow because it's been winning new clients. Most recently, MHW won the advertising account of The Flood Co., a Hudson maker of exterior wood-care products. The accounts' billings are expected to ring in at around $1 million annually,” Ms. Gusich said. MHW's billings by the end of the year should total $31 million, up 40 percent from $22 million in 1993, said agency president Michael Mooney in a press release (Harrison, 1994).

Other new MHW clients included an advertising co-op of 120 Convenient Food Mart stores, Manco Inc., which makes duct tape, and Ohio Business Machines. The agency also plans to expand its Rochester office by 3,600 square feet, Ms. Gusich said.

That was then. Gusich looked back and lamented that while it may have been a sign of the times, some of these losses were also a result of poor management practices, “They just weren’t effective managers. They had all this business, all this media income that was so profitable, the rest of the business was probably running for a loss or break-even at best. They probably didn’t realize the rest wasn’t profitable” (Jan Gusich, personal communication, April 20, 2013).

Right after MHW closed its doors Gusich opened Akhia Public Relations with one employee and was able to keep several of the PR accounts that were still left. Gusich was able to grow the business to the point that in a 2012 company profile in the Cleveland Plain Dealer reported, “Today Akhia boasts 25 employees who work on projects ranging from national publicity and new product launches to customer communications and sales programs.” (Pledger, 2010).

Gusich said, “My takeaway was that you can actually become a better manager when times are bad – obviously, when things are good, it doesn’t take all that much
effort. It also taught me to never get too comfortable, and always plan ahead for most any contingency.”

Akhia is now one of the 10 largest overall communications firm in Northeast Ohio. Gusich’s comments about being a better steward for the business are spot-on: planning for contingencies and building up that rainy day fund, which her predecessors at MHW failed to do. MHW’s management partners committed several cardinal sins in the agency business: 1) they put almost all they revenue eggs in just one or two baskets, 2) they relied far too much on media commissions and failed to recognize that agency compensation for media buying was dramatically changing, and 3) they failed to plan for potential tough times ahead.

**MHW advertising & public relations key reasons for demise.**

1. Poor Management
2. Limited Account Mix
3. Lost Major Accounts
4. Media Commissions Hid Actual Account Revenue Loss
The Story of the Jayme Organization

Mike Paulus, former Executive Vice President at the Jayme agency, said the firm ran on hard times when it grew too quickly and took on too much overhead. “The company moved offices from an older four-story building it had rented for years, to take on an equity stake in the design and construction of one of the finest marketing and creative showcase facilities between New York and Chicago. The new space was partially owned by the company, with the plan to occupy the modern, top two stories then rent out and garner income from the bottom two” (Mike Paulus, personal communication, 2013).

Created in 1947 by John (Jack) Jayme, the move and increased overhead was a lot of transition for the agency, in addition to the anticipated senior management change.
(longtime CEO George Havens was soon to retire). Plus, the company set out on an aggressive new business plan by focusing on high-end consumer-goods and retail new business pursuit. This required additional staffing to pursue this new market and set forth aggressive growth plans for each of its five operating cost centers (advertising, research, design studio, sales promotions and public relations arms).

Paulus noted the downside occurred almost immediately, as the agency suffered from the early 1990s recession and a huge cutback by its biggest client, Dow Chemical’s Styrofoam division. According to Ad Age News, the account went to DMB&B Toronto, and was worth close to $4 million in revenue (Mike Paulus, personal communication, 2013). That loss, coupled with dramatically increased costs from the new building, its furnishings and paying for the extra unrented space, proved a challenge. But the other factor was the agency’s shift and financial drain to focus on consumer marketing and brand-building (which most advertisers saw as synonymous with “big” New York or Chicago-based full service agencies), versus the successful business-to-business communications formula (print advertisements and editorial placements in trade media, newsletters, brochures) that had previously fueled its growth. The loss of its Dow Chemical business affected all facets of the agency.

To try and stop the bleeding, a succession of agency principals came and went (anonymous interview, 2013): Mike Cargile, Havens’ successor, left unceremoniously in less than a year. Havens returned to help recruit a new leader, James DeVoe from Goodyear. DeVoe had never worked in an agency, and soon all agreed it wasn’t a good fit. Eventually, Jayme PR affiliate head Cathy Pokorny was tapped to oversee the business, but by now the firm was hemorrhaging and was looking for a buyer. It found one.
‘Marketing Giant Buys Jayme Agency’ said the headline in Crain’s Cleveland Business (May 29, 1995). The story reported:

The Jayme Organization, a 48-year-old advertising agency in Beachwood, was bought last week by the 14th largest marketing organization in the world. New York-based Poppe Tyson, a division of advertising and public relations giant Bozell, Jacobs, Kenyon & Eckhardt, has acquired Jayme and the ad agency's four subsidiaries. Cathy A. Pokorny, Jayme's chairman and chief executive officer, will be general manager of the Poppe Tyson office here. Poppe Tyson established a local beachhead in February with the purchase of Schurdell Communications Inc. in Beachwood. Following completion of the deal with Jayme, Poppe Tyson will merge its five-person Beachwood office with Jayme's staff of 43.

In a similar article on the agency’s sales, the Cleveland Plain Dealer added:

The deal comes after Jayme watched its billings fall to $25 million last year from around $40 million in 1990, Ms. Pokorny said. “As with most agencies in the country, we encountered clients taking on more marketing activities in-house,” she said. To shore up its position, Ms. Pokorny said, Jayme instigated the transaction.

“We hadn't been able to get direct exposure to international resources and that limited us,” Ms. Pokorny said. “Technologically, we've been challenged. We were looking for a way to provide resources to clients that we couldn't provide on our own.” For instance, Ms. Pokorny pointed out that Poppe Tyson and its parent firm is among the leading agencies
exploring ways to advertise via the Internet worldwide computer network.

Subsequently, by buying Jayme, Poppe Tyson elevates its status in Northeast Ohio. (Pledger, 2010).

According to Advertising Age, a sister publication of Crain's Cleveland Business, Poppe Tyson's $75 million in billings and $10.6 million in gross income last year contributed to its parent's billings of $2.5 billion and gross income of $329.6 million (Mooney, 1995).

But it was not a marriage made in heaven for all concerned. Just a little over a year later, Crain’s Cleveland Business ran a follow up story on the agency:

The Cleveland office of Poppe Tyson is searching for a new general manager following last month's departure of Cathy A. Pokorny. Ms. Pokorny resigned from her post 14 months after New York-based Poppe Tyson, a division of advertising and public relations giant Bozell, Jacobs, Kenyon & Eckhardt, acquired the Beachwood advertising concern she headed. Diane Pucko, a senior partner in public relations in Poppe Tyson's Cleveland office, said Ms. Pokorny's departure followed a reorganization that has divided management of the agency by business lines rather than by office. Ms. Pucko said Ms. Pokorny was unhappy with the new structure that limited her role to the advertising business segment. Ms. Pucko said Poppe Tyson chief executive Fergus O'Daly has assumed Ms. Pokorny's duties until a replacement are hired (Baird, 1996).

Despite the infusion of capital and ‘new resources’ the agency continued to struggle, until, finally the following Crain’s article noted the departure of its last large client and subsequently, the agency’s closure in 2000:
The Sherwin-Williams Co. announced it is looking for a new public relations firm to support its largest business. The paint giant's Stores division terminated its 20-year relationship with the public relations firm now known as Bozell-Kamstra (parent firm’s Bozell, Jacobs, Kenyon & Eckhardt public relations arm), after the firm's Pittsburgh office started working with a Sherwin-Williams competitor, PPG Industries Inc., said Lydia Bazarko, director of corporate planning at Sherwin-Williams.

The Crain’s article later went on to write, that “after Sherwin-Williams pulled the plug on its relationship, Bozell-Kamstra decided to close its 25-employee office in Cleveland. A spokeswoman for Bozell-Kamstra wouldn't comment on the firm's relationship with Sherwin-Williams. The international agency built the local office after buying the Jayme Organization of Beachwood in 1995” (Hardin, 2000).

In summation, Jim Tabaczynski, former Jayme account supervisor and now president of Cleveland-based marketing firm JPT Group pointed out:

“The Jayme company made some bad management decisions. It wanted to completely change its stripes to one that was creative-driven and consumer focused, all in a market that was losing its consumer-driven client base. Subsequently, it built a new four-story office building in Cleveland’s Science Park, taking on significant debt. To attract new consumer accounts, its design was rather opulent in design. But rather than impress new clients, existing ones came into the place and all seemed to mutter, “Well, I know who paid for this.” It didn’t listen to its clients and it brought on its fourth CEO in less than two years. Finally, after its acquisition, it thumbed its nose at its biggest remaining client by having its Pittsburgh office taking on its largest client’s main competitor. Then it simply
brushed back their client’s well-founded concerns by actually saying, “There’s no conflict here; all your work will be handled by a separate team!” (Jim Tabaczynski, personal communication, 2014).

**JAYME key reasons for demise.**

1. Poor Management
2. Weak Leadership Succession Plan
3. Too Aggressive Growth
4. Misplaced Focus in Consumer Business

**The Story of Meldrum & Fewsmith**

![The Story of Meldrum & Fewsmith](image)

**Figure 10.** The Story of Meldrum & Fewsmith
In 1930 the new Meldrum and Fewsmith agency, founded by Andrew B. Meldrum, a copywriter, and Joseph Fewsmith, an account executive, quickly acquired the Republic Steel Corp. as a client, hiring Margaret Bourke-White to take photographs for the early Republic ads. Concentrating on newer companies that were trying to establish an identity, the firm designed the red jockey-cap logo for Carling's Red Cap Ale, and created a national market for Glidden Coatings & Resins Div. (Imperial Chemical Industries) paints, whose business it obtained in 1934 (Encyclopedia of Cleveland History, 2004)

Meldrum and Fewsmith was one of the first agencies to offer market research in the 1950s. In 1960, six million readers found half-page paint chips in the Saturday Evening Post, an early magazine-insertion mass sampling. Meldrum and Fewsmith also created ads for Bonne Bell’s Ten-O-Six Lotion, giving it national exposure. The agency offered clients complete communication services, including advertising, public relations, financial and employee communications; and although the company had offices in Columbus, Detroit, Chicago, Los Angeles, New Jersey and Kentucky, Cleveland would remain its headquarters (Meldrum & Fewsmith, n.d.).

Following the 1992 merger with Fairlawn advertising agency Hesselbart & Mitten/Arocom, Meldrum and Fewsmith's staff grew to nearly 175 professionals and by 1995 the agency employed about 150 in the Cleveland area. With the merger, Meldrum and Fewsmith's total billings were $120 million. The following year Meldrum and Fewsmith was named the agency of record for OfficeMax, bringing a $30 million account previously handled by the Ross Roy agency in Detroit. Also that year, Meldrum and Fewsmith acquired the LTV Corp. account after LTV purchased the Cleveland steel
maker Republic in 1984. Other notable clients at this time included, Mr. Coffee, Rubbermaid and Royal Manufacturing's Dirt Devil (Meldrum & Fewsmith, n.d.).

Despite these impressive gains, Meldrum and Fewsmith also lost several accounts, including, most notably, its flagship Glidden business. During this time it also went through a series of chief executives and in March 1997, the agency announced it would be merging with the Toronto-based Wolf Group. Although the managers of the Cleveland office would still maintain control over operations in the city, the merger proved to be a rocky one. It soon lost the Rubbermaid and Mr. Coffee accounts and other clients continued to leave; by the time the agency changed its name to the Wolf Group in 1999, total billings in Cleveland dropped nearly 20 percent and the office had one-third fewer employees than before the merger. (anonymous interview, 2013).

By 2004, however, it soon became clear to the executives at Wolf Group that economic pressures stemming from an overaggressive acquisition campaign were too great to continue operations and the agency was forced to sell or close many of its offices. The Cleveland office remained open until April, when, in an eleventh-hour deal, three executives purchased the agency to begin operations as an independent shop. Called Melamed Riley, the agency was headed by President Sarah Melamed, executive creative director Rick Riley, and chief financial officer Chuck Hurley. The new agency grew back to 35 employees and later evolved to be known as Partners Riley (anonymous interview, 2013).

How did Meldrum and Fewsmith, one of the most pedigreed advertising agencies in the Midwest, crumble in less than ten years?
1. Its merger with Hesselbart & Mitten/Arocom was never a good fit: William Waldman, former head of H & M, was named president and chief executive. But in fact, he had three Meldrum & Fewsmith officers ranking above him.

2. The agency, which was extremely successful at obtaining new business, wasn’t able to keep many of its new (and even some old) accounts as they – the clients in some cases – actually grew too large for the Cleveland-based agency. (anonymous interview, 2013). A chronological look at the demise:

*Crain's Cleveland Business* reported (September 1994):

> After a 60-year relationship, Meldrum & Fewsmith Communications Inc. and The Glidden Co. are parting ways. For Meldrum, the end of the relationship means losing one of its major accounts. And for Cleveland's advertising community, it will be the third big account to leave town in the last 12 months. Chris N. Perry, chairman and chief executive officer of Meldrum, said Glidden two weeks ago notified Meldrum that the paint company planned to shop its advertising account around. Meldrum was asked to participate in the account review but declined. Instead, the Cleveland agency resigned the account effective Dec. 1. Mr. Perry said, “I felt we had nothing to prove by participating,” explaining that it should have been clear to Glidden what Meldrum could do after 60 years of engineering what he called successful marketing programs.

Mr. Perry estimated that billings this year for the Glidden account will total between $3 million and $3.5 million. He also said recent client additions and several soon-to-be announced clients will “more than offset” the loss of Glidden. Among Meldrum’s new accounts are Parker Hannifin
Corp., MBNA Bank in Maryland and a cooperative group of Subway
Restaurants. Because of those accounts, Mr. Perry doesn't expect the loss
of the Glidden account to result in layoffs (Harrison, 1994).

Crain’s Cleveland Business reports (January 1995):

Just two years after hiring Meldrum & Fewsmith Communications Inc.,
OfficeMax Inc. is in the market for a new advertising agency.
OfficeMax has grown so fast in the last two years that its advertising
needs no longer can be met by Cleveland-based Meldrum & Fewsmith,
according to Michael Feuer, chief executive officer of the office
superstore chain. “It was just a case of their capabilities vs. our size,” Mr.
Feuer said last week. “They're a fine agency, but they don't have the
international capabilities we need as we branch out.”
The pending loss of the OfficeMax account will take roughly $10 million
in billings from Meldrum & Fewsmith, according to the 1994 Advertising
Red Book, which lists advertisers nationwide and the amount they spend
on advertising. OfficeMax is the second major account to depart Meldrum
in the last five months.

Crain’s Cleveland Business reports (August 1995):

While it was reorganizing its operations last week, Meldrum & Fewsmith
Communications Inc. in Cleveland also was coping with the loss of a
major piece of advertising business. Rally's Hamburgers Inc., a fast-food
chain in Louisville, Ky., that last fall moved its ad account to Meldrum &
Fewsmith from McCabe & Co. in New York, has given the business back
to McCabe, said Jeffrey Bryden, co-chairman and chief operating officer
of Meldrum & Fewsmith. Mr. Bryden said Meldrum lost the account, which he put at about $7 million in annual billings, because Rally's former chairman returned to the hamburger chain and gave the business back to McCabe.

The account loss won't result in job cuts at Meldrum, because the agency picked up another consumer products client, Mr. Bryden said. However, he declined to reveal the new client's identity. Apart from the account loss, the company last week started a reorganization to break down its departmental structure into teams. In the restructuring, five or six of the firm's 135 employees will be laid off (Harrison, 1995).

_Crain’s Cleveland Business_ reports (April 1997):

With the April 1 close of a deal that finds Meldrum & Fewsmith Communications Inc. a part of Toronto's Wolf Group, the Cleveland ad shop is featuring some new, but familiar, faces at the top. The Meldrum & Fewsmith management team's sole holdover is its leader, chairman and chief executive Chris Perry, who said the advertising, direct marketing and promotion firm has been planning the changes for more than a year.

"It's part of the normal succession planning at any business. We first discussed these issues about a year ago. It's been an orderly transition."

Leaving Meldrum & Fewsmith as of March 31 were Jeffrey Bryden, 53, vice chairman and chief operating officer; Robert Huddilston, 62, executive vice president and chief financial officer; and Robert Iredell, 55, vice chairman. Messrs. Bryden, Huddilston and Iredell are longtime Meldrum executives who worked at the firm since 1967, 1984 and 1975,
respectively. A fourth top executive, president and group director William C. Waldman, 49, announced last February that he would retire as of March 31 (Mooney, 1995).

Crain’s Cleveland Business reports (November 2002):

By naming Sarah Melamed as its new president this month, Wolf Group Cleveland is taking a tip from its sister offices in New York and Toronto. Ms. Melamed, who spent the last four years as co-creative director and senior vice president of Wolf Group Cleveland, is the third person from the creative side of the marketing communications firm to be named to a president's spot within the Wolf Group family. Hoping for strong results, Ms. Melamed, 43, plans to put more emphasis on creative work at Wolf Group Cleveland.

“When our management was comprised less of creative people, our focus on the quality of creative was less intense,” Ms. Melamed said. “It was always a priority, but I think you have to create an environment where that's the No. 1 priority in everybody's mind.”

Since Wolf Group acquired Meldrum & Fewsmith in 1997, annual billings have been flat or have declined, partly because of decreases in clients' ad budgets due to the struggling economy, Ms. Melamed said. She expects to hire at least three employees to add to the current staff of 50 (Suttell, 1997).

Crain’s Cleveland Business reports (March 2004):

Recognizing what she described as an 'opportunity disguised as a crisis,' Wolf Group Cleveland president Sarah Melamed and two associates are
close to completing a buyout of the ad shop from its cash-strapped corporate parent. The deal would preserve 27 downtown jobs and keep open an advertising agency that Ms. Melamed said registered a 25 percent increase in revenue for 2003. News of a possible closing came from the corporate parent late on Friday, Jan. 30, minutes after Ms. Melamed shared and celebrated last year's results with her staff. Ms. Melamed said ranking officers at the Toronto headquarters of Wolf Group Integrated Communications gave her until 9 a.m. the following Monday to pitch a buyout. Lack of an offer, Ms. Melamed noted, would have resulted in immediate shutdown of the Cleveland office. “Bam! It caught us by surprise,” Ms. Melamed said of the ultimatum. "They told us they were dissolving the corporation. Looking back on it, though, it's probably one of the best things that have ever happened to us.” (Mortland, 2004).

On a closing note, highlighted on the website of her new agency, Sarah Melamed writes what’s her Proudest Achievement: “When Wolf Group decided to dissolve the corporation, we were given the opportunity to buy its Cleveland office. It was a giant leap out of my comfort zone, but I knew we had to go for it.” (Johnson, 2011).

Meldrum & Fewsmith was one of NEO’s leading agencies for a long time. But the failed merger, loss of lead creative and agency ambassador Chris Perry and lack of maintaining flagship accounts, led to its demise.

**Meldrum & Fewsmith Communications key reasons for demise.**

1. Poor Management
2. Failed Agency Merger
3. Creative Talent Departure
CHAPTER VI

CONCLUSION

The Research Question(s) that this thesis posed was:

Why were full-service advertising agencies failing in mid-sized markets in the late 20th and early 21st Century? What were the key, common internal and external factors that were prevalent in their demise?

Common elements extracted from interview and survey respondents point out several similar traits of what typically happens to a mid-sized, formerly full service advertising agency when the end is near:

To reiterate, when advertising agencies fail several events seem commonplace.

1) A large account or account(s) are lost, leading to a rapid decline in billings,

2) There are denials of problems by senior management, but they go about quietly laying off staff,

3) “Star” talent (the best, the brightest remaining creative and account staffers) abandon the ship

4) Mid-level executives try to buy out senior partner(s) or push their leaders out,

5) Remaining personnel try to merge left over assets and clients with another agency,

6) Whoever is left “in charge” locks up the doors and oftentimes, leave creditors and employees holding the bag.

It’s not just that some advertising agencies are run as poor business models – on the contrary – many times they are far more productive and provide management lessons that can serve as inspiration to other business. So says Phil Johnson in a 2011 Advertising Age article, where he says agencies know how to manage chaos:
They’ve learned that chaos actually can contribute to the creative process. They thrive on social responsibility and exert influence.) This is definitely true. The amount of pro-bono work and assistance provided by agencies for social and health-care issues is exhaustive). And agencies provide innovations that come from a willingness to take risks and try what has never been done before. He also notes that agencies are not afraid to look beyond traditional job categories, as advertising has always looked beyond credentials and pure pedigree to find pure talent (Johnson, 2011).

As business models these failed agencies have demonstrated they were ineffective, outdated and sometimes run by senior management that was arrogant, clueless and/or overwhelmed. Agency management needed to change with the times. Agency management needed contingency plans. Agency management needed to develop a cross-section (and even balance) of clients. Agency management needed to make sure it had a rainy day fund. Agency management needed to manage their business far more effectively.

There was certainly a perfect storm of recession, new media buying processes, client impatience and the entry of digital communication (a separate discussion, to be sure), but the bottom line is that agency senior management has the responsibility to run its business effectively and professionally. That means generating new business and satisfying existing clients so they continue to stay with their agency-of-record.

Many of these points were echoed in this paper’s Greater Cleveland advertising agency senior personnel survey. In addition, the survey participants were also asked for their general input an end-comments section. In particular, survey respondents pointed
out similar management-generated issues that lead to their respective agency’s demise. A key sampling of their comments included:

- “Getting new biz has always been management's responsibility - that's management's responsibility in any business.”
- “You can’t blame the agency’s demise on a poor economy. Management needs to stay ahead of the curve, diversify services, and diversify its client base.”
- “Agencies stopped being proactive; stopped looking out for their client's business; so oftentimes, just looking to make a buck or win awards. It was management’s job to recognize and correct this.”
- “When an agency has too much growth, too fast; it’s the management that needs to right size the ship. Growth is good – and necessary in any type of business – but it needs to cook with a strategic plan, and build a nest egg on the assumption that there may be rainy days ahead.”
- “Too much agency management emphasis on branding and clever creative and not enough focus on results and customer acquisition/retention for their clients. Awards for agency vs. results for the client? Clients want results.
- “Due to the specialization required by various fields of marketing (media, content, design, etc.), many clients turned to small, and niche firms to execute high-quality, on-point work. Management at full-service agencies didn’t recognize they are only well-suited to large corporate clients who can afford the weighty hierarchy and inflated rates.”
- “No matter a full-size agency or a boutique shop, ad agencies were typically run by management who were very creative but didn't have any business
acumen. Usually they relied on one or two big accounts to keep them going, and when that account left, they were done.”

In April 2011, Marc Brownstein wrote in Advertising Age that he spoke with a friend who was a CMO (chief marketing officer), who was a former agency head, as well, about the status of his present agencies:

“This CMO believes agencies have to go farther and deeper in helping him grow his business. For example, he would like the agency teams to roll up their sleeves and learn his business -- by working in one of the company's retail stores for a few days or a week; or maybe working in one of his factories to see how the products are made and appreciate the logistics required to get to market. He wishes his agencies would read his trade publications and become experts in his industry. He wishes his agency teams would be less arrogant, stop assuming they know his business so well when they actually don't, and be more proactive about truly learning the challenges he has and ways to solve them. In other words, he wants them to walk in his shoes. He recently put one of his agencies into review; think that agency was surprised” (Brownstein, 2011)?

Is it just management woes when it comes to transition in the advertising agency industry? Advertising market author Al Ries wrote: “Indeed, entire industries have failed as a result of their failed industry wide cultures, with the steel, airline, and home savings and loan industries topping the list. Seemingly the next industry to be added to that list might be advertising, evidenced by more than 48,000 agency layoffs in the past three years alone” (Ries & Ries, 2002). Jerome Want wrote in Corporate Culture (2006) that failed culture is not just about wrongdoing at the top. It is about failed performance at all levels of the organization. Widespread incompetence, ineffective communications and
information sharing, inability to anticipate and plan for changes in the competitive environment, failure to promote open discussion and critical feedback, as well as lapsed enforcement of ethical standards, are several of many contributors to underperforming and failed cultures (Want, 2006). Want also wrote in Corporate Culture: “…when companies are not able to change their cultures, they cannot expect to be successful in responding to radically changing business conditions in the marketplace. They will fail” (Want, 2006, p. 5).

There are many reasons for the traditional advertising agency’s demise, and many of them are interrelated, or common in a multifold sense oftentimes many of these reasons all happened at once causing the perfect agency-demise storm:

- Agency leadership transition – many of the new guard did not have the big thinking or savvy or their firm’s predecessors.
- The media spend changed and agencies lost commission and markup revenue (so there goes 15% and 17.65%, respectively, right off the top of the firm's profit and loss statement).
- Big agencies couldn’t continue being all things to all clients. Clients began looking for things cheaper and faster. They began outsourcing to freelancers and boutique firms.

The most important management responsibility in running a successful advertising agency, or any business, is to run it profitability and productively. Peter Drucker wrote: “In business, management must always, in every decision and action, put
economic performance first…whatever the economic or political structure or ideology of a society, means responsibility for profitability” (Drucker, 1999, p. 37).

But, the most accurate way to sum up this entire research project might be to take the advice offered by Eugene Hameroff, author, The Advertising Agency Business: The Complete Manual for Management and Operation, who specifically pointed out why those in the advertising agency profession experience success or failure. He wrote: “More agencies fail due to poor management than any other reason” (Hameroff, 1999, p. 63).
CHAPTER VII
FURTHER CONSIDERATIONS

While this paper has noted finding limited information available on this subject’s topic matter through its literature review and expert industry, academic and association contacts research inquiries, subsequent analysis points out other potential options to perhaps get further background and insight on the question, **Why were full-service advertising agencies failing in mid-sized markets in the late 20th and early 21st Century?** What were the key, common internal and external factors that were prevalent in their demise?

Further considerations could include:

- **Being able to access hard data resources and information confirming decline in Ad Agencies from 1990-200 via a historical and economic point of view through the U.S. Census Bureau NAICS code 541810 (both on a national and Cleveland-Elyria MSA)**

- While many advertising industry sources were approached and several contacts responded, perhaps a pursuing a senior management relationship outreach with one of the leading national advertising associations, one of the major trade publications (Ad Age, AdWeek), or with an advertising industry historian could provide more depth analysis

- Another option is to do a larger national inquiry among nationwide advertising and marcom academic researchers and university professors/instructors to search for more context on the topic matter, or enlist their assistance in providing more background material
• Finally, produce an optional literature review search from national or international advertising symposiums or conferences might yield information more specific to this agency closure topic or its trend discussions. Such a search might find more in-depth studies or published (password or members-only protected) whitepapers on this chosen topic.
APPENDIX A

Questions marked with an * are required

Back in the day, big agencies were the pinnacle of all marketing communications: they were virtual one-stop shopping plazas for everything (and anything) a client could possibly need. Then suddenly came a transition - and many of them significantly downsized or worse - closed their doors.

We are conducting a Kent State University thesis study to determine why there are so fewer traditional, full service advertising agencies anymore. Was there a specific trend to their downsizing or closings? Was their business model no longer viable? If you worked with or in the agency business: at an agency, for its affiliate, as a consultant, freelancer or supplier; or, on the client side with an agency that downsized (or closed its doors), we appreciate hearing your thoughts and responses to this very short survey.

Your responses will be kept strictly confidential.

All respondents will be entered in a drawing to receive a $100 Amazon gift card.

Thank you!

If you know of someone who could share their experiences with us, please forward the email to them!

Questionnaire Survey

Have you ever worked with or for an ad agency? *

- Yes
- No

In what capacity did you work?
(select one)
- Agency employee
- Affiliate division (like the PR group)
- Consultant
- Freelancer/Supplier
- On the client side
- Other position

What years were you associated with an agency?
(check all that apply) *
- 2002 - Present
- 1995 - 2002
- 1988 - 1995
- Before 1988
Did an agency you ever worked for (or with) close (or downsize significantly)?
- Yes
- No

Did it close while you were associated with it? *
- Closed while I was associated with it
- Closed after I was associated with it

In your opinion, what was the main reason the agency closed or downsized?

In addition to the main reason for the agency’s closing or downsizing, were there any other causes that contributed to the closing? (check all that apply)
- Too rapid growth
- Agency culture shift
- Breakaway talent starts new agency
- Loss of major client(s)
- Lack of new business
- Failed marriage merger
- Poor business management
- Inappropriate succession plan (head of office leaves, is incapacitated or commits malfeasance)
- Change in media buy
- Bad economy
- Other reason(s) for closing

Please share any additional thoughts or comments you may have on this subject:
Comments
Whatever Happened to the Full Service Advertising Agency?  
Take the survey....

Back in the day, big agencies were the pinnacle of all marketing communications; they were virtual one-stop shopping plazas for everything (and anything) a client could possibly need. Then suddenly came a transition - and many of them significantly downsized or worse - closed their doors entirely. Why?

We are conducting a Kent State University thesis study to determine why there are so fewer traditional, full-service advertising agencies anymore. Was there a specific trend to their downsizing or closings? Was their business model no longer viable? If you worked with or in the agency business: at an agency; for its affiliate, as a consultant, freelancer or supplier; or, on the client side with an agency that downsized (or closed its doors), we appreciate hearing your thoughts and responses to this very short survey.

Your responses will be kept strictly confidential. All respondents will be entered in a drawing to receive a $100 Amazon gift card.

NOCA Note: From time to time NOCA will assist the regional academic community by circulating electronic surveys to its distribution list when these surveys serve an academic pursuit. We hope that you can share in our support by taking these occasional surveys. NOCA is happy to perform this community service of supporting academic pursuits without remuneration.
APPENDIX B

IRB QUESTIONNAIRE

C. Lynch IRB Application – Interview Questions for Advertising/marketing Firm Executives in Regard to Historical and Anecdotal Reference to the Demise of Leading Regional Advertising Agencies

Advertising agencies have always been very good about tooting their own horn when business is good – new hires, new services, new accounts and new awards. They fill the trade journals with press releases about their successes. But when things go bad, there’s not a word. Until one day at an association function people walk around and say “Hey, whatever happened to so-and-so agency?”

- What’s your evaluation of this observation and how does it pertain to the Northeast Ohio ad agency marketplace?
- Have you seen or been a part of an ad agency(ies) in this region that have gone under?
- Which firms were involved, and what was your relationship with them?
- What were some of the key traits you observed that led to this transition (open-ended)?

Based upon responses, shift to specific market and ad agency business questions:

- What were some of the account losses the agency incurred?
- What were some of the reasons for losing this (these) businesses?
- Did the agency also suffer from a lack of new business?
- What type of plan or strategy (if any) did it implement to increase new accounts?
- Did the agency suffer from key talent departures?
- Did those professionals take existing business with them to other firms and/or start their own shop?
- Did any affects from the soft advertising marketplace (1990’s overall recession) affect the agency?
- How did the new development of industry compensation transition (new media buying procedures, changes in out-of-pocket services mark-up, etc.) affect the agency?
- The Greater Cleveland market in the latter 1980s and 1990s saw a significant departure in leading manufacturing and business headquarters. How did this regional market transition affect the agency?
- What was the business acumen of the agency leadership like? Did it suffer from poor or overwhelmed senior management skills?
- Did the agency suffer from too fast a growth pattern? What were examples that it was growing too quickly?
- Was the agency affected by the client trend to source out projects to more cost-effective suppliers or take some projects in-house?
Was the agency affected by client trends to utilize ‘boutique’ agencies for the more profitable broadcast and print design work?

Was the agency faced with a talent shortage because the Greater Cleveland communications marketplace was losing its cache?

What was the progression of the specific ad agency(ies) demise in the Greater Cleveland marketplace? (open-ended opportunity for the subject to tell the story – whether as an industry expert/observer, or as a member of the declined ad agency’s leadership or management team).

What is your background in the Greater Cleveland, and overall advertising/marketing community?
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