

## **ADVERTISING AGENCIES IN THE REPUBLIC OF MOLDOVA: CHALLENGES AND REALITIES**

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In recent years, advertising agencies have developed intensively in the Republic of Moldova as small and medium-sized businesses, which, being in close contact with media institutions in the country, allowed economic agents to obtain advertising materials for the businesses they manage from the stage of designing the advertising product to the stage of placing and distributing the advertising material by the host media institution to popularize the business and, finally, to obtain more profits from the sales of services or products, depending on the specifics of the business. However, the attitude of most economic agents towards advertising agencies is preconceived, of distrust towards such organizations and which often does not correspond to reality. The material below aims to reveal some aspects regarding the operation of advertising agencies in the Republic of Moldova and the reason why they are still viewed with distrust.

**Keywords:** *advertising, advertising agency, trust, professionalism, mass-media institution.*

### **AGENȚIILE DE PUBLICITATE DIN REPUBLICA MOLDOVA: PROVOCĂRI ȘI REALITĂȚI**

În ultimii ani, agențiile de publicitate au cunoscut o dezvoltare intensă în Republica Moldova ca întreprinderi mici și mijlocii, care, fiind în strânsă legătură cu instituțiile media din țară, le-au oferit posibilitate agenților economici să obțină materiale publicitare pentru afacerile pe care le gestionează. În acest context, ne referim la proiectarea produsului publicitar până la etapa de plasare și distribuire a materialului publicitar de către instituția media-gazdă pentru a populariza afacerea și, în final, pentru a obține mai multe profituri din vânzările de servicii sau produse, în funcție de specificul afacerii. Cu toate acestea, atitudinea majorității agenților economici față de agențiile de publicitate este preconcepută de neîncredere față de astfel de organizații și care de multe ori nu corespunde realității. Materialul de mai jos își propune să dezvăluie câteva aspecte privind funcționarea agențiilor de publicitate din Republica Moldova și motivul pentru care acestea sunt încă privite cu neîncredere atât de către agenții economici, jucători în sfera economică, cât și de către publicul larg.

**Cuvinte-cheie:** *publicitate, agenție de publicitate, încredere, profesionalism, instituție mass-media.*

### **Introduction**

In the Western countries and, in particular, in the United States of America, the appearance of the first advertising agencies took place in the middle of the 19<sup>th</sup> century. In the Republic of Moldova, the first advertising agencies appeared in the early '90s of the last century and their activity was based more on the initiative and altruism of those who opened such businesses, in the absence of enough experience and studies necessary for the development of such field. It could happen that this very fact represents the reason why most citizens at that time had a vague idea about the activities of an advertising agency, in the absence of very clear information, regarding its areas of activity, the necessary training for the specialists who activated in such agencies, but also how such an institution can be useful to others. Moreover, there should be said that advertising agencies in our country at those times were often involved in illegal activities, regarding the migration of citizens, dubious job offers abroad, and hence the skepticism of most citizens in relation to the need for the existence of such agencies on the labor market in our country. At the same time, let's remember that advertising as a professional field in the countries of the former Soviet Union did not exist, that's why most citizens of our country saw the first advertising spots in the early '90s on Russian television stations, which they rushed to exploit this area of activity in the perspective of obtaining substantial profits at the stage of transition from a centralized to a liberalized economy.

### Context

The first advertising spots that flooded the media market in Russia, being accessible to Moldovans, referred to pyramid deals/businesses, which later turned out to be frauds of huge proportions. Most of our citizens remember the famous person from the advertising spots of the *MMM* pyramid construction – Lionea Golubkov, shown in the spot as a simple citizen, who tried to convince the public of the usefulness of investing the so-called vouchers in the pyramid business promoted through these spots, in the desire to obtain massive profits, as well as the possibility of purchasing furs, expensive clothes, boots, etc., in other words, those necessities that most citizens of the former Soviet Union did not have: basic products and services in those times. Even owning a fur coat, a pair of quality boots or a car was a demonstration of wealth and high social status. The public at that time did not notice the difference between informative material and advertising material, being used to the idea that what is said on television cannot be a lie, that is why millions of citizens ran to the offices of this pyramidal construction to submit their vouchers that guaranteed them a small part of the state's former wealth (factories, kolkhozes, state farms, etc.), and the initiators of this large-scale fraud obtained colossal fortunes, in exchange for basic necessities distributed to naive citizens (sugar, flour, crops, etc. which were offered to them in the first stage), who, like Lionea Golubkov, wanted to surprise their wives. They were convinced that from now on every citizen who invested their voucher would become a shareholder in a big business. The fraud lasted a very short period of time and the public very quickly became disappointed in the so much-loved character and what he was promoting and from here followed the great disappointment in the advertising product as such, getting the perception that advertising can promote only lies and falsehood.

Such a preconception is still present in the minds of our citizens, who, last but not least, associate the advertised product or service with something that is not successful on the market and requires extra efforts to be promoted. The combination of this preconception with the lack of necessary knowledge and information in relation to the activity of an advertising agency has given birth to a reserved attitude among our citizens, a lack of trust and a desire to rely on any advertising agency for the promotion of any business, Moldovans being sure until recently that the communication skills they possess, the skills of using the Internet are sufficient for a successful promotion among the public. The skeptical approach to advertising as such and to the management of advertising agencies is specific not only to those who became acquainted with this field much later than it developed in the world, but also to many specialists in the field across the ocean, who also, invoked a non-univocal attitude regarding the effectiveness of advertising, as such. Thus, in 1978, Alec Benn, director of an advertising agency in the United States of America, stated that there is a great conspiracy in which advertising agencies, radio, television networks and channels, advertising consultants, newspapers, magazines and others participate, to mislead corporate managers about the effectiveness of advertising [1, p. 21]. Benn pointed out, in fact, that more often than not, advertising has failed rather than succeeded, most often because its effects cannot be fully measured objectively.

Only less than a decade ago, economic agents realized that in a fierce competition between businesses, products and services, it is necessary to rely on professionals in the field of promoting to achieve success, recognition, successful brand positioning and economic profits.

One of the first advertising agencies in the Republic of Moldova was *Varo-Inform*, which started its activity in 1990 and is still present today on the Moldovan advertising market. That time favorable conditions were created for the liberalization of the economic market, as well as for the development of small and medium-sized businesses in Moldova, the demand for their promotion also began to increase, which stimulated the emergence and development of advertising agencies during the following years. They have expanded their activity in such a way that today they are able, for the most part, to offer a full-service package for companies and institutions in the country. It is an important aspect because the existence of competition in the commercial market promotes healthy competition among advertising agencies as well.

Today, among the most famous advertising agencies in our country are the following: *VivaKi Moldova*, *Standart*, *Cromatix Creative Image Lab*, *Amedia*, *Publicis Media*, *Good Media*, etc. with various activities

of promoting products and services. It is worth mentioning that the development of advertising agencies did not follow exactly the same rhythm as the development of advertising specialists. Most of the employees of these advertising agencies in the country have studies related partially to the advertising field: they are specialists in the field of economic sciences, arts, psychology, educational sciences, etc. Study programs in the field appeared later in higher education institutions. This is why we still have a reserved approach to the activity of these entities, which can afford to hire specialists from different fields of professional training, creating a kind of mistrust towards the quality of the products delivered and how they are accepted by the public. It should be noted that, like any organization appearing on the market, advertising agencies needed a period of adaptation and recognition. To this end, agencies have started self-promotion activities. Moreover, self-promotion is an aspect that must be maintained by any advertising agency, in order to favor a continuous flow of customers and to become known on the market. This favored the increasingly clear positioning of advertising agencies and their role on the media market in the country, being observed, especially in recent years, a development that allowed many of them to be at the top thanks to aspects such as quality, full service package, reputation, etc. Moreover, the increase in interest in different types of advertising has also generated the appearance of different types of advertising agencies, which can deliver different types of products: advertising for a certain medium of communication (television, press, online, etc.), concept presentation only, video product filming and editing services, etc. Dividing the activity of agencies according to the type of service delivered has increased the quality of the product, because most of the agencies specialize in narrow, but qualitatively performed services. At the same time, it has often made the effort of economic agents, because in these conditions, the involvement of several entities is necessary for the design, creation and distribution of the final qualitative advertising product. Thus, we have the following types of advertising agencies:

- full-service agency (agency that offers all the services necessary to develop, create and execute advertising for its clients);
- creative agency (agency that offers a certain range of services only, e.g. photo, video or product editing services);
- media agency (agency that deals, in particular, with the purchase of media space and times and the running of advertising campaigns on various media channels. This type of agency usually offers its services and products to other advertising agencies);
- interactive agency or cyber agency (agency that creates, places and distributes advertising, exclusively, on the Internet);
- own agency or *in-house agency* (agency that is established by the companies themselves who decided to develop their own activities of mass promotion of products and services, thus establishing a new type of advertising agency. However, we note that such agencies can only be found within large companies in the Republic of Moldova, such as mobile phone or Internet operators, which can afford the staff maintenance of specialists in the field);
- direct marketing agency (agency that brings the product or service directly to the customer, building networks and direct customer relationships in an attempt to gain their loyalty).

William Bernbah, one of the greatest copywriters of the 20<sup>th</sup> century, once noted: „The most important element in writing successful advertising is the product itself. The magic is in the product” [2, p. 23]. However, we recognize that the ultimate goal of any advertising agency is to see their clients’ ads lead to higher profits in the long run. Therefore, an advertising agency must perform several functions to achieve this goal. The size of an advertising agency has a direct bearing on the variety of services that can be provided to clients. In general, larger agencies provide more varied services than medium and small agencies. Among the most highlighted functions of an advertising agency are the following:

- creative (realization of the advertising product itself: newspaper layout, video, audio product, online product);
- research (identification of the most successful tools and ways of creating, targeting and distributing to the public – target of the advertising product);
- evaluation (monitoring the effects created by the advertising product on the consumer public).

### Conclusions

The diverse, multilateral activity, based on creativity and adaptability to the market requirements of the advertising agencies, does not exempt them from the multiple problems in their day-to-day activity. Among them, the following stand out: the lack of labor force/human resources, a problem common to several fields of activity in our country, deadlines that often cannot be met due to the existence of the first problem mentioned above, the new ways of managing business through the Internet and the lack of need to use advertising agencies for business promotion, the inability to build customer loyalty by raising their awareness of profitability in the event that they will turn to advertising agencies capable of producing quality products [3].

What we can say for sure is that if at the beginning of the '90s, with the emergence of advertising as a field of economic activity, most of the advertising products were made by the media institutions themselves (television stations, radio, newspapers and magazines), because they had access to the necessary video or audio technologies, today this task has been taken over by advertising agencies, which try to hire the necessary specialists to create quality products.

Finally, we note that regardless of the stage at which an advertising project is, the main task of any advertising agency is to build and maintain goodwill with the public, because the most used tools in communicating with the public are advertising and corporate advertising, through which stronger relationships will be built with different segments of public: customers, employees, intermediaries and shareholders.

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