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I am submitting herewith a thesis written by Diana Briscoe Scales entitled "A Study of the Relationship Between the African American-Owned Advertising Agency and the U. S. Advertising Industry." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Communications.

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A STUDY OF THE RELATIONSHIP BETWEEN
THE AFRICAN AMERICAN-OWNED ADVERTISING AGENCY
AND THE U.S. ADVERTISING INDUSTRY

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DEDICATION

There are two people to whom I will be eternally grateful and for whom I dedicate this Masters thesis. They are my parents –

Mrs. Anne Melba Curl Briscoe,

whose artistic genius and love of learning
inspired me to develop my creative abilities
and further my education,
and

Mr. Lonnie Franklin Briscoe,

whose superior sales skills and entrepreneurial acumen,
instilled in me the value of being in business for myself.

I only wish they were alive to witness, yet another accomplishment in my life, and give me an opportunity to thank them for all the encouragement and love they have given me. Their spirits are always with me and I know they would be pleased.

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ABSTRACT

The purpose of this study was to examine, through individual interviews with executives of both African American-owned and general market advertising agencies, how they perceive the relationship between the African American-owned advertising agency and the U. S. advertising industry.

Participants were chosen from full-service firms listed in the 1998 Standard Directory of Advertising Agencies that handle accounts for the leading national advertisers. All African American-owned agencies specialize in creating advertising primarily to black American consumers.

Response indicated that while several people were involved in the advertising process, it is the client, either the company president alone or as head of a search committee, who ultimately made the decision to use an African American-owned agency. Several factors contributed to the lack of full participation by these agencies in the industry, but the most repeated responses were: being limited to tailoring communications only to black American consumers, and the industry's dealing indirectly with the basic issues of race and cultural racism in America.

The study also showed that the outlook for the advertising agency that specializes in reaching African American audiences is not very promising. However, with global advertising spending predicted to reach half a trillion dollars by the millennium, the future of the advertising agency, that can relate to and understand diverse audiences, create effective, quality advertising, and is owned by an African American, is full of promise.

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Chapter One

INTRODUCTION

Full service African American-owned advertising agencies, specializing in creating and targeting national advertising messages to black consumers, are significantly underrepresented in the U. S. advertising industry and receive a disproportionately small share of national advertising dollars.

African American-owned agencies have a long and impressive track record and have matured into competitive full-service firms with multimillion dollar billings. This study examines the relationship between African American-owned advertising agencies, corporate clients and general market agencies in the United States and offers some explanations for these disparities. It also examines whether there is a market for the work of the black-owned agency, now and for the future.

Only one percent of the U. S. total annual billings is managed by African American-owned agencies. They have made valuable contributions to the industry since the early 1960s, but they still do not represent more than a one percent share of the business, and a two percent share of its professional employment (AAF, 1996). Robert Coen, forecasting director at the McCann-Erickson USA predicted that marketers would spend a record \$200.3 billion in the United States in 1998 (Stuart, Elliott, New York Times On The Web. June 24, 1998).

Some black owners do not believe the general market agencies or their clients are sufficiently committed to marketing to African American consumers. Some also believe clients have too little information about black

buying habits or simply do not care. Even when a client decides to give an African American agency a part of its budget to advertise to African Americans, it allocates no more than 10 percent of its total advertising budget to reach them. Yet the amount of work the black agency does to prepare the advertising requires as much time, and effort as most large white agencies give to a \$2 million account (*Black Enterprise*, 1971).

Overall participation by African Americans in the advertising industry has been and continues to be low. Professional employment in the prestigious general market agencies, where most of the business is located, has been marginal, and so has the involvement of African American-owned full service advertising agencies in the total industry.

Many black professionals interested in advertising believe they cannot get hired by general market agencies unless they have experience, but they are unlikely to get the requisite experience, except in African American-owned agencies, and such experience is not thought to be respected by general market firms. Most African Americans who have started their own agencies, however, first gained experience in major firms or were turned down by them.

Advertisers also allocate advertising budgets disproportionately to the rates of product consumption of African Americans. If market segmentation is determined by usage and benefit, rather than race, then advertising expenditures to reach black consumers, whose usage rates can be confirmed by sales analyses, should be allocated accordingly.

Disposable income of African Americans is not spent in the same way as other Americans. The total buying power of black Americans in 1997 was reportedly \$475 billion, but black consumers are very selective in the

products and services they purchase. Millions of middle and upper class black households have discretionary money to spend, and the choices they make boost expenditures above average for numerous goods and services (*American Demographics*. Sept. 1996).

The African American-owned agencies have been the keystone of black participation in the advertising business and a number of their principals have consciously made training of African Americans in advertising skills a part of their corporate mission.

Glossary

The terms "colored, Negro, black, black American, Afro-American, and African American" have all been used to designate Americans of African descent, in correspondence with the trend of the period under discussion. For the purposes of this study, however, the terms "black Americans" and "African Americans" may be used interchangeably, but the reader should not expect the full implications of the race or cultural heritage of persons born in the United States of America, whose ancestors may have originally come from the continent of Africa, to be explained in this thesis.

A distinction is also made in this thesis between the concept of the African American advertising agency, and the African American-owned advertising agency. The former represents full-service agencies that specialize in targeting only the black consuming market; whereas the latter, represents an enterprise owned by an African American, that is, an advertising agency whose ownership is African American. Neither of these agencies are "creative boutiques" or ethnic specialists.

Purpose of the Study

The purpose of the study was to answer the following research questions:

1. Why do African American-owned full service advertising agencies, specializing in creating advertising messages, for nationally advertised products and services, directed specifically to black American consumers, have limited access to the total annual U. S. advertising billings and major general market accounts?
2. What is the future of the African American advertising agency and what options are available for African American enterprise in the full-service advertising agency business for the future?

Organization of Chapters

Presented in six chapters, this research studied the relationship between African American-owned advertising agencies and the U. S. advertising industry. This relationship is central to understanding the patterns of limited access to advertising billings and the dearth of black professionals in the advertising business.

Chapter One serves as an introduction to some of the issues concerning use of full-service African American advertising agencies, specializing in targeting messages to black American consumers. It offers some explanations for the disparities that exist in annual billings, the perceptions some have about the black consuming market, and the contributions black-owned agencies have made to the advertising industry. Definitions and key terms are defined in the glossary.

Chapter Two contains an overview of the U. S. advertising industry and includes descriptions of the five primary organizations involved in the advertising business: advertisers, advertising agencies, media, national sales representatives, and suppliers. Also included is a brief description of the marketing process and how advertising relates to it, as a vital part of the marketing mix, and a communications tool.

Chapter Three presents a history of the African American-owned advertising agency. It chronicles its beginnings in the late 1950s and explains, from an historical perspective, how the relationship between these full-service agencies and the U. S. advertising industry developed.

Chapter Four explains the method used to gather data from four agency principals regarding their perceptions of the relationship to the industry overall.

Chapter Five presents the findings and discussion of the research. It reports the existing situations and the relationships as described by the participants in the interviews. It also provides information about implications for the future.

Chapter Six contains the Summary, Conclusions, the Future For African American-Owned Agencies, Contributions of the Study, and Recommendations, including further research.

Chapter Two

THE U. S. ADVERTISING INDUSTRY

The advertising business is composed of five primary groups of organizations. First, are the companies that advertise - the advertisers, which promote their products and services and themselves. Assisting them are the advertising agencies, which plan, create and prepare advertising campaigns and materials for the advertisers.

There are three other groups: the media, which sell time and space, as in the case of electronic and print media, to carry the advertiser's message to the target audiences and national sales representatives, who handle national and regional advertising sales for particular media, such as television, radio and newspapers. Finally, there are suppliers. These include photographers, illustrators, printers, graphic designers, interactive technicians, video production houses, and others who assist in the preparation of advertising materials.

The importance of advertising in a company varies, depending on several factors: company size, the type of industry in which the company operates, the size of the advertising program, the role of advertising in the company's marketing mix, and most of all, the degree of top management involvement in the advertising function.

Company presidents and other top executives are usually very interested in how their advertising represents the company and are often directly involved in advertising decisions. Sales and marketing personnel, of course, have a direct relationship to advertising. They frequently provide input into the creative process, assist in deciding which advertising agency to

use and help evaluate proposed advertising programs.

Administrative people in accounting or purchasing are frequently asked to consider the impact of advertising programs on the company's financial status, or to help determine appropriate budgets for the next campaign. Product people, such as engineers and designers are often asked to make recommendations about product features or help advertising by providing information about competitive products.

Advertisers

Just as the size and function of a company depend on a variety of factors, so does the way in which its advertising department is organized and managed. No two firms, product lines or markets are exactly alike. Therefore, the method of organization depends on the unique circumstances of each company. The basic advertising management structures of large companies are either centralized or decentralized.

In centralized organizations, such as General Mills of Minneapolis, Minnesota, one of the 25 largest national advertisers, its centralized advertising department is responsible for administering planning, budgeting and coordinating the promotion of more than 50 different brands. It supervises 26 outside advertising agencies and represents a wide variety of products and brands - all directed from one source. Sometimes this makes it more difficult for management to provide a general overview of marketing strategies and execution, but it does give General Mills greater efficiency in its advertising programs. (Bovee/Arens, Contemporary Advertising. 1989, p. 83)

The nation's number-one marketing practitioner, Proctor & Gamble in Cincinnati, Ohio, a decentralized organization, manufactures and sells over

200 different consumer products. It has eight consumer divisions, five industrial product divisions and four international divisions. Historically, each division has been set up almost like a separate company, each with its own research and development department, manufacturing plant, advertising department, sales force and finance and accounting staff. Each brand manager has his or her own advertising agency which develops and creates the brand's media advertising (Bovee/ Arens. p. 85-86).

Both systems have their advantages. No organizational structure is purely one form or the other. In fact, they are individually designed to fit the needs of each particular company. So why, if large companies have their own very sophisticated advertising departments would they hire the services of national advertising agencies?

The Advertising Agency

Advertising agencies are independent and are not owned by the advertiser, media or suppliers. This independence allows them to bring an outside, objective viewpoint to the advertiser's business. Their exposure to a broad spectrum of marketing situations and problems gives agencies the savvy, skills and competence to serve the needs of their various clients.

The agency employs a combination of business and creative people, who are specialists in applying the complex craft of advertising to business problems. They include writers, artists, market and media analysts, researchers and specialists of all sorts, who apply their skills and talents to help make their clients successful. They have day-to-day contact with outside specialists and suppliers, who produce quality work and are able to stay abreast of the latest advances in technology, the most recent price changes,

and the most current production problems.

New York, Los Angeles and Chicago are the three leading advertising centers in the United States. The top ten agencies, which account for approximately one-tenth of one percent of all agencies, handle 27% of the total business. More than 200,000 people are employed by U.S. based advertising agencies. Most agencies, however, have a low "body count" compared with that of other professions. When an agency staff is well-balanced, in skills and versatility, five or six people can easily handle \$1 million in annual billings. In agencies that bill \$20 million or more per year, this ratio is usually lower. Of the 9,995 U. S. agencies, only 275 or 2.75% have gross incomes of \$5 million or more, representing approximately \$34 billion in domestic billing (Bovee/ Arens. p. 91).

Arranging and contracting for the purchase of broadcast time and space is another service agencies provide to advertisers. They are generally recognized by media associations for credit purposes and historically, have been allowed to keep 15 percent of the gross amounts for placing media. The agency commission reduces the amount of money the advertiser would otherwise have to pay the agency for its services, and for this commission, the agency is expected to maintain expertise in the various media available to the advertiser. While this is no small task, the issue of agency commissions for media placement is currently being questioned by advertisers, because it is viewed as causing cost increases and unnecessary use of media.

Agencies are obligated to find their clients the best prices, give them the best quality work and help them grow and prosper. Most advertisers also rely on advertising agencies for expert objective counsel, marketing solutions and recommendations, and unique creative output.

Notwithstanding these facts, many agency switches do occur every year. These are caused by personality conflicts and lack of communication, advertisers outgrowing their agencies, or because some agencies do not possess as much independence, skill and expertise as they should. While an agency may produce outstanding results for one type of client, it may be totally incapable of grasping the problem or devising an appropriate solution. Some clients, however, fail to see the expertise being offered and try to force their agencies to give them safe, but unexciting advertising. In the constant effort to please the client, the agency may yield too often to this pressure. The common excuse for this is simply, "It's the client's money!"

Another phenomenon which has contributed to agency switching is merger mania. As large agencies are merged, conflicts have arisen over the handling of competitive accounts (Bovee/ Arens. p. 92).

The advertising business has been characterized by tension between the advertisers and their agencies. The advertiser is the employer – the client who pays the bill. The agency works at the pleasure of the client; it is employed for the sole purpose of benefiting the client's business; and its services can be terminated at any time. This tension may be healthy at times, contributing to better effort and outstanding work on the agency's part.

Types of Agencies

Full-Service

Advertising agencies are normally classified by two criteria: (1) the range of services they offer, and (2) the type of business they handle. Agency services may be described as full-service or a la carte.. The full-service agency is staffed to serve its clients in all areas of communication and promotion. Its

services are essentially grouped in two categories – advertising and non advertising (Bovee/ Arens. p. 92).

Advertising services include planning, creating and producing advertisements, as well as performing research, and media selection services. Non advertising functions may include marketing, packaging, public relations, sales promotions and training, trade shows, collaterals, and special events.

There are two basic types of full-service agencies: (1) the general consumer agency and (2) the business or industrial agency. General consumer agencies represent the widest variety of accounts. They concentrate on consumer accounts, for companies that manufacture goods purchased, primarily by consumers, such as soaps, cereals, medicines, automobiles, clothing, food, beverages, household products and personal toiletries.

Most of the advertising produced by the general agency is placed in consumer media – television, radio, billboards, newspapers, and magazines – which are commissionable to the agency. As a result, the general consumer agency has traditionally obtained most of its income from media commissions.

The top international superagenices are general agencies, but so are thousands of smaller entrepreneurial agencies, from every major city in the U.S. While profit margins in the entrepreneurial agencies are often slim, by comparison to the larger agencies, the quality of their work is frequently startling in its creativity. Moreover, some entrepreneurial agencies have carved out a niche for themselves by serving the needs of particular market segments. These include many ethnic or culturally specific agencies now proliferating in the country, such as The Burrell Communications Group,

Chicago, the largest American advertising agency, specializing in the African American market.

Industrial agencies represent companies that make goods to be sold to other businesses, such as computer hardware and software. This type of advertising is placed in trade magazines and business publications and agencies receive commissions, as well as fees for their services.

A La Carte Services

The trend toward specialization has grown and a number of smaller agency type groups called “creative boutiques” and speciality businesses, such as media-buying services, have evolved. Some talented specialists, like art directors, designers, video and film makers, and copywriters have set up their own creative firms, and work for advertisers and, occasionally, advertising agencies as subcontractors. Their mission is to develop exciting creative concepts and produce fresh, distinctive advertising messages. However, the creative services of the boutiques are usually provided without the marketing and sales direction that full-service agencies offer. This factor tends to limit the boutiques to the role of a creative supplier, but for some small advertisers, the creativity, responsiveness and economy they offer are worth the tradeoffs.

Media-buying services have set up organizations that purchase and package radio and television time. The method of compensation varies – some receive a set fee, while others operate on an incentive basis or percentage of media purchased.

Organization of the Advertising Agency Business

The American Association of Advertising Agencies (AAAA) is the national organization that sets very high standards for membership and

endeavors to be the most responsible speaker for the advertising industry. Its almost 400 members, representing the largest and oldest agencies in the business, place almost 80% of all advertising handled by agencies in the U. S.

In its Standards of Practice, the 4As explains that the purpose of an agency is to interpret to an advertiser's audience the advantages of a product or service. This is done by first, conducting a study of the product or service to determine its strengths and weaknesses, and analyzing the present and potential market for the product, and then, using its knowledge of distribution channels, sales forecasts and all available media, to formulate a plan for carrying the advertiser's message to consumers, wholesalers, or dealers (Bovee/ Arens. p. 97).

The execution of the plan includes writing and designing advertisements, contracting for space and time with media, supervising the proper production of ads and commercials, forwarding these to the most appropriate media, verifying media insertions, as well as billing for services and media used.

Compensation

Like any other business, an advertising agency must make a fair profit on the services it renders. Lately though, realizing this profit has become more and more difficult and agencies are rethinking their compensation policies. Several changes, such as mergers, the reduction of traditional media advertising budgets, shifts in promotional emphasis from media advertising to sales promotion, increases in production costs, and the fragmentation of media and markets.

To succeed advertising agencies must have clients. An advertising

agency, like any other business, has a product or service to sell. Clients come to an advertising agency by referral, through advertising, personal solicitation or reputation. The important task of soliciting new business usually falls to one of the agency's principals.

The Client and Agency Relationship

Advertising is a very human business and the advertiser-agency relationship is a peculiar kind of marriage that requires mutual friendship, trust and communication. They must get to know each other and find out if they like one another. The stages in the creation of this relationship include: pre-relationship, development, maintenance and termination. Each stage has unique characteristics that ultimately, affect the longevity of the relationship.

It is during the pre-relationship phase that all-important first impressions are gained. If the agency is invited to "pitch" the account, then through its presentation, the agency sells itself to the buyer, the client. Once the agency has been appointed, the development or "honeymoon" period follows. Expectations are high and both client and agency are at the peak of their optimism. This is also the phase when the first problems occur. The average client-agency relationship lasts only three to four years. Differences do develop and if ways are found to resolve them, the agency account is maintained. If not, because of some irreconcilable difference, the relationship is terminated (Bovee/ Arens. p. 109).

The most critical factor is the personal chemistry between the client and the agency. Poor communication can lead to misunderstandings of objectives, strategies and tactics. Constant and open communication is the key to the understanding and mutual respect essential to a good relationship.

Yet this seems to be the most difficult thing to achieve, due to inefficient systems, lack of discipline or poor attitudes on both sides. Dissatisfaction with agency performance is perhaps the most commonly cited reason for agency switches. Changes in the client's market position which cannot be avoided, can be handled professionally and with class.

Advertising Media

Advertisers who reach national consumers usually use network television and radio, full-circulation magazines and newspapers, and nationally syndicated Sunday newspaper supplements. Much of what is scored as huge media success by advertising creativity should really be credited to two processes: (1) media planning and (2) media selection. Appropriate media strategy considers many variables, including geographic scope, the nature of the medium and the message, consumer purchasing patterns, limitations of the media and competitive strategy. Selection is influenced by campaign objectives and strategy; the size and characteristics of each medium's geographic coverage, the attention, exposure and motivation value of each medium; cost-efficiency; and the media mix.

The best strategy is in the media mix and in creating it, the goal is to reach the greatest number of prospects by either: (1) a broadside approach, sending equal messages, (2) profile matching, where messages are delivered to each audience segment in proportion to that segment's importance among all prospects, or (3) the high-assay method, which starts with the medium that produces the best return and then moves to other media for maximum reach. Many factors complicate the process, such as cost, and it is also very difficult to weigh the actual sales potential of given market segments, given the overlap

from media schedules that can distort measurement figures (Bovee/ Arens. p. 400).

However, if the objective is to reach the most prospects, it is better to go with the media with the largest audiences, and the greatest number of prospects for concentrated scheduling. If the objective is higher frequency, it is better to select several media vehicles with smaller audiences (Bovee/ Arens. p. 402)

Special Interest Media

The degree of attention paid to ads by those exposed to them relates to the advertising message and copy, just as much as to the medium. It is logical to assume that special interest media, offer good attention value. Six factors have been found to positively affect these values: (1) audience involvement with editorial content or program material; (2) specialization of audience interest or identification; (3) number of competitive advertisers – the fewer, the better; (4) audience familiarity with advertiser's campaign; (5) quality of advertising reproduction; and (6) timeliness of advertising exposure (Bovee/ Arens. p. 396).

Culturally specific media have been especially effective in increasing exposure for advertising messages and enabling advertisers to speak directly to audiences in ways that would not be appreciated or understood by general market audiences. By using different, non-traditional images, these special groups can be reached with impact and credibility.

National and Regional Sales Organizations

Most national and regional advertising is bought by advertising

agencies with offices in New York, Chicago, Los Angeles, Atlanta and Dallas. Since it would be impossible to maintain a sales staff in these cities, local media outlets for television, radio and newspapers hire national sales representatives to place national spot advertising on their behalf. The rep, or account executive, is an extension of the local sales force, makes regular calls on media buyers in advertising agencies, and works on a second 15% commission basis.

Most reps, in addition to obtaining orders in major cities, offer advice on sales, sales strategy, budget development, programming, research and promotion. More than 75% of revenue for television and 20% of radio sales revenue come from the work of national and regional sales organizations and representatives (Pringle, Peter. Electronic Media Management. p. 183-84).

Suppliers

People and organizations that specialize in some ancillary aspect of the advertising business, such as photography, talent and modeling, illustration, printing and production are included in this group. They provide on a contract or as needed basis a variety of services that advertising agencies use in the production of advertisements.

Advertising and The Marketing Mix

Marketing refers to all business activities aimed at facilitating the perceived equal-value exchange. Advertising, as a part of the marketing mix, is concerned with devising the strategies to facilitate this exchange.

Advertising, as a communications device, helps to create the exchange between the company and its target market. The importance of advertising's

role varies from business to business, depending on the nature of the business. It is used to inform, persuade, and remind customers. To be effective, advertising depends on the adequate performance of the other elements in the marketing mix – product, place and price.

Marketing Strategy

The selection of market segments for products/ services is made according to a variety of classifications, based on shared characteristics of customers. Customers are defined as people who buy products and services for their own personal use. The market is a group of customers who share a common need or desire for these products or services (Bovee/ Arens. p. 144).

By aggregating these customers into fairly homogeneous segments, companies can determine which groups are potentially the most profitable markets, and then select one or more groups as target markets – those segments to which appeals are made, products are designed, and all marketing activities are aimed.

This strategy of discovering meaningful subgroups within major markets and developing products for them is called market segmentation. Once the market segments have been determined, special services catering to target markets are designed, prices determined, location of stores or dealers created and the most suitable types of advertising to reach them prepared. A target market segment must be large enough to be profitable, distinctive enough to be differentiated, and have sufficient media available to reach it effectively.

While the target market is essential, the most important consideration in the development of the marketing mix is the product itself. Marketers

know that a product may be many things to different people. A product represents an array of various benefits – both functional or intangible – attributes, or satisfactions that are valuable, according to the consumer's particular needs and desires. Marketers build differences into their products to respond to the variety of customer tastes and use this process to satisfy their customers' needs in order to make a profit.

Advertising is a vital part of the marketing mix and is considered non personal selling. It is most effective when there is: (1) a high demand for the product, (2) a chance for significant product differentiation, (3) an importance to the consumer, (4) the opportunity to use strong emotional appeals, and (5) substantial resources to support an effective advertising program (Bovee/ Arens. p. 145)

This chapter has provided an overview of the principal players in the U. S. advertising industry. Given the relatively short-term relationship of advertisers and agencies, one might report that African American-owned agencies would stand a good chance of being selected as an agency of record.

Chapter Three offers a brief history of the African American advertising agency and of the stakes of black professionals in advertising. It offers a first step in understanding why such agencies may not have been selected to be the general agencies of major national advertisers.

Chapter Three

A HISTORY OF THE FULL-SERVICE AFRICAN AMERICAN-OWNED ADVERTISING AGENCY 1950-1998

Advertising is the major promotional device used by manufacturers to reach and persuade consumers. It is also designed to change buyer behaviors and attitudes, and its effectiveness depends on the way in which the audience receives and interprets an advertisement. Consumers' perceptions of advertising are selective and information search is limited only to those messages that are deemed relevant to potential buyers. There are some who contend that this selective exposure is not so much a function of receiver interest or attitudes, as of certain intervening influences, such as lifestyle, social class, gender, culture and race.

Whatever the message, the receiver will tend to modify it to fit his/her own motives, needs, attitudes, and opinions. As a result, it matters little what the advertiser intends to convey. What the consumers interpret is the determinant. Consumers tend to expose themselves to and attend only to ads that are in some way relevant to their needs (Williams, Terrell. Consumer Behavior, 1982. p. 411).

Full service advertising agencies embody three basic functions: creative persuasion, media planning and buying and market research. Ultimately advertising is about persuasion. Understanding the U. S. population is one of their primary mandates. After all, they have to convince "Americans" to buy things. But general market agencies have traditionally viewed consumers as a "mass" market, because reaching the masses through

key media was more efficient for advertisers and more lucrative for them.

This mass market was also synonymous with "white" and did not represent the distinctions, primarily along racial or ethnic lines, found in the American population. General market advertising agencies and advertisers finally began to acknowledge these social divisions and in the 1980s decided they might as well exploit them. The African American advertising agency emerged to respond to the changes in America and the needs for black Americans to be represented.

Several dozen African American-owned advertising agencies have been created since the first one was started by Vincent T. Cullers, a Chicago artist and businessman, in 1956. During the early years there was little attention given to the African American segment of the market, and these firms did not grow rapidly. Some had very volatile early histories, and as a result of the Civil Rights Movement of the 1960s, the industry began to show some concern for the paucity of African American professionals in the elite general market agencies.

However, it was not until the 1980s that the U. S. advertising industry began to focus seriously on the African American market segment as a substantial source of sales. When they did, the African American-owned agencies that were available shared in the work and grew significantly (Dates and Barlow, 1993, p. 461).

As emphasis on this market segment increased, the full service general market advertising agencies developed their own capabilities for working the African American market segment, often with black professionals of their own in senior positions, and in direct competition with African American-owned agencies. At the same time, the black agencies sought, and sometimes

won, more general market accounts of their own. Nonetheless, after some 30 years of involvement in the industry, their participation remains limited. According to Dates in 1993, only a few African American professionals in general market firms, and a handful of African American-owned full service advertising agencies were on-going business entities.

The Early Years

Since the beginning of advertising, three rules have prevailed: (1) to advertise to people ready, willing and able to buy; (2) to use the media which reach them, and (3) to create advertisements that would win their business. In practice, advertisers rarely worked at reaching African American consumers (Boyenton, 1965, p. 227). In contrast, there were two important reasons why black American consumers wished to be targeted by advertisers: (1) they wanted to be courted for their money as others were, and (2) they responded to the respect, implicit in the courting process, when the advertisement was neither patronizing nor condescending.

The discovery in the 1980s of the African American market segment by American business, which had basically ignored it between the 1930s and 1980s, was really the *rediscovery*. The initial market research on the African American community was done in the 1930s and continued through the next several decades; the first advertising campaigns were directed to black consumers as early as 1837 (Dates, p. 461).

Black consumers were seen as a specific advertising market as early as 1916. A report to study income and living habits of black Americans was conducted by the National Negro Business League in the 1930s, and placed the overall spending power of black consumers at \$1.65 billion (Bauer, 1970, p. 3).

After World War II, numerous trade publications and market surveys, commissioned by African Americans to assess the black market, described them as consumers who frequently purchased leading brands in their search for status and prestige and stressed brand loyalty and consciousness. Even Printer's Ink in 1958 reported to marketers the first reports of social class distinctions among African American consumers (Dates, p. 425).

The Effects of the Civil Rights Movement

In less than a decade after its so-called "Creative Revolution" the advertising industry was forced by external events in society to undergo some permanent changes. At the height of its powers, in the 1920s, advertising had been a primary independent force in molding American culture and mores. Since then advertising had increasingly functioned more as a mirror than mindbender, responding to culture more than shaping it (Fox, 1997, p. 272).

During the 1960s this influence diminished. Reform waves came sweeping down on Madison Avenue more from changes in society at large, than from the internal dynamics of the business. The creative revolution was also an "ethnic revolution" and the WASP hegemony over American culture finally broke down. Madison Avenue followed suit (Fox, p. 273).

Two weeks after the murder of Dr. Martin Luther King, Jr., a full-page New York Times ad read, "The advertising business is one of the most racially imbalanced industries in America. We must do something". Black employees were recruited and those already employed had grown tired of accusations of being tokens. As the black cause moved from integrationist to nationalist ideals, more than a dozen black-owned agencies, such as Zebra Associates and UniWorld Group in New York, were started (Fox, p. 283).

A source of support for employment of blacks in general market agencies and a key source of business for these firms in their early development was the corporate responsibility movement in the industry. In this effort, "...civil rights groups...government commissions prodded employers...to take affirmative action. They urged corporate America to meet minority employment quotas and do business with black-owned companies (Ellis, 1995, p. 3).

African American consumers were seldom courted as a targeted advertising market until years after the civil rights movement had ground to a halt. African American consumers, practitioners, and activities all figured in the development of the advertising industry's increased interest in the black community as a market. Advertising opportunities became more available to black Americans as the new electronic environment emerged.

Extremely cautious, however, in developing ties with the African American community, the American advertising industry only began to focus on the black consumer market after the civil rights era had come and gone. Thus, it was well into the 1980s when the industry began to actively court African Americans as consumers of their clients' products. There are many explanations for this, but whatever the complex reasons, the effect was that advertising treated African American citizens as though they were invisible for many years, and included them, grudgingly, and almost exclusively, in massive advertising of unhealthy products, such as fast foods, tobacco, and alcoholic beverages (Dates, p. 436).

Until the 1960s the advertising industry's amoral attitude to social concerns usually went unquestioned. Before then the industry was observed as having no motivation to seek the improvement of the individual or to impart qualities of social usefulness...though it wielded an immense social

influence... it (the institution of advertising) had no social goals and no social responsibility" (Potter, 1954, p. 177-83).

The advertising industry could no longer divorce itself from the nation's social issues. During this time, both the Congress of Racial Equality, the NAACP, and other civil rights groups held meetings with advertising organizations, such as AAAA to argue for fundamental alterations of sponsors' and advertising agencies' attitudes about black consumers and toward minority marketing strategies.

In the latter part of the decade, national and regional conferences of the advertising industry and trade associations focused on racial integration in advertising and on black consumers. Although advertising researchers studied African Americans, little changed in the industry regarding them as a viable market, except for a few integrated advertisements (Dates, p. 426).

Black entrepreneur/writer D. Parke Gibson suggested that purely from an economic perspective, advertisers with an eye toward business should realize this market could be a prime target for cultivation. However, some advertisers feared the white market might become alienated by "integrated advertising campaigns", and resisted the idea.

Various studies examined the validity of this perceived fear of "white backlash" and revealed that whites were not indifferent to well-conceived integrated advertisements, and the use of black models made little difference to white viewers. Although black advertising practitioners and business persons consistently complained about the small number of advertising dollars being spent to target black consumers, the policy persisted (Dates, p.427).

By the close of the 1970s African Americans still were not viable practitioners in the advertising industry. Moreover, many advertisers believed

that black people had been incorporated into mainstream target advertising. They failed to recognize the opportunity to address black consumers directly to attract more black business. Given the consistency of these research findings, underrepresentation of black people in advertising was probably more of an indication of prejudice on the part of the Madison Avenue-dominated advertising community than of the often claimed prejudice of white consumers (Surlin, 1977. p. 105-16).

Responding to the powerful effects of the civil rights movement, in the 1970s, some large corporations did target black consumers for marketing campaigns. One of the most successful of these included the corporate-styled AT&T ad, featuring equal employment opportunity, not customer service or products, because of competition from independent networks that threatened its loyalty base in the black community (Dates, p. 429).

The Black Consumer Market

The black consumer market underwent important changes in the 1970s. The most significant included the steady increase in migration of African Americans to the suburbs and the rise in college enrollments among the black population. Advertising and marketing experts suggested that these shifts might lead to an eventual fragmentation of the black consumer market. Marketers noted that the African American market was no longer a homogeneous group, in a geographically bound setting. Some experts further predicted that a definitive middle-class (upscale) African American market could become a distinct entity, to be heavily targeted by marketers (Gage, 1981).

In the 1980s, upscale black consumers presented a distinct challenge. Many were first-generation middle-class consumers, who still maintained

tastes for food, atmosphere, and lifestyle from their early years. The common traits and vocabulary that marketers used when advertising to middle-class whites often did not apply to middle-class blacks, coming from a unique culture with a distinct personality. Very often high-salaried, highly successful black persons still enjoyed, and often preferred, many of the same enjoyments, products and services as other blacks.

The Wellington Group in the 1980s warned marketers that brand loyalty among black consumers could easily be destroyed by ignoring the differences between the black and white markets, and using mainstream marketing strategies and tactics to promote products in African American communities.

According to Wellington, the black woman, more often than her white counterpart, was the prime consumer and made most of the purchasing decisions for her family. He also pointed out that the term disposable income, used to define the money for purchases after essential purchases had been made, was not applicable to all black consumers (Dates, p. 431).

The Tide Changes

Before the smoke had cleared in the aftermath of the 1992 Los Angeles riots in May, phones at black advertising agencies around the country were already ringing. They were being asked to produce calming public service spots for the city of Los Angeles, and in New York, agencies were beginning to hear from clients, who were interested in finding new ways to reach out to the disaffected African American community. The crisis had, overnight, "moved the issue of race to the front burner" (Berger, 1992, p. 12-15C).

Months removed from the riots, race remained the topic of the day - a

development not lost on advertisers – for whom this might have been a time to heal wounds and mend fences, and perhaps rediscover the African American consumer. This seemed to play to the strengths of advertising's 40 or so black-owned agencies, and, according to the African American Marketing & Media Association, they collectively produced an estimated \$250 million in advertising, targeted to African Americans via black media (Berger, p. 12).

The advertising industry changed its policy of totally ignoring African Americans, as the music, film, radio, and television industries had done, only when decision-makers had overwhelming evidence that it would bring them huge profits to do so. This apparent engine that drove the media to include minorities as employees and to recognize the interests of minority markets was fueled by money.

Although this explanation has some validity, the issue is more complex. Even when there were clear indications that targeting the black consumer would profit the industry, its policy remained largely unchanged for years. Obviously, other factors besides profit were at play in the decision-making process within the advertising industry (Dates, p. 422).

The advertising industry's consumer marketing strategy in the late 1980s, called target marketing, increased in importance at the same time African Americans' social and economic viability also increased. Because of foreign competition and the softening American economy, many companies needed new market opportunities. So they looked toward the once by-passed black and Hispanic/Latino markets, particularly since between them they controlled more than \$300 billion annually, and represented the ninth most profitable market in the world. They also realized that by the year 2000, these communities would comprise one-third of the nation's population (U. S.

Dept. of Commerce. 1990-2010 Census Bureau Population Projections, 1998).

Even with this information, some marketers questioned the use of black advertising agencies, doubting whether they were could relate to groups to which they demographically did not belong. This response came from the white, male decision-making group that controlled American industries.

Black consumer groups met all the criteria outlined in the segmented approach. In the 1970s major advertisers were told that if they sought to attract or hold the black market, advertising to them was vital, because such advertisements offered the advertiser the unique opportunity to speak directly to their needs and desires, in their language, and in their medium, without running the risk of confusing or alienating other projects. The majority of advertisers were unresponsive to this advice.

Reluctantly, some marketers turned to black advertising agencies to help them gain better access to the rapidly growing and increasingly powerful black market. At this point, the African American population was growing faster than the general population, and 46 percent lived in twenty-five cities, where they had reached majority status (Dates, p. 433).

As the images developed in advertisements that reflected society's myths and rituals, usually absorbed and accepted as real, decision-makers in advertising were concerned with profit, and not with the side-effects their decisions might produce. They believed that advertising paved the way for Americans to maintain the high standard of living that made them the envy of the rest of the world, and as solid members of the nation's free enterprise system, the industry fought fiercely to return profits to stockholders.

Television advertisements in the 1980s began targeting black consumers with sensitivity, by blending attractive African American actors,

upbeat music, eye-appealing action and honest representation of black life styles. African American advertising agencies, the primary force behind the new trend, authenticated the rules for living, codes of conduct, lifestyles, and other motivational factors that differentiated black consumer groups from the general market. At the same time, however, the programming supported by these new types of advertisements, continued to restrict black talent, thus maintaining the ideology that whites once again allowed their own racism to control their decisions (Dates, p. 438).

African American Advertising Agency Pioneers

The portrayal of blacks in advertising showed an insensitivity to the African American consumer, and a lack of understanding of the market. White-owned advertising agencies and their clients allocated few dollars to influence the purchases of black consumers, whom they usually claimed to believe were undifferentiated from the general market. In the late 1970s, major advertisers realized that future growth lay in reaching untapped market segments, particularly after an economic downturn threatened profits.

It was then that industry decision makers turned to the handful of African Americans working in mainstream advertising agencies for their assistance in reaching the black consumer. Sensing the opportunity, black advertising professionals started their own agencies. These entrepreneurs were often talented, but frustrated professionals, who left creative and managerial positions because of limited opportunities available to them in the advertising industry (Smikle, 1985, p. 44-52).

During this time, *Black Enterprise* magazine listed thirteen advertising agencies as specialists in the black consumer market. One of these, the

Burrell/ McBain Advertising Agency in Chicago, now The Burrell Communications Group, Inc., was hired by Proctor & Gamble, to develop a black-oriented marketing effort for its Crest brand of toothpaste. For the first time P&G went outside of its regular list of general agencies for specialty help with increasing its market share with the product.

African American advertising agencies hoped this was the first step in a wide swing in their direction, thinking other marketing companies would follow the lead established by the country's largest national advertiser. Its influence helped by spending over \$50 million in accounts annually, making Burrell the nation's largest advertising agency reaching the black consumer market (Dates, p. 440).

The top six African American-owned advertising agencies, Burrell Advertising, Mingo-Jones, UniWorld, Lockhart and Pettus, J.P. Martin & Associates, and Proctor & Gardner, collectively reported billings of \$155 million in 1985, a 70 percent increase over 1984. These advertising agencies argued, however, that although they billed some of the largest names in corporate America, as clients, their billings were dismally small when compared with those of mainstream agencies, and in comparison to African American consumption of advertised products (Dates, p. 442).

In the late 1980s a fierce struggle erupted between black advertising agencies and mainstream agencies. Earlier, in the 1970s and early 1980s, it had been routine for the same product to be shared by a black and a white agency, since each supposedly tapped a different market. The battle was caused by successful campaigns by black-owned agencies, that had effectively reached not only black consumers, but the general market ones as well (Dates, p. 442).

Although the billings did not represent huge sums of money in terms

of percentages, the general market competitors did not take such intrusions lightly. Some general market firms began to test the feasibility of offering their own black consumer marketing services, in house. For example, in 1986, BBDO, one of the largest general market advertising agencies, formed a separate in-house unit called "Special Markets" to handle everything that was not considered mainstream marketing. The general market agencies had an advantage over black-owned agencies, because of the nearly unlimited resources general market agencies had at their command.

Black advertising agencies responded to the attack in two ways: (1) they noted the strong reinforcement such actions gave to the legitimacy of the segmented black market, which for years was considered to be undifferentiation from general market consumers; and (2) they went after more of the general market accounts for themselves (Dates, p. 443).

African American participation in the advertising industry is and has been limited. The core of the business is located in general market agencies, and in recent years they reportedly have not hired and promoted African American professionals in any appreciable numbers. The black-owned agencies currently provide the only way African Americans can learn the business, but this training is discounted when its recipients attempt to move from black agencies into the elite world of general market agencies (Ellis, p. 9).

The full-service African American-owned advertising agencies operate at the industry margin and many believe their businesses and creative potentials are stymied. In looking at the history of black-owned agencies, it must be remembered that black involvement in advertising was almost nonexistent until 25 years ago. During this period, limited opportunities in the business for blacks stemmed from affirmative-action pressures – not from

a creative revolution.

It was not black creative talent that companies were looking for. They wanted to be able to show the world a few black faces, so general market agencies were interested in account executives. It was those AEs who would eventually establish the pioneering black agencies (Berger, p. 14-C).

The emphasis was on creating service-oriented agencies that could adapt white ad campaigns, usually for large, conservative clients, to fit the cultural nuances of black audiences. In effect, black agencies, not unlike many Hispanic or Asian ones - originally developed as 'ethnic translators.' It was a natural way for minority entrepreneurs to try to get a foot in the door.

Some consciously avoided positioning themselves as ethnic specialists, so as not to fall into the trap. In becoming specialists, they found themselves removed from the mainstream media spotlight, and confined to doing work that appeared only in black media. Niche agencies naturally played second fiddle, from a creative standpoint, to the client's primary agency, and clients only wanted work with an adapted message, not a completely changed one.

A Look Back

In the past, African American entrepreneurs were the main advertisers who sought black consumers via black print media and on black formatted radio stations. General market advertisers, reluctant to target black consumers, spent very little money in the African American community. When they did use black figures, in ads to white consumers, it was generally done in stereotypical ways. Black resistance to these images encouraged more positive images targeted to both African American and general markets.

From this review of the advertising industry, it is also apparent that the use of these images was based on the decision-makers' frames of reference. Empowered white males believed that the social order would remain as they found it, and despite information that could have influenced them to the contrary, they chose to remain disengaged from the black-owned advertising agency and African American consumers for many years.

Finally, when economic and sociopolitical forces precluded any further delays, the industry acquiesced. In the meantime, well-prepared African American entrepreneurs, poised to push their way into the system, with innovative marketing strategies that established authentic black presence in advertising, capitalized when the opportunities arose. Their realistic images of African Americans made it possible to believe that the advertising industry might change in the twenty-first century.

According to the January 1998 Standard Directory of Advertising Agencies, the largest, currently operating, full-service agencies, specializing in African American consumer marketing for leading national advertisers are: The Burrell Communications Group, Inc., Chicago; UniWorld Group, Inc., New York; Don Coleman & Associates, Inc., Southfield, Michigan; The Chisholm-Mingo Group, New York; Muse Cordero Chin, Los Angeles; Vince Cullers Advertising, Inc., Chicago; Caroline Jones Inc, New York; Sharp Advertising, Atlanta; Proctor Communications, Chicago; and Carol H. Williams Advertising, Oakland.

This overview of African American-owned advertising agencies suggests that economic circumstances drove general market agencies to segment and appeal to the black consuming market. Some of this business went to African American ad agencies, but most was directed by general

market agencies.

The question remains, why didn't the African American-owned agencies receive a larger share of the advertising pie? The following chapters offer an explanation from four agency principals who have lived the experience.

Chapter Four

METHODOLOGY OF THE STUDY

The purpose of this study is to examine how African Americans have contributed to the U.S. advertising agency business, what difficulties they have experienced, their attitudes toward general market agencies and their clients, and the potential for the future of full-service agencies that specialize in tailoring communications to black American consumers.

The leading full-service African American agencies in the United States were selected from the January 1998 Standard Directory of Advertising Agencies. All handle national accounts. Of the thirty current firms, seven, from New York, New York, Chicago, Illinois, Atlanta, Georgia, and Southfield, Michigan, were initially selected for interviews, but only four could be scheduled.

Two company presidents and one executive vice president were interviewed, along with one African American senior management director, from a general market agency. These were selected on the basis of their years of experience in the business, reputation, location, and availability.

Combined total annual billings for these three African American-owned agencies for 1998 was \$153,000,000. The total amount of advertising expenditures allocated by leading national advertisers in 1998, according to *Black Enterprise* magazine (June, 1998. p. 170) for the black consuming market is \$890,000,000.

Methodology

The method used in this research is the individual long interview,

with structured, open-ended questions that were asked of each participant. An initial interview was held in order to acquaint the participant with the researcher and the process. General questions were asked of each, covering such areas as: how they got started in the advertising business; what was the key to their success; what African American-owned advertising agencies do that general market agencies cannot; why African American-owned agencies are not participating fully in the advertising industry; and what advice they would give to African Americans who want to become entrepreneurs in the advertising business.

The first interviews lasted approximately one hour each. They were held either on location or at the headquarters of the participants. The interview process was explained at the outset, with respondents being told that the interview was confidential, that they were free to not answer any question and they could withdraw from the interview at any time. They all understood that their participation was entirely voluntary. All participants spoke candidly about the advertising industry and their experiences in it.

The follow-up interviews were conducted by telephone and contained six specific interview questions, related to general market advertising agencies and African American consumers (See Appendix for Interview Questions). The purpose of these questions was to ask more specific questions about the relationship between the African American-owned advertising agency and the U. S. advertising industry. Each participant received copies of the questions in advance and agreed to be interviewed by phone. Each interview lasted about ninety minutes. The results of the interviews are found in Chapter V.

The participants were unaware of the others selected and did not

collaborate with anyone before answering the questions. Their responses were free-flowing and unrehearsed. While their experiences in the advertising business have been different, they all had one thing in common – a genuine interest in increasing the numbers of African Americans in the industry.

This method of study was used to solicit the opinions of these African American pioneers and to collect information about their experiences, and to understand whether, in their opinions, specializing in advertising only to African Americans contributed to the disparity in billings compared to general market agencies.

The study is also designed to examine the options available for African American enterprise in the full-service advertising agency business. The participants, in answering the questions in the second interviews, also offered suggestions for changes in the advertising industry and its institutional framework that could create new opportunities for improved billings and marketing partnerships, even for those agencies that do not handle national accounts.

Participants were eager to elaborate on their answers and many of the views expressed were as much personal opinion as professional judgment. Respondent reaction to the questions was favorable and all comments, whether positive or negative, approving or contradictory, demonstrated the participants' interest in the study.

The author, a black female, was the researcher and principal interviewer. I chose to do the interviews, because of my related work experience, familiarity with the subject, conversational ease with the participants, and ability to make contact and arrange interviews with

respondents.

Data Analysis

The data for this study consist of the author's detailed notes regarding most respondents' responses for the two interviews. Because the second set of questions was very structured, data were not "coded" per se. Instead the author compared answers across respondents, noting areas of agreement.

The object of the analysis is to determine the categories, relationships, and assumptions that reflect the respondents' views of the advertising industry and the research topic in particular. The analysis examines the interconnection between the observations of the respondents, compares them to determine patterns of consistency and contradiction, and creates a set of residual themes. There is no hierarchy into which these themes are organized.

These specific themes are collected to create a record of reflection and general thought and from this transformation process come general conclusions and a summary of the thesis.

Chapter Five

FINDINGS AND DISCUSSION

The Situation

In any relationship there are many sides to most questions, there are several ways to analyze the relationship between the U. S. advertising industry and African American-owned advertising agencies. This study centers on the relationship and explores how it affects full service African American-owned agencies, specializing in creating advertising messages for nationally promoted products and services, directed primarily to black American consumers.

The Analytic Categories

Seven themes are used to collect and categorize participants' responses and assess their views on the following topics: (1) African American-owned agencies have been isolated or "ghettoized" by being limited to minority markets by their clients; (2) African American-owned advertising agencies are being threatened by general market agencies attempting to develop their own capabilities for creating advertisements to the African American market; (3) the U. S. advertising industry as a whole tends to deal indirectly with the basic issues of race relations and racism in America, and ignores the business potential of the African American consuming market; (4) advertisers allocate advertising budgets disproportionately to the rates of consumption of African Americans; (5) limited market share for African American-owned advertising agencies is related to their limited access to the U. S. advertising industry, its revenue and advertisers; (6) African American-owned ad agencies are not

participating fully in the advertising industry; and (7) remedies for improving the situation must come directly from the client.

The Participants

The group of respondents was comprised of two founders/ chief executive officers of black-owned agencies, an executive vice president from one of the largest and most reputable African American-owned agencies, and one executive vice president from one of the largest and most prestigious general market agencies in the country. All have been and continue to be very active in the American Advertising Federation, and the American Association of Advertising Agencies. They have contributed immensely to the advertising industry, the development of its diversity programs, and the recruitment, training and retention of African Americans in the business.

It is the purpose of this study to gather participants' views on the advertising industry, examine these observations for interconnectedness, and create a record of general thought on the situation. Since the answers to the structured, open-ended questions asked of the participants were not coded, the themes are used to categorize their responses, from which the areas of agreement and disagreement will be noted. The seven themes are not listed in order of priority, but reflect the most significant responses. The summary and conclusions will be formed from these categories.

Response Themes

1. African American-owned advertising agencies have been isolated or "ghettoized" by being relegated to minority markets by their clients. When the African American market was "discovered" in the 1980s, the first

advertising campaigns directed to black American consumers were created and implemented by African American-owned agencies. Prior to the advent of black ad agencies, white-owned agencies and their clients, for the most part, ignored black consumers and allocated limited budgets and creative personnel to influence their purchases (Smikle, 1985).

Then in the late 1970s when an economic downturn threatened profits, more advertisers began to realize that future growth would have to come from untapped market segments. Black ad agencies came into being to show them how to attract African American dollars (Smikle, 1985).

Some black ad agencies refused to be labeled "black-oriented agencies" because they felt it was an attempt to limit their business. Nevertheless, they have still been "pigeon-holed" and consequently excluded from consideration in the pitch for major general market accounts. Some have been awarded mainstream accounts, and have scored higher in attracting public attention than general market agencies, but they generally are not recognized for their expertise in reaching all audiences (Smikle, 1985).

All respondents agreed that African American-owned agencies are very familiar with the African American culture and commented that advertising directly to African American consumers is their whole reason for being, in most cases. They theoretically have done more research and have specific knowledge about black consumers. They are also usually more involved in the black community, know more black media personnel and can negotiate with them better than their white counterparts. For the most part, they write the advertising that appeals to people coming from similar backgrounds.

All agreed that African American-owned agencies should not be viewed as support for general market agencies, but considered regular

full-service advertising agencies, with a specialty. One respondent commented, "Black agencies have positioned themselves as experts in a certain field, so clients don't go to them to do other kinds of advertising. Black agencies have defined themselves as specialists, so when advertisers want something in that arena, they go to them. Once advertisers recognize them as such, they are not trusted to handle work outside that specialty."

Most respondents shared the opinion that advertisers probably feel an African American-owned agency is not needed to do their general market work, when there is an abundance of white-owned agencies. However, this does not mean they cannot handle the work.

Black-owned agency respondents believe they have been relegated to the African American market, but one felt there was nothing wrong with this. Most know they can communicate with general market audiences, and some have done so, but all agreed that as long as the feeling is pervasive among general market agencies and their clients, that African American agencies can only do advertising directed to African American consumers, the amount of work given to them will continue to be limited. Clients may not relent on this in the short term, but they all agree this is something that has to change.

One respondent commented, "Before advertising is placed on television, by most major clients, it is tested – on both black and white consumers. If it doesn't test well against both, it doesn't go on the air. So reaching white consumers is not the issue." All agreed that clients know African American agencies can reach general market audiences, but without the assignments they cannot show how capable they really are.

Strategically, the respondents viewed creating communications

targeted to African Americans as good business sense – not just social responsibility. One veteran owner stated, “In order to do this well, an agency must be able to combine strategy, with the existing culturally-driven value system of African Americans.” Another agreed and added, “This is something general market agencies can do, because advertising professionals are professionals, but they do not understand how it works nor do they want to.”

All black-owned agency respondents believe they have a right to be in the advertising business, and also have as much right to exist in the so-called “specialty” area as white-owned agencies do in theirs. They believe their agencies’ scope is broader than just the African American market, and want a larger piece of the advertising revenue pie. Whether advertisers believe they can, however, remains to be seen.

All respondents agreed this situation contributes to the issue of limited access by African American-owned advertising agencies to U. S. advertising industry billings. Not only do they not receive commissions on general market advertising, but they are limited to making media placements, in culturally specific media, which do not yield comparable revenue, based on reach and frequency.

2. African American advertising agencies are being threatened by general market agencies who are developing their own capabilities for creating advertisements for the African American market.

“Clients are looking for market opportunities because of competition, but the hiring of black creative talent by general market agencies will not guarantee favorable black consumer response”, said one respondent.

On the other side of the equation, according to one of the respondents,

there has been an increase in the level of activity by general market agencies in executing advertising that targets ethnic segments. "This is a result of their belief that they can do it, and the economic necessities of controlling as much of the client's advertising dollar as they can. Therefore, they have been active in shepherding the placement of advertising, and combining all those advertising dollars into a buying structure that purchases all media, and looks for ways to execute creative that reaches the segment."

One respondent summarized the situation by stating, "African American-owned advertising agencies are not being allowed to approach clients on equal footing. General market agencies are able to persuade some dollars their way for reaching black consumers, while African American agencies are forced into a niche and kept there. They are also not allowed to solicit advertising that reaches the general market audience. If these two conditions were changed, African American agencies could benefit, from increased billings and fairer allocations of advertising budgets."

One respondent did not agree that general market agencies were hiring black creative talent to reach black consumers and explained that, in his opinion, "They are trying to reach integrated audiences by basically using the personnel they have on hand, and there is no broad swing in terms of hiring writers or art directors to reach these audiences."

All respondents reported that even if there were to be an upsurge in hiring, there are still areas of understanding African American relationships and nuances of life experiences, that should be interpreted accurately and with sensitivity. "These form the shared values upon which messages, created by African American-owned agencies are built", said one respondent. "Additionally, there are qualitative factors having to do with media selection,

such as the impact of certain local on-air personalities that have strong influences on the market that will not stand the test of standard media decision-making.”

One respondent however, cautioned against making the assumption that general market agencies hire black employees just to work on black advertising and marketing issues, which they don’t. In some instances, he believes, the African American-owned agencies have an edge, and in others, it doesn’t really make a difference.

All respondents agreed that African American agencies already understand their own culture and have a full and complete understanding of the values, propensities, and habits of African Americans, whereas general market agencies have to learn everything each time. One respondent added, “There is an on-going relationship that most African American agencies have within the black community, that has allowed them to develop integrated marketing programs, including public relations, advertising, and creative. They bring consumer insights to this relationship that help build volume for clients, which go beyond just creating an ad.” As one black-owned agency executive stated, “These are things that general market agencies just don’t have. It’s not that they can’t, they choose not to.”

When asked if it bothered them that general market agencies were trying to bypass or ignore African American ad agencies when directing advertising to the black consuming market, they responded affirmatively, but they did not feel that the African American ad agency could be replaced. One commented that many companies will want to continue to hire African American agencies, for social reasons, but it will be quite a while before general market agencies will be able to hire enough African Americans in

quantity to be able to totally disregard black-owned ad agencies.

3. The U. S. advertising industry as a whole tends to deal indirectly with the basic issues of race relations and racism in America, and ignores the business potential of the African American consuming market. Many obstacles to growth for black-owned ad agencies stem from clients' lack of familiarity with the African American consuming market and its purchasing power. White agencies also tend to disregard the black consumer market and assume it buys like everybody else, while the black agency has a vested interest in its speciality. It has been more than two decades and acceptance of the black consumer's significance is still far from being fully understood by the advertising industry (*Black Enterprise*, "Black Image Makers on Madison Avenue", Feb. 1971).

Respondents were asked if, in their opinions, African American consumers are different from other American consumers, in how they respond to advertising messages. Some commented that they responded differently to advertising messages, while others felt they have to be different because their whole economic and social situation is different. All agreed that African Americans are not a monolith. They are similarly segmented by educational levels, economics, income, gender, age and profession, as others.

They all agreed that what is universal, however, is that there are cultural considerations having to do with values and heritage that are uniform, regardless of educational levels and status in the marketplace. One respondent stated, "Many companies and their ad agencies are not being sensitive enough to the values of these segments to target against, on an on-going basis, and in a way that is commensurate with what the market brings

to those brands.”

One respondent differed on this topic and believes that on the whole, African American consumers are not much different from other consumers. “It depends on the specific products, but in general most American consumers are looking for products that fit their lifestyles, in an affordable way. Different consuming segments are different, but many economic segments are fairly similar.”

Another respondent added, “ General market agencies just don’t understand the facial expressions, verbal cues, scenarios, and modes of dress that reflect this dichotomy. Black Americans will also not buy from companies that fail to show their differences and prefer to be communicated with in a manner that reflects this understanding. Companies need to look elsewhere for fresh new ideas and business. They need to examine other options and offer different products and services in order to realize more profit and direct response.”

Most respondents believe African Americans are also psychologically, sociologically and economically different from other Americans, because of their history, culture and experience. They have a tendency for conspicuous consumption, but their spending is out of proportion to their numbers in the population. Discretionary income does not have the same meaning in the black American community, because the priorities for consumption are different. They are also extremely brand conscious, are willing to pay more, and buy highly advertised products, making them excellent prospects for all types of products and services.

As one respondent pointed out, this could also be detrimental, as in the case of the cigarette industry which targets African Americans. “People who

have less stake in the society - that is people with less education and income - are good targets because they are more stressed, and this adversely affects health. The differences are obvious and most African Americans can just look around and see them."

An owner offered an example of how general market advertising misses its mark, when attempting to effectively relate to black consumers. He recalls, "A commercial showing a multi-cultural situation, such as kids in a classroom. Black models are shown to depict inclusion, but it is essentially a white commercial. The use of black models does not say to African Americans, "buy our product". It is only representational. It is culturally significant to segment the black consuming population, but advertising must try to touch, not just reach African Americans."

"When one steps back and looks for ways to reach this diverse audience, there are other types of special advertising and promotional devices appropriate for use against these segments," says one executive. "Whatever the target audience, contemporary lifestyles demand contemporary approaches to reaching them. It goes all the way from staging events to running advertisements in the media they read... and they do indeed read culturally specific media."

4. Advertisers allocate advertising budgets disproportionately to the rates of consumption of African Americans. Markets are segmented often on the basis of usage and benefit. By identifying heavy users, marketers can develop advertising and promotions targeted at these groups to build customer loyalty. Sales analysis is a common method of identifying potential segments and usage rates (Boone and Kurtz, 1989).

The respondents agreed that even when analyses drawn from product sales in African American markets indicate frequent use, the dollars allocated to reach them is still not commensurate.

A respondent from a large African American-owned agency explained, "If you were to look at any study on product consumption or propensities to use products, you will find a whole slew of products and categories for which African Americans have a propensity. So if Marketing 101 teaches that the highest opportunity for building results for your business is to "spend where the fish are", then you should be spending at a higher rate, against audiences whose consumption rates in those categories are higher than other audiences."

"That's the way marketers are spending their money, he continues, "they spend against high potential geographic areas, or high potential population segments, or women versus men. So to make the assumption that this marketing concept, all of a sudden, is not appropriate when evaluating the value of African American consumers is a false premise. For example, advertisers who make household products, personal care products, feminine hygiene products, ought to be spending more against African American markets than any others."

Another owner agreed there are certain products where African Americans are major consumers, but adds, "There is an area of spending by advertisers, that means you're serious about doing business with black-owned agencies. There is a return for the black-owned agencies, from the investment the advertiser makes in the community that positively impacts the market. It may be difficult to mathematically break it out according to percentages, but whose to say who's leading whom, in pervasive media like

television. Money is the lifeblood of any business – money, in realistic dollars.”

A veteran owner has been working to develop more ways to achieve parity in the allocations of advertising budgets for African American agencies. “ I call it the “Parity Problem”, because it’s the only area where we have a problem. We are engaged by major corporations, but at such a marginal level, that we are not allowed to grow as we should. General market agencies get substantially more money – money that not only allows them to grow, but to also reinvest in their own businesses. They can afford to be more competitive in hiring because of their income base. In fact, not only do advertisers give them more money, they invest in those agencies, so they can develop, grow, and serve them better. So I think that is where the inequity is – there is no parity in the advertising budget allocation, and there should be.”

If the majority of revenue to general market agencies comes from media billings, then using only broad-based media is not likely to reach African American consumers. Using culturally specific media and advertising that is culturally relevant have been proven to work best. “There are radio, magazines, television and newspapers”, said one respondent, “that reach African American consumers at all levels. The problem is that opportunities do exist to take advantage of the higher propensities of African American consumers, but they are not being pursued.”

All participants agreed there are several ways to reach black consumers effectively. One executive replied, “The problem is general market agencies have it “mass backwards”. “All marketing is target marketing. Everybody thinks of it as “mass media – and that’s backwards”. You need to deal with specific media that reach the target segments representing the highest

potential, and as efficiently as possible.”

Although distinctions should be made according to executional technique and style, based on cultural relativity, racial identification is not the only criterion used for segmenting a market. African American audiences are diverse and usage appears to be a more appropriate method for determining a target segment. It must however, be large enough to be profitable, distinctive enough to be differentiated, and have sufficient media available to reach it effectively.

5. Limited access to market share by African American-owned agencies is related to their limited access to the U. S. advertising industry, its revenue and advertisers. Respondents from full-service agencies, specializing in creating advertising messages primarily to black American consumers, stated that their companies have not realized the lucrative billings and relationships with clients that general market agencies have traditionally experienced. They offered a wide variety of opinions on why this situation exists, and how the relationship between clients and general market agencies and the African American-owned agencies contributes to this.

One executive summarized the relationship by explaining how the business, in his opinion, works. “The advertising business has historically taken on a circumstance of personal relationships and people have tended to hire people like themselves. That’s why you get the “good ole boy network” attribute that is assigned to the advertising business. It is a service business, where people tend to know one another, and because it is a small business, relative to the total numbers of people employed, it has traditionally been a closed business. It has been a very difficult business to open its doors to

persons unlike those who have been in it. It has been known as the "thoroughbred" or "country club" set, where deals are done over golf and card games and in situations that are social. African Americans and other minorities have not been involved in those kinds of social circumstances, across racial lines."

One owner agreed people tend to hire people they like. "It's hard for a general market agency to overcome its resistance to people who are different. White is considered the norm and even when clients do hire African American-owned agencies, though the work may be good, they will still consider the jobs less than satisfactory. For example, an *Advertising Age* magazine article, featured the Sprite beverage campaign and the general market agency was credited with its success, but there was no mention that The Burrell Group was also instrumental in developing the strategy and its execution. It's just not important to them. They don't want us in there, but you have to just keep trying."

"African American-owned agencies are judged by their productivity, but a lot of it is subjective. If they don't like you, you will not get business. You have to be well-liked to make money."

Another view of the relationship came from a senior manager who described the selection process. "Generally speaking, African American-owned agencies are hired by clients, not hired by general market advertising agencies. This is a misconception people have. However, more general market agencies now have strategic partnerships with African American-owned agencies. The client has a product or service that he/she is trying to sell. It is the client who contracts with the general market agency to do advertising for them. It's their money. So they make the decision to hire a

specialty agency, just like they make that same decision about a specialty public relations, or sales and promotions agency."

One of the criticisms African American-owned agencies have lodged against this process is that if the general market agency has the major portion of the advertising budget, to develop and implement the advertising campaign for the year, then hiring a black-owned agency is an add-on, not part of the continuing strategy and its allocation is an adjunct, not a part of the overall advertising budget.

The same manager commented, "Generally that is determined by the client, who may decide to increase market share among black consumers or among all consumers, or decide to increase the overall spending by thirty percent. Another scenario may be to do some advertising against some African Americans only and use the services of specialists who claim to know how to reach them. The general impression is that general market agencies make that decision and they do not."

"Obviously they are going to try to protect as much money as they can and they are not trying to give money away. That has nothing to do with anything but business. But if the clients says, "I want to take \$5 million out of the advertising budget, then so be it. But I don't think the agency is going to say, "let's take \$5 million out of budget and give it to some other company. That runs against the grain in American business."

All respondents understand these are client decisions and that it is the client's money. But some African American-owned agencies have blamed general market agencies for limiting their access because they don't want to criticize the one who holds the purse strings – the client. According to one respondent. "The key to African American-owned agencies getting business

is going directly to the client and presenting their case. Going to the general market agency is not going to get them any business. It is folly to think they are going to say here, take some of our money and do this."

When asked if the African American-owned agencies only presented a "black case", each respondent had differing views. One stated, "It doesn't matter. If you have an idea that can compete, it's your right to go to the client like other agencies do all the time. That's what you're supposed to do."

Another responded. "We have done general market work successfully, but we know that clients would rather see us do work in areas for which we are especially equipped. We would look at their opportunities, find out what they have to offer the black community, and clue them into ways they could increase market share."

One respondent explained, "The need is for those of us in this niche to benefit on two fronts. One, clients need to be really serious about spending money in a fair way that is commensurate with the way the opportunity exists, and two, that we have an opportunity to grow our businesses in the areas that are not traditionally African American. These two things would help to grow the category of African American-owned advertising agencies. Unless companies begin to do this, it is going to be very difficult for any black-owned agency to make much headway."

Another added, "The way to get new business is to put together presentations that indicate your superiority, either in researching your target audience or finding ways to get some insights, and show reasons why you should get the business. The reason cannot be because you're black and you think you deserve it."

"You need to have a point of difference and it's not just because you're

black. That doesn't work anymore. Doing your homework always works. Some clients don't care about strategy and some want to see cut-through creative. The more sophisticated the clients the more they understand that creative and strategy are linked."

Finally, one respondent stated, "This agency believes it is a "marketing partner" with clients, and therefore we seek relationships in which we have strategic input at the early stages of any planned program. We work with our counterparts and clients, and utilize information they or we may develop, to get insights into the marketplace and position their products in the minds of target consumers. Once this is done, it is our task to create advertising messages that exploit that strategy. Then it is up to us to place it in media we feel do the most effective job possible in reaching those we have determined to be the key prospects."

"We are not about just hiring ourselves out to write and produce a couple of commercials and going away until they call us the next time. We are always pushing for ongoing marketing partnerships that allow us to work with clients over time. Years are what we are looking for, not projects."

6. African American-owned agencies are not participating fully in the advertising industry. While black agencies may receive assignments from clients, they are not often given total responsibility for developing approaches for the entire market. Like most small agencies in the mainstream, black agencies tend to work on a fee, rather than commission basis. They often work directly with the "agency of record" for the general market campaign, who reports directly to the client, and therefore do not receive revenue from media billings. Although some agency revenue comes from other services

and mark-ups, fifteen percent commission on \$200 million is far greater than 15% on \$5 million (Paskowski, 1986).

Black-owned agencies rely more heavily on black-oriented media to reach the black consumer and seldom put dollars in general market publications. While mainstream media are used by black-owned agencies for reaching black consumers, they are not involving them (Paskowski, 1986).

Critics often ask, how can they call themselves full-service agencies if they only relate to the black consuming market? The challenge has not really been offered to many of them because often their job is to interpret the general campaign for the black market. Another major difference lies in the selection and execution of media planning and buying. Most of clients' network buying is handled by the general market agency. The black agency may recommend media choices, but the general agency makes the national television buy and follows through on post analysis (Paskowski, 1986).

All participants were asked, in their opinions, what were the main reasons why African American-owned agencies were not fully participating. Their answers were quite varied and reflected not only their years in the advertising business, but their individual relationships with the industry.

One veteran indicated there are three problems associated with African American-owned agencies working with a general market agency: (1) a lack of respect by general market agencies; (2) underutilization of African American-owned agencies; and (3) the inability of African Americans to assimilate. "It is not a racial issue, but a cultural one. General market agencies choose not to understand the culture of African Americans. It has nothing to do with the client. It has more to do with the fact that there is a lack of respect for their talent, their skills are underutilized and they are not

able to assimilate into the advertising agency's corporate social and political environment."

"There is an institutionalization of inequities in this country, so advertising is just a reflection of the sentiment of the society. Success requires evidence and faith, regardless of race."

Another pioneer stated quite clearly the main reason was "Racism." When asked to elaborate, he continued, "General market agencies don't want us and they don't advocate using us to their clients. They always say they can do the job, and they don't need us, so the client agrees. When they fail, then the client might give us an opportunity, but the whole thing is based on racism. It is still the involvement of the "good ole boy network."

"Then there is the basic economic interest – why would you want to give your money to someone else, when you can keep it. This is where the selfishness of the general market agencies, that are billing billions of dollars, compared to the African American agencies that are billing a few million dollars becomes apparent. There is no comparison. That's what they want to protect."

He continued, "They would rather see their client miss an opportunity, rather than involve an African American-owned agency, if it meant taking money away from them. In some cases, there is even collusion between the general market agencies and the advertisers to help protect this situation, because they have invested in their agency's business."

A senior management executive had a different impression of the problem, and described the situation as being the result of the changing role of the African American-owned agencies, and commented, "Initially black-owned agencies were born out of social responsibility and the principals'

inability to get business from the general market.”

He agreed, however, with the others by saying, “The reason why black-owned agencies do not get general market business is simply because of cultural racism. Racism is a given – so, ho hum. In the 1920s rich white males started this business because of their relationships with corporate heads who were a part of their social circles. There was and still is no real need for black people in the business or a desire to change the status quo. The only time black people were needed was for the Summer Olympics.”

A large black-owned agency executive commented, “The African American-owned agency is affected by the cycle of consolidation of major agencies. Rather than outsourcing, these conglomerates pull talent from inside. Full participation in the U. S. advertising industry by African American-owned advertising agencies will only happen when major companies give us assignments that will allow us to perform over time.”

7. Remedies for improving the situation must come from clients.

Most respondents commented that the main reason why companies have done business with African American-owned firms in the first place stems from a sense of corporate social responsibility, not from a business perspective or the recognition of the value of the black consuming market. One even suggested that business, though meager, has been and continues to be given to them to keep civil rights organizations and their supporters quiet, and that if general market agencies wanted to put them out of business, they could.

One executive responded, “Advertising is designed to create brand images that will ultimately lead to sales and greater market share for clients. Advertising agencies are more reactive than proactive and are primarily

concerned with building brand personalities and doing it in a way that is not risky. They don't want to take on social issues, and in an advertising campaign for a product it is not necessary."

"Most commercials" he continued, "are not cutting edge or *avant garde*, and general market agencies will generally do what is tried and true, because clients prefer it that way. It appears obvious then, that if it is a corporate decision to use a general market agency, rather than an African American-owned one, then the remedies must come from clients.

One respondent stated, "You have to be strategic in your approach and find out what the client needs and determine how well you can accomplish your communication goals. But new business is not open to everyone. Only certain agencies, 20-40%, get all the advertising billings. This money and power translate into only 20% of all agencies having control of the advertising business. Black-owned agencies are not asked to even bid on or pitch new business from general market companies, because, in my opinion, it's hard for the major agencies to let go of the market."

"To be successful in this business you need experience, a solid track record, and intelligence...and people have to like you. Most general market agencies are and have always been predominantly male, white and middle class. Blacks are assumed to be unable to meet the same criteria."

Another respondent had a different view of where the impetus for change should come. He stated, "It would have to come from the sophistication of the African American consumer, social and civil rights groups, and consumer organizations. We should let them know what is going on. If we do, the impact on the advertisers, would positively affect the share of money we could give back to our own communities. Some

organizations are gradually getting into that mode, because you get nothing without demanding it, whether as a civil rights group or as a private citizen. You've got to demand justice. If you are asking for something you deserve, then there is nothing wrong with it."

"The remedy is for clients to disengage the kinds of decision-making relationships, in which they have been involved", says one executive. "I think this is happening a lot on the client side, but I don't think the general market agencies have caught up with what's happening in terms of clients these days. Corporations are ahead of agencies, and in many cases are putting pressure on agencies to provide more diversity in their workplaces and change their behavior, in terms of employment practices, who works on their accounts, and providing more diversity in their workforces."

"It's the general market agencies that are dragging their feet. There needs to be a whole change of attitude, on the part of the business, regarding the issue of taking conscious steps to be inclusive. If you keep doing things the same way, you'll get the same results."

One respondent added, "We just have to talk to clients and de-sensitize them. If they want to get the best from us they have to be realistic and fair. There's enough business to compete for and too many companies that need our services. If a brand manager or lower level person reacts negatively, it is certain that he/she has the sanction of management."

A senior manager agreed and offered, "There are two aspects that are most important to the long-term health of the African American-owned advertising agency. First, clients must recognize the value of developing relationships with the target segment called, "African American consumers", and two, they should remain consistent, take those relationships seriously,

and support the market opportunity these values represent.”

“Too often we see advertisers who look at relationships with this market as a corporate affairs or corporate image marketing or advertising initiative, as opposed to a basic brand development or volume building relationship. Therefore, they don’t spend anywhere near the money commensurate with the value of the segment. So when they hire an African American ad agency, they believe they have “done the right thing” but they don’t support it in a significant manner. If clients would do this, these agencies could benefit greatly from more realistic and fair treatment of the market, as well as from more billings.”

“We would go after a general market account if we felt we could bring something to bear or if we had a real shot at it. When you’ve been in this business as long as we have, you know what is realistic and what isn’t. So even though we could do a good job, there are considerations that have to do with: what we know is going on with the company in the marketplace, what is going on within the company, and what the review is designed to accomplish. There is more to taking on an account than just making commercials. It all depends on whether it is appropriate for us, whether we could be competitive, and if we could manage the account.”

Another executive agreed the client makes the final decision, but had a different slant on the situation. “The black-owned agency as it exists today should be competing with other general market agencies, but once again, there is a limited need. They should be able to compete in the total market, but clients may not be there. In order for this to change, more black people need to be hired in companies as managers, vice presidents for marketing, and heads of creative departments. They should have the authority to select

more African American-owned agencies to handle their companies' total advertising accounts."

"This is a tough and volatile business – there is no loyalty and clients can fire you at will. There's creative and then there's creative. The advertising business is strategy-driven, not artistic for arts' sake. White agencies have greater resources, so they can afford to pursue business that some black agencies cannot."

"Blacks in America are still considered insignificant. We're not full partners in this country, and our being perceived as remaining at the bottom of the economic and social ladder is our frustration. But perception is what works. It is the only thing that works. It's also about making money, so segmenting markets is not about race, its about supply and demand. It may be a way for African American-owned agencies to get into the game, but it is now time to reach critical mass. The next millennium will see the end of segregated advertising agencies."

"All agencies need to broaden their services and provide clients with a more representative customer base. The whole industry is growing, with new technologies and mergers, but the playing field is closing. We don't want to get into a political thing, but doing business with African American-owned advertising agencies in the past has been a matter of social responsibility, rather than because of competitive advantage."

Chapter Six

SUMMARY

The four African-American respondents participated in more than eight hours of interviews and contributed a vast amount of information to the researcher on the relationship between the African American-owned advertising agency and the U. S. advertising industry. Their opinions were based on personal observations, professional judgments and years of experience in the advertising business. They represent some of the country's most prestigious advertising agencies and their contributions to the industry have been well-documented.

Each respondent has more than twenty years experience in the advertising business and their vantage points, though different, revealed some interesting perspectives about the industry and its relationship with African Americans in general. All respondents "cut their teeth" in general market agencies and have worked on both agency and client sides. They have first-hand knowledge of the rewards and difficulties associated with each.

Generally they believe the relationship needs to be improved, but each had varying ideas about how this could be achieved. All agreed clients are key in making the decision to use African-American-owned agencies, but they expressed the need to be serious about reaching African American consumers, in order for a level of parity with general market agencies to be accomplished.

They all agreed the rules of marketing dictate if a company goes to

market with products and services to sell, it should look for ways to advertise effectively and allocate the necessary resources to do so. If African Americans have higher indexes, across certain categories, more money should be spent to reach these consumers. Some added that it is easier to build volume when people are already buying the product.

One very interesting comment was offered regarding the diversity issues facing the advertising industry. He summarized, "Diversity is just a code word, like integration. It's like what happened with the Negro Baseball League, where most spectators were not black. When black players were recruited into the major league, the Negro Baseball League disappeared. Black-owned businesses must be sustained so they can help their own people – the homeless, the less fortunate – and reduce crime in black neighborhoods. If black-owned advertising agencies are not fully integrated into the economy, they too will disappear."

"It is "greed", in his opinion, "that prevents white general market agencies from sharing some of the wealth in the industry. Black consumers need to organize and do business with companies where a *quid pro quo* relationship exists. If companies do not advertise to them, they should not purchase their products."

Although this view was not necessarily shared by the other respondents, they all agreed that the industry tends to deal only obliquely with the basic issues of race and that white firms steer away from controversial creative advertisements they feel would not be accepted by their clients.

All respondents acknowledged that every marketing plan in corporate America indicates the dramatic growth in the size and importance of the

Hispanic, Asian, and African American markets. While the numbers make a compelling argument, and the trends are clear and irreversible, they don't tell what to do or how to do it. This obviously represents an opportunity for the African American-owned agency, but many marketing traditionalists continue to target an obsolete homogeneous "mass" market – one that no longer mirrors the reality of the marketplace.

One respondent commented, "Even if a third of the U. S. population becomes minority by the year 2010, general market agencies believe they will still have a stronghold on the industry, because they will continue to use their mass based audience composition information. If their objective is to reach women, 18 to 49, they will just buy media "women 18-49", and pay no attention to whether they are African American, Hispanic or white. It is also interesting that according to the Nielsen Ratings, the only television program in the Top 10 of both African American and general market viewers is – "Monday Night Football."

All respondents recognized that African American-owned advertising agencies came into being, not because there were not minorities working at white-owned agencies, but rather because persuasive, realistic, and positive advertising targeting African Americans did not exist. Black-owned agencies sprang up to help advertisers do a better job of selling to black American consumers.

Most agreed the issue of corporate social responsibility, after the civil rights movement, was related only to the hiring of African Americans by general market agencies. One owner admitted however, that some of his firm's clients came from pressure placed on white companies to do business with black-owned agencies, and that acquiring these accounts helped to open

doors for additional business. This effort, though laudable, did comparatively little to increase black-owned agencies' participation in the vast American marketplace.

Despite the talk of broadening their scope, none of the black agencies have any intention of loosening their grip on the black market, because as companies face increasing foreign and domestic competition, they are continually fine-tuning their overall marketing strategies and defining targets to increase sales. But as one black agency executive explained, "I would not start an African American agency today, if I were black or white, simply because I don't think this type of agency is going to benefit from significant growth opportunities from clients, who are willing to spend according to the commensurate value of this segment. I would, however, try to be a very good advertising agency, period."

"There was a time when the only way blacks could get hired was if they worked only in the minority department. But today, those of us who are good at what we do, bring an added dimension to the marketing process – our black experience. The Melting Pot Myth is just that - a myth. America is more like a tossed salad, where each ingredient is distinctive and tasteful, yet when tossed together, provides a complete, colorful array of flavors, that overpowers no other."

Others agreed and one reiterated, "The outlook for the African American agency that specializes in tailoring communications only to the African American community is not very promising, but the future of the advertising agency that creates superior advertising and is owned by an African American is full of promise. These two are not the same."

Another said, "There had better be a future for the African American

agency. We already make a contribution and there is no reason why we should not be here.”

Although this view may appear cynical, they all believe there is opportunity for existing African American ad agencies, that are on solid business footing, but they need to broaden their relationships, so they are not pigeon-holed. They can still be African American, in terms of their heritage, but should be able to deliver quality advertising services, because of their talents and skills, not race. The bottom line is there are opportunities, but they have to be weighed on an individual basis.

All respondents reported that limited access to market share by African American agencies was due to limited access to advertising billings, namely media placements. Some of these agencies make media buys for culturally specific media, but are not allowed to purchase time and space in general market media. This is where the majority of revenue comes from for general market agencies, but advertisers are beginning to reexamine whether mass media will adequately increase sales and are leaning to more targeted media outlets. They all agree that until there are more African Americans hired in positions of responsibility in such areas as marketing direction, media planning , creative direction, and account management, this imbalance will continue.

CONCLUSIONS

An advertiser chooses an agency after the company's goals, objectives, and marketing needs have been examined. The responses from the seven themes, from the participants perspectives, collectively indicate that the ultimate decision to use an African American-owned advertising agency

comes from the client, not its general market advertising agency. In addition, if cultural racism, disproportionate advertising budget allocations, and the traditional social structure of the advertiser-agency relationship have created limited market share for African American-owned agencies, going directly to the client, therefore, is the remedy. This study's conclusion, according to the respondents, is that when clients select them as compatible marketing partners, not just as "creative specialists", take the buying potential of black consumers seriously, and extend opportunities for parity in advertising billings, then the African American-owned advertising agency will realize increased participation in the U. S. advertising industry.

The following section describes the marketing situations in which African American-owned agencies must compete.

THE FUTURE FOR AFRICAN AMERICAN-OWNED AGENCIES

The new reality is clear: the mass market has been transformed into a series of distinctive ethnic, generational and cultural markets, each with its own values, needs and expectations. Savvy business leaders are pushing for an energetic reexamination of where the growth is and a reappraisal of marketing investment priorities. New realities create new opportunities.

But these markets are sometimes complex to penetrate and can be hard-to-reach. African American-owned agencies are not just "creative boutiques", but are capable of performing strategic planning, market research, database analysis, product sampling and fulfillment. Speaking one's language is not simply translating into dialect, it respects the values and culture of those with whom businesses would like to do business.

The following is an excerpt from a fictional conversation on the use of

multi-cultural advertising agencies.

"If it weren't for Rev. Jesse Jackson beating upon on advertisers, I wouldn't have an agency", remarked one black advertising agency owner. "Clients have the ultimate ability to open the playing field. There just aren't enough blacks and Hispanics with control over advertising budgets. The racism starts on the client side", says a multi-ethnic agency chief. An advertiser says, "My product has universal appeal, I don't need ethnic ads, just effective ads. That's what my agency of record is supposed to provide. I'm not in the affirmative action business. Besides most of the work I see at ethnic shops is just crap and I just want great ads."

"The real problem is", according to a black agency president, "White people want their advertising and their agency to look like them. There are mountains of proof ethnic ads work. But until decisions are made by people of color, nothing's going to change." – Advertising Age. Sept. 8, 1997

This fictional conversation embodies the changes in the way agencies are doing business. The problem is that people think ethnic advertising is different from general market and that the people who do it are also different. Creatives, account managers, and account planners are stigmatized. Those who break out of the ethnic trap do so because they're capable of doing great advertising, but many of them cannot get senior jobs in general market agencies.

Carving out millions of dollars from a general ad budget is virtually impossible without strong political pressure. There are exceptions, but "minorities in advertising", especially black advertising, has become a political rather than a marketing issue. (Smikle, Ken. *Black Enterprise*, Dec. 1985)

Not every client needs an ethnic campaign. And proving that such campaigns work is just as hard as proving that any advertising works. Research companies are becoming far more sophisticated in illuminating the purchase and viewing habits of ethnic consumers and what motivates them. Without quantitative data or qualitative that separate people by race, language, and specific product category usage, building a case for ethnic advertising is tough.

Why Use An African American-owned Agency?

The African American-owned agencies have a tremendous advantage in the marketplace because they already know the community and it appears there is an uncomfortable feeling for white America to be in that community. Just as some companies find success in reaching African Americans through general market agencies, an entirely different school believes only minority-owned agencies can effectively reach black consumers. Marketers should use minority-owned agencies for "the same reason a person with a brain tumor should go to a brain surgeon rather than a general practitioner," says Tom Burrell, chairman of The Burrell Communications Group, Chicago. "We have the experience. It's what we do all the time. We have the resources and the research. If you want to get a job done, you go to those who know the most about it" (*Black Enterprise*. Dec. 1985).

"Black people are not dark-skinned white people," says Mr. Burrell. They are significantly different in terms of approach – our history, how we came here, how we developed as citizens. There is a significant difference in behavior, and that manifests itself all the way to the marketplace" (*Adweek*, 1996).

A 1997 Yankelovich-Burrell study revealed that 60% of the nation's 31 million African American consumers believe that most commercials are "designed only for white people." The study also suggested that black consumers are more avid shoppers, more receptive to advertising, and more brand loyal than white consumers (Smikle, Ken. "Target Market News" 1997).

When a client decides to give a black agency a part of its budget to advertise the black community, it is placing no more than 10 percent of its total advertising budget in the hands of a black agency. No agency can grow substantially if it is only receiving ethnic accounts. Clients, in many cases, have too little information about black buying habits to plan separate ethnic marketing budgets (*Black Enterprise*, 1971).

In the beginning many clients allowed a few black agencies to get away with telling them, "This advertising is right for you because you don't understand black people and we do". That led to what is jokingly referred to as the "Right On School of Advertising". The clients went along with this because they weren't serious in the first place. But today, some of these struggling black shops have matured into competitive full-service agencies with multimillion dollar billings (*Black Enterprise*, 1971)

These entrepreneurs were mostly talented, but frustrated, black professionals who had left the creative and managerial ranks of the white advertising firms. They found that opportunities for advancement at general market agencies were and continue to be limited. Eager to capitalize on their skills and special understanding of black consumers, they called on major corporations in search of new accounts. What they found were marketing executives who had virtually no research on how many blacks used their products and, therefore, no interest in targeting advertising to blacks.

Much of this business came, not from pitching the account, but from working with clients for a long period of time and acquiring a degree of trust and respect from them. Although a new appreciation for the importance of market segmentation by advertisers was welcomed, it was primarily designed to strengthen the image of corporate clients in the black community, rather than being based on usage rates and market research.

Many of the African American agency principals have centrally participated in changing the advertising presentation of African Americans in a positive and powerful way. The meteoric success of new black television programs, some of which have large audiences in every market segment, has also provided more exposure of these positive images and given black-owned agencies increased opportunities for showing their creative work.

African American-owned full-service advertising agencies are the foundation on which blacks have stood in their participation in the industry. Relatively few blacks have held significant creative positions in the general market agencies, which has made it very difficult for blacks making a career commitment to advertising to move forward (Ellis, 1996).

It's A Different World

Is marketing a can of beer, a tube of toothpaste or an automobile to black consumers really any different than selling them to the general marketplace? Do black agencies really offer some special insights into the black consumer market which have eluded their counterparts in the predominately white, mainstream advertising world? The answer is it depends.

If you ask an African American-owned ad agency executive, the response would be "Yes", and that black agencies have proven their worth in

helping companies build market share in the black community, among consumers whose education, income, and social and economic clout have increased dramatically.

Some marketers, however, admit that the black consuming market has been grossly underdeveloped, but have maintained a "wait and see" or "maybe" attitude. Some companies have used black agencies in response to legal action taken, when they have failed to treat black customers fairly or when they were accused of discriminatory employment practices. Hiring a black agency was either for court-ordered restitution or damage control.

Some advertisers are not positive that it is impossible to communicate with an audience to whom one does not demographically belong. In the case of beer, the audience is primarily 21-34, but advertising accounts don't have to be managed by 21-to 34 year olds, because every 40 year-old has been twenty-one. But in the beer category, patterns of consumption do vary dramatically in terms of segment usage, brand preference and even packaging likes between black and white Americans. So where those profound differences exist, there is the legitimate, possible need for separate communications and the need for a specialist (Paskowski, 1986).

Doubtful or not, more companies are turning to black agencies to help them gain better access to the rapidly growing and increasingly powerful black American consuming market. Even more impressive is that many companies are finding it difficult to gain share in mature and overcrowded markets. That is one of the main reasons why the notion of targeting the black market has been become so important (Paskowski, 1986)

Although more business has been coming from companies that sell to African Americans, most do not spend very much. Even though the black

agencies may boast the biggest names in corporate America as clients, their billings are a pittance when compared to what mainstream agencies handle. The small amount of revenue involved is just one of the things that makes it hard to measure the success of marketing efforts targeted to blacks.

Collectively the top six black agencies, in 1985 reported \$155 million in billings, with gross revenues averaging between 10% and 15% of billings. (Smikle, 1985) In 1998, the top six reported billings of over \$500 million, which is still paltry, compared to the \$200.3 billion in ad spending, predicted for the industry by forecaster, Robert Coen.

Black-owned agencies receive about one-third of the \$890 million marketers spend for ads specifically targeted to the African American market, which many executives believe is too small a percentage. Most of the money still goes to general market shops." says Ken Smikle. "The bulk of the money that doesn't get to African American agencies, is spent converting general market ads to ethnic ads by replacing white actors with black actors."

It is also difficult to measure which ads have generated more sales – general market or those aimed directly toward black American consumers, or whether other marketing efforts have played a part in sales increases, such as distribution, location or pricing. But this has not prevented marketers from trying specialized efforts to boost sales in the black segment. "It's not just putting black faces in a commercial, says Tom Burrell, "it's about developing advertising which reaches the black consumer market successfully."

(Paskowski, 1986)

Many prospective clients are still confused about what makes a black-owned agency distinctive. Black agencies offer something beyond the traditional marketing advice they get from their general market agencies.

They have hands-on knowledge of media buying habits, trends within the black community and an acute awareness of future growth patterns. Beyond giving clients those specialized insights into the black market, black-owned agencies say they want to provide the range of services many of their clients are accustomed to getting from their mainstream agencies. But this is a tall order, given the size of their billings. But if given more, they could do more.

The New Frontier

The leading black-owned advertising agencies, who have built their success on communicating effectively with black consumers, are now facing a new challenge. A battle is brewing between these agencies and the rest of the industry to get a significant share of future business. The black-owned agencies' current track records have pushed them to another professional plateau – many are not viewed as serious contenders for big-budget accounts that have long been the exclusive domain of white-owned agencies. Their survival is, despite past accomplishments, by no means assured (Smikle, 1971).

The strategy for some black agencies is to go after more general market campaigns, by targeting companies whose goods have a majority proportion of black buyers. If the client doesn't have an enormous budget, the goal is to spend all of it with an agency that represents the segment with the highest number of sales. None of this is being taken lightly by general market competitors. Black agencies have cited instances where major agencies have quietly tested the feasibility of offering black consumer marketing services as a means of keeping more revenues in-house. Increased competition from the rest of the industry is beneficial to black agencies, because each time a piece of

business is lost to a black agency, it only reinforces the legitimacy of the black consuming market (*Black Enterprise*, 1985).

The black-owned agencies also know the other side, because they have been living in it all the time. As William Gray, III, president of the College Fund stated, at a dinner saluting African American-owned advertising agencies, sponsored by the American Advertising Foundation, "Black folks have been watching white folks for decades because it was necessary to do so to survive and get ahead in white society. Because of their ongoing observations of white Americans, blacks understand the lifestyles, attitudes, and behavior of whites better than whites understand themselves" (Crain, 1996).

"So why not give black agencies an opportunity to pitch mainstream accounts?", asks Rance Crain, editor of *Advertising Age* magazine. "Let them compete against the white agencies, especially since white agencies are beginning to go after ethnic business. Part of the problem is that black agencies – let's be frank – mostly employ black people, so they are positioning themselves as an ad agency with ethnic expertise. It doesn't seem very smart to relegate minority talent to handling ads aimed at their own particular ethnic persuasion."

"After all, pop culture trends such as music and fashion start in the black community and later on infiltrate the broader population. Of course, the mainstream agencies mostly employ whites and it remains to be seen if that hiring practice will hurt them in soliciting business aimed at black consumers."

As Ken Smikle, publisher of "Target Market News" reminds, "General market agencies are pursuing ethnic markets because there isn't a general

market anymore. Consumer products are becoming a series of niche markets, and black agencies have had plenty of experience carving out niches" (Crain, 1996).

"General market agencies should strive for culturally diverse accounts and creative teams because society's geographic living patterns are becoming more and more polarized. There is little dialogue between the races within the socio-interactive human dynamic. More in-depth insight into distinctly different cultural and lifestyle perspectives needs to be realized in the advertising industry. This will allow for greater insight into the development of strategic marketing plans and creative execution." (Coleman, 1998).

Although it is the client's decision, this does not prevent general market agencies from partnering with African American-owned agencies to help them gain this insight.

According to Mr. Coleman, "In order for the client to have confidence in an agency's abilities to sell products and brands, it must have sufficient understanding of the entire consumer marketplace, not just the ones for which it is most familiar and comfortable. If this doesn't happen, the client's selling universe can be significantly narrowed, by as much as 25%."

"For example, Tommy Hilfiger and Ralph Lauren Polo would have been able to capitalize on the impact of their clothing lines with urban youth two years earlier, had their advertising managers been able to foresee the windfall popularity." (Coleman, 1998)

A Word About Creativity

Some argue that blacks perceive advertising differently from whites, and the natural distrust of the media and marketers among black consumers

may cause people to think advertising done by black agencies is dull, patronizing to blacks, unsophisticated, old-fashioned, and too serious. They contend it should be evaluated and judged differently.

But other black creatives say there is a lack of provocative ideas and that the only way to move beyond the limited "special market" niche and win general market accounts is to produce breakthrough creative work. "It's the way you separate yourself from the competition", says Jo Melvin Muse of Muse Chin Cordero/California, "That's the acid test".

The tendencies of black agencies and their clients toward innocuous images can be traced to a dual fear of offending black consumers and alienating white ones. Most agencies end up dealing with large package-goods corporations and nobody gets to do edgy work, not even the general market agencies (Berger, 1992).

Many black agencies feel they work better in a relaxed creative environment while promoting positive images and values, rather than offbeat commercials. This belief is part of their mission to present role models and encourage messages that add another element to the creative mix, one that doesn't factor into the creative process at most white agencies. It is a responsibility that many black creatives take seriously because portraying African Americans realistically is more important to them than showcasing creative. They also believe they are filling a void and counter-acting a steady flow of negative images of black Americans, so pervasive in the media in general.

This approach is not viewed as community service, but rather a selling tactic that has proven to work better among black consumers than creative gimmickry. It may seem to some a dated approach, but sales figures indicate

that black consumers respond to messages that communicate on many different levels – humor, drama, or straightforward appeal. A new crop of black filmmakers and creative talent is expected to infuse the industry with new blood and they are willing to take risks and fight for good creative (Berger, 1992).

The Competition Heats Up

Emphasis on market research enables black agencies to demonstrate to clients specifically how their advertising has increased sales or products and services. Analyses are drawn from product sales studies and allows a better negotiating position for winning general market accounts. Most black agencies are largely staffed with creative and management people who began their careers in advertising at general market shops, come from major business schools or corporations, and can handle general market accounts quite well.

Research is an area in which black-owned agencies have an advantage. The larger ones subscribe to the same research services that general agencies do, but what differs radically is their access to secondary research on black consumption. "We have stacks of data on how to sell products and services to white people", reports Tom Burrell, "but the black market segment has always been ignored by general market ad agencies. The black market is very diverse – it is not an amorphous mass, like some advertisers or agencies might think". When asked "What do blacks want?", the response is "Which blacks?" (Paskowski, 1986)

Some black agencies have commissioned proprietary research on black consumers and have been able to share this research data with their clients.

Other black research firms have done qualitative research on what motivates black consumers to buy.

As black-owned agencies struggle to build business, some never really know why a client selects them, and they really don't care, but what they do care about is the chance to do more general market assignments (Paskowski, 1986). Some general market agencies are attempting to offer competition to black agencies by setting up special market divisions in their agencies, or hiring more black employees. But the feeling is that most of the them will not pursue this avenue and are not interested in acquiring black agencies in order to provide total communications capabilities for their clients.

Some agencies, however, have "partnered" with specialty African American, Hispanic, Asian, and interactive companies, and brought them "under their wings", as independent entities, in an effort to provide an adjunct to their complement of services.

With an estimated \$890 million in African American advertising dollars to be had, it's no wonder that the big boys are entering the fray. General market agencies tell their clients they can handle the black consumer market, but they really can't (Hayes, 1998).

African American-owned advertising agencies believe they do some things that no one else can do, and they are not about to forego their special niche, because they know what works with the general market may not work as well with the African American market. As one top black agency commented in a June 1998 Black Enterprise article, "We're not interested in general market accounts. It would be a waste of our energy. Why would I jump into that shark tank when I'm dealing with the fastest-growing segment in the population, that my general market competition knows nothing about?"

CONTRIBUTIONS OF THE STUDY

This study has contributed some understanding of how the issues of race and racism, in the opinions of the participants, have led to the marginalization of African American-owned agencies and affected their full participation in the U. S. advertising industry. It also raises questions about whether any special interest agency can procure general market business, given the social nature and traditional structure of client-general market agency relationships. It does, however, indicate that if white-owned agencies are to effectively compete in the future, and be able to develop creative solutions for their clients' marketing problems, they will have to stop ignoring the black American consuming market.

This study has also revealed that African American-owned advertising agencies have been beneficial in providing jobs, innovative creative, and employee training, but the "burden of representation", as author James Baldwin called it, has also been proven detrimental. These agencies have been relegated to only working on assignments that relate to black American consumers, because they do have special expertise in creating messages primarily for black Americans. They understand the history, nuances, and lifestyles of African American culture, and have on-going relationships with the black community that white-owned agencies do not or have chosen not to develop. If given the opportunity, however, the study indicates, these agencies are just as capable of providing the same advertising and marketing services as their white counterparts.

The study clarifies that black Americans are not a monolithic group, and their consuming behaviors may be different for different products. They all respond favorably, however, to advertising images and messages that are

realistic and relevant to their experiences, show respect for their racial identification, and reflect the advertiser's appreciation for their spending levels, and understanding of the ways in which they use their products and brands.

RECOMMENDATIONS

Until people of color become a part of the cultural and economic mainstream of America, the curtain that keeps African Americans-owned agencies from participating fully in the U. S. advertising industry will stay in place. Efforts have been made to foster the growth of these agencies, but the situation will not change until corporations legitimately negotiate how their advertising is handled.

The trend towards diversity means that all advertising agencies will have to become culturally smarter. This may hurt business for traditional African American-owned agencies, but this will enable them to compete for talent, billings, and accounts, as well. In the end, clients will receive the best work and all advertising agencies that survive will become stronger (Muse, 1997).

This study does not imply that all African American-owned agencies in the U. S. are not and cannot be successful, but that there are more viable options and new opportunities for improved billings and relationships with clients that need to be explored.

Further Research

The opinions and perspectives of the four respondents used for this study were invaluable, because of the depth of their understanding of the

advertising industry and their wealth of experiences. However, further interviews are needed from other African American-owned agency principals, whose firms do not handle national accounts, as well as other types of ethnic advertising executives, in order to gain broader insight and additional information about how they perceive their relationships with the U. S. advertising industry.

Further study should also include the perceptions of leading national advertisers and their use of African American-owned advertising agencies.

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APPENDIX

APPENDIX

INTERVIEW QUESTIONS

General Market Advertising Agencies

1. If general market agencies can also hire black talent for advertising they create to reach integrated audiences, then, in your opinion, what are the specific elements involved in creating effective advertising to African Americans they cannot replicate?
2. General market agencies are attempting to hire African Americans in order to maximize their efforts in creating advertising that appeals to a more culturally diverse U. S. population of consumers. Why then, in your opinion, are they leaving, after only a short time, and moving on to other careers, or to African American-owned agencies?
3. The "institution of advertising" has "rules" or patterns of behavior that are understood and followed by its members. What changes in the "rules" would you recommend, so that African American-owned agencies could participate more fully in the advertising industry? Is this possible, and if not, why not?

African American Consumers

1. Based upon your professional experience, is it your opinion that African American consumers are different from other American consumers, and if so how? If not, why not? Additionally do they respond differently to advertising messages that include them or are directed specifically to them?

If your answers are "Yes" what evidence is there to confirm this? How is this information tracked and by whom? (Please cite research data or books to which I can refer)

2. Realizing that African Americans are not a monolithic group, are culturally-specific media, e.g. Black Entertainment Television, *Essence*, *Black Enterprise*, *Ebony*, meeting the product/service information needs of differentiated segments of black consumers adequately? Yes or No, please explain.
3. Does your agency pitch general market accounts and if so, do you provide creative only, or are you also involved in strategic planning?

VITA

Diana Briscoe Scales, a native Tennessean, was educated in the Memphis Public Schools and graduated from Melrose High School in Memphis, in 1964. She received a Bachelor of Arts degree in sociology from Fisk University, Nashville, in 1968 and is a graduate of the Grantsmanship Center.

In 1982, after 12 years experience in executive administration and public relations in higher education and health care, she began Scales and Associates Inc., a marketing communications firm in Nashville. As president and CEO, she serves as the principal marketing communications consultant, directs all activities of the company, and supervises the work of a team of professional associates.

She has won several awards for outstanding professional and community service, including the 1990 Service Business of the Year from OMBE, State of Tennessee, a 1994 Citation of Excellence, and Addy Award for Service to the Nashville Advertising Federation, and Award of Excellence in Outdoor Advertising Design in 1994.

The author realized after fifteen years in the advertising agency business that new technologies, interactive media, corporate mergers, downsizing, declining advertising effectiveness, the rise of entrepreneurship, and the diversity of the U. S. population, were creating new realities and the need for innovative approaches to marketing communications.

In order to broaden her knowledge base and give clients the benefits of the latest marketing communications tools, she entered the Graduate School at The University of Tennessee, Knoxville, in the spring of 1997. She also wanted to share her experience and education with college students and

motivate them to pursue careers in the advertising industry. She completed the Master of Science degree in Communications, with a specialty in advertising in August of 1998.

Mrs. Scales is married to Dr. William D. Scales and has two children, William D. Scales, III and Dalayna Dyan Scales. She plans to teach integrated marketing communications on the university level and continue her career as a consultant.