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# TOWARD A VIABLE INTEGRATED MARKETING COMMUNICATIONS IN EGYPT

## Abstract:

The concept of Integrated Marketing Communications (IMC) has received significant coverage in literature. However, there is a problem in translating this concept into reality due to the difficulties of coordinating all communication tools in one program.

The advances in communication technology threatens advertising agencies working in the Egyptian market, as the future of communications tends to be specialized and the need for coordination between communication agencies became essential. Thus there is a need for a new organisational structure for agencies that reflects these changes, This paper proposes the viable system model (VSM) developed by Stafford Beer as such a structure.

The VSM will help organisations discover and solve their problems to remain viable and successful in the future, It also provides a framework for better coordination between communication agencies to maintain successful IMC campaigns.

## Keywords:

Integrated Marketing Communications, Viable System Model, Egyptian Communication Market.

## Introduction:

Egypt is a leading country in the media industry, politics, and culture, Egypt has been also a leader of the region in creating and developing a strong, print and broadcast media (Amin 2002).

Historically, Egypt was the first country in the Arab world that started the print and broadcasting media industry, transferring the Egyptian culture and language to be understood in the region. As a result, Egypt was the first country in the region that started and developed advertising and communications.

In the early 1970s, President Anwar El Sadat initiated the open door economic program "Infitah", in which the market transitioned from socialist economy to the open door economy to encourage domestic and foreign capitalists to invest in Egypt. Therefore, the role of private sector increased and started to compete with public sector (Encyclopedia Britannica, 2014). The print media, especially the main newspapers available in Egypt, were the only method for advertising in this period,

During this period, private and public sector demanded more marketing services to compete in the new changed market, and the foreign companies came with the concept of advertising as an important tool in marketing their products and services, these multinational companies had to depend on multinational advertising agencies as there were no local advertising agencies in Egypt except the public agencies which are insufficient to offer high quality services, however these companies were not familiar with the Egyptian environment, so the need for local agencies arose (Shechter, 2008).

It is worth mentioning that the public sector agencies loss accounts, they still control the advertisements place and time as there were only three public newspapers and the national television. It is interesting to say that all the pioneers of advertising and the owners of the private advertising agencies came from the public sector such as Tarek Nour and Hazem Deraa

According to the American Association of Advertising Agencies, advertising agency is:

"An independent business composed of creative and business people, who develop, prepare, and place advertising in advertising media for sellers seeking to find customers for their goods or services." (Lane, King & Russell, 2008, Pp. 160).

The competition between advertising agencies to gain new accounts (clients) is intense, as most organisations have managed their advertising functions whether

trough a contract with advertising agency as outsource, or through a department in the organisation. Therefore, some advertising agencies are willing to work with new established business and grow with together; some agencies do not accept small accounts business (Belch, 2012).

For the case of Egypt, the results show that 73% of advertising agencies working in Egypt are of medium size, and 13.5 % are small, this gives the agencies the opportunity to work with small and medium accounts, in my interview with advertising agencies experts, they agreed that some large organisations prefer to work large advertising agencies even if they are not working in Egypt, however this case will not be available as the Egyptian Association of Advertising Agencies (EAAA) are preparing to create an entity contains all advertising agencies and they will not allow to any agency to work in Egypt before it registered in this entity. Therefore, agencies prefer to gain clients that establish new business in the market, while large agencies which represent 5.3% prefer to attract large accounts from other advertising agengies.

Most organisations prefer to employ a full – service agency, as it offers their clients a range of services including marketing communications and promotions, planning, creating, producing the advertising, and selecting the suitable media buying and planning (Belch, 2012). A full – service agency includes four main functions they are: account management, creative, media planning and buying, and research, some agencies may create traffic department which is responsible for tracking the advertisings in process and it completion (Moriarty, Mitchell & Wells, 2011).

## Integrated Marketing Communications (IMC):

According to the American Association of Advertising Agencies, Integrated Marketing Communications is:

"A concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines, e.g. general advertising, direct response, sales promotion and public relations - and combines these disciplines to provide clarity, consistency and maximum communication impact".

Fill (2002) stressed on the strategic development and consistent communications in the following definition: "IMC is a management process associated with the strategic development, delivery and dialogue of consistent, coordinated messages, that stakeholders perceive as reinforcing core brand propositions."

Schultz (1993: 17) expanded the definition by stating that:

"IMC is the process of developing and implementing various forms of persuasive communications programs with customers and prospects over time. The goal of IMC is to influence or directly affect the behaviour of the selected communications audience. IMC considers all sources of brand or company contacts which a customer or prospect has with the product or service as potential delivery channels for future messages. In sum, the IMC process starts with the customer or prospect and then works back to determine and define the forms and methods through which persuasive communications programs should be developed."

IMC can be considered as one of the major breakthroughs in marketing communications in the last decade of the 20th century (Kitchen and Schultz, 1999). Till that time, all professionals and academic in the field of marketing used each communication tool separately (Kitchen, 2004).

Miller and Rose (1994) stated that there is a need to integrate all communication tools under one single concept, in 1993 Schultz stated that "IMC had become 'one of the hottest topics in the whole marketing arena".

The degree of integration within each tool can be vary, the organizations that adopt IMC concept may or may not integrate all people who work in marketing communications in one department, although it is the trend to put them in one department (Duncan & Everett, 1993).

IMC aims to integrate all communication tools in the communication mix (promotion mix), in a way that an advantage of one tool can be used to balance a disadvantage of other tool (Hackley & Kitchen, 1998).

Percy (1997) believes that the key to IMC is planning, and the ability to deliver one consistent message. Smith (1998) stated that unintegrated communications activities could result in different messages being sent out through different media. This will eliminate the message impact, and sometime creates confusion in consumer's mind. He suggested that strategic decision to integrate the communication tools increases the communications' effectiveness.

Kiely (1993 a:44) noted that the interest of IMC is largely increasing due to the suggestion that uncoordinated activities lead to more fragmented strategies which will be wasteful and costly.

Integrated Marketing Communications (IMC) creates custumers' loyalty which is in turn translated into improved profitability. IMC not only integrate the marketing

communications disciplines, it also supports the alignment of all business processes from product development to customer service. IMC depends on the data driven to understand company's best customers and to make informed decisions regarding how to communicate with them. IMC starts with understanding the customer's needs which goes beyond demographics to uncover the customer's segments and consumer motivation that drives purchasing decisions.

IMC aims to coordinate all communications messages for maximum impact through the linkage that created through the consumer's mind as a result of connecting messages, this creates impact of more power than any one message on its own, communications could be maximized by extending messages into every possible situation in which a consumer might notice a message from the company.

IMC is not only gathering marketing communications activities to make them look similar; but it potentially lower costs and makes more control over marketing communications strategies if it is implemented by one agency (Kitchen & Schultz, 1997).

There were two different points of views on IMC. The first one shows the tensions between traditional advertising agencies and other marketing functions (Eagle, 1999). For example, Dilenschneider (1991) stated that advertising as we know were dead, and that there are new marketing communications forms are used. In other words the function of advertising agency is now expanding to include other communications disciplines.

The other point of view was adopted by Gronstedt and Thorsen (1996:48) who stated: "integrated marketing is just a reinvention of the wheel". Burhn (1997) stated that the communications and media are developing, leading to the usage of a variety of communication functions, and in order to avoid the negative impact of using different tools (e.g., different messages in advertising and direct marketing), so these communication activities should be integrated. Therefore, it is more accurate to use the term reintegration than integration.

Englis and Solomon (1996: 183) stated that consumers realize the differences and consistencies between different messages they are exposed to, while Schultz (1996a:139) figured out that consumers integrate and correlate messages whether marketers integrate or not. He stated that consumer might integrate message in unpredicted way which may be dangerous to the organization. Therefore, the

communications flow needs to be organized putting into consideration that the customers are not dependent on the firm to get information.

Stewart (1996) suggested that the change in marketing communications technology has created a need for a better understanding of many different tools that may be used, and also how their use may be coordinated. Stewart also warns that "marketers may manage and coordinate, but they cannot make consumers pay attention to, process or integrate communications". He suggests that successful IMC is not just a coordinating message sent through different communications channels, but it implies organizing the firm's activities around the customer, not the producer or the firm.

On the other hand, one might argue that the contribution of public relation as a communication tool in developing IMC concept is too narrow to understand, thus IMC could be conceived as the blending of multiple forms of marketing communications (Eagle,1999)

There has been a general argument among marketing academics and practitioners in Egypt that advanced communication models are not fully appreciated, employed, and hence utilized. This is in the sense that does not allow the business environment in Egypt to cope with the dynamic and fast moving nature of the global business environment and techniques.

This paper proposes a new framework for future practice of advertising agencies using the Viable System Model (VSM).


## A Diagnosis of Egyptian Advertising Agencies

A structured questionnaire was distributed to 95 advertising agencies' executives working in Egypt with response rate 39%, Then selected executives were interviewed. The results showed:

- 56.8% of respondents thought that the purpose of their agency was not clearly defined (see table 1 appendix), they did not know the missions and vision of the advertising agency, A mission can be defined as:

"The unique purpose that sets a company apart from others of its type and identifies the scope of its operations. In product, market, and technology terms" (Pearce, 2007, Pp. 23)

- In a viable structure, the purpose must be understood by all departments to know the whole.  There must be a common purpose throughout the agency.

- 48.6 % of respondents were vague about their responsibilities, as they believed that their responsibility varies from one client to another and from one project to another, however, 32.4 % of respondents knew their responsibilities as they worked on small scale, and small number of clients. It is very important for the agency that every manager knows exactly his responsibility in order to be able to make right decisions and to set rules and measurements for his employees. A clear responsibility means that the manager will not be interrupted by higher level of management because he aware of what to do (see table 2 appendix).

- 37.8 % of respondents thought that the manager could not be replaced, This is due to the nature of business ownership, as 34% were privately owned and operated and most of them were family business. Thus, when the manager was absent for any reason most important decisions were postponed which affected the clients business and could lead to the failure of the agency itself (see table 3 appendix).

- 48.6 % stated that there were regular "monthly" meetings between head management and the staff, these meetings are important to monitor the progress of the agency to understand what problems face the staff and to improve their work. Monitoring the external environment is very critical and vital for an organization, as it assures its existence, for a company to survive in its environment, it must keep monitoring the changes in its external environment and adapt its operation according to these changes, and produce strategies and long term plans for the future. This requires both ways communication between the agency and its external environment (see table 4 Appendix).

- 43.3 % of respondents reported that there is no clear long term plans for their organization (see table 5 Appendix), From the interview I found that most organizations depends on the owners relations with the external environment in doing their business, this is due to the nature of ownership as previously mentioned. Therefore, agencies have no long term plans for their business, and no research and development departments, this justifies the large number of agencies that stopped working in Egypt.

- 54 % of respondents thought that a staff employee can be replaced by other in the same department (see table 6 Appendix), and that each could perform more than one task, From the interview, managers justified this result by assessing that there was no significant difference between employees in qualifications or performance as they are of the same age group and mostly equal in experience, working together in most projects, One manager saw that this is due to the regular meetings held by the

manager or head of department which help in sharing experience between employees which gives flexibility to replace each other. Other managers stated that they depend on outsourcing staff instead of hiring permanent staff as the market was unstable.

From the analysis of advertising agencies working in Egypt, and from the results extracted from the IMC questionnaire, it is obvious that the future of advertising agencies is in danger, In the interview with advertising experts in the Egyptian market, managers believed that the future of advertising agencies was to cooperate with each other in order to offer full IMC campaign for their clients rather than expanding their current services, however some stated that expanding their services will more easier as they see cooperation between agencies might lead to the domination of one agency on another one. Another expert see that the future of communication industry will take the shape of a holding company and under it there will be different agencies offering various services in a way that the client will deal with four or five agencies through the holding company; this can be illustrated as follow:

**Figure 1: Holding communication agency**
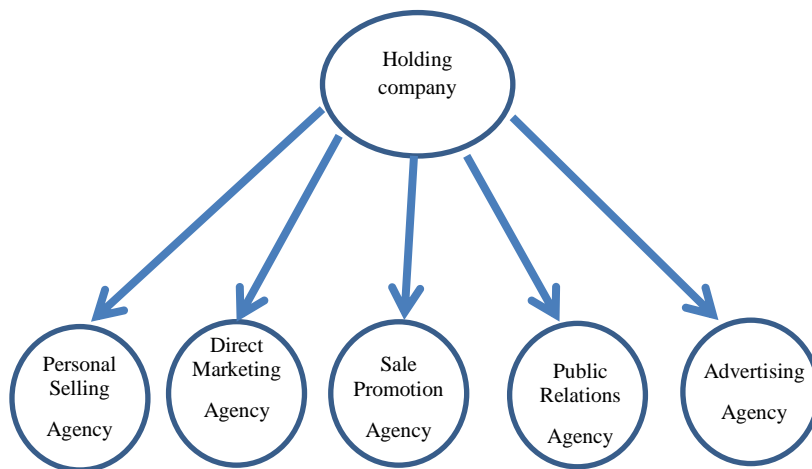


The previous figure assumes that the client will deal with one holding company to get a full service IMC campaign, or he can deal with the advertising agency directly and then he will be forwarded to other agencies when necessary. Therefore, the future of communication agencies in Egypt requires new structure and new model that can link these separate agencies together and at the same time work in harmonized way that is efficient and reliable structure.

The previous results showed that there was a lack of communication between agency and its external environment as previously mentioned, and between departments and

each other, the need for a department or function to link the agency with its environment becomes a must.

Another important issue might arise, which is the internal environment of each agency under the holding company, each agency should look at itself as a part of the whole picture, this requires agencies to have shared values and policies, in other words, there should be common missions and visions, and to be clearly delivered to all employees in all agencies.

The agencies need a control system that ensure that every project will be finished smoothly as one agency might delay and decrease the performance of other as they will be related to each other, so control is very important putting into consideration that all agencies are at the same level.

From the previous argument, and after studying different organization structures, it is proposed that Viable System Model (VSM) developed by Stafford Beer, is a better model for the future of communication industry in Egypt as it will give more benefits that can be stated as follows:

- It gives the opportunity to adapt to changes, the opportunity for future growth, so it provides continuous success over time in changeable environment. This is important in Egypt as the environment is changing socially and politically.
- It combines centralised and decentralised decision making.
- It gives self – control, as there is no enforcement from higher level.
- Gives guide for measuring progress toward objectives.
- Ensures keeping needed information in hand (absorb variety).
- Each unit can develop its own plans, as agencies will be separate in management.
- Errors and problems will be solved by itself through improvement (Christopher, 2007)


## The Basic Elements of Viable Systems Model:

Beer used the analogy of the human body as a basis for his Viable System Model. He modelled the human being as three interactive parts; the muscles, the nervous systems, and the surrounded environment, He then represented these parts as Operations, Metasystems and Environment in his Viable Systems Model as follows:

**Muscles and Organs (Operations):** the part that performs the basic work and activities, in other words, it the part that operates actively.

**The Brain and Nervous Systems (Metasystems):** these parts are responsible for ensuring that the muscles and organs (operations) are working together in an integrated, systematic way.

**The Surrounded Environment:** includes all parts of the external world that react and interact to the system in focus (walker, 2009).

This shows the management which represent all the managerial functions needed to perform the work, the circle is the operations that produce something, while the amoeba shape is the environment surrounding the agency. Finally, the arrows show the required interactions between the three systems, each arrow can represent different types of channels in a way they can interact and affect each other.

## The Proposed Viable System Model:

According to the Oxford English Dictionary, viable means "Capable of living; able to maintain a separate existence".

As previously mentioned, organization is viable if it can live in its specific environment and have some sort of separate existence however it cannot live alone in its environment. That's to say, existence does not mean independent of others, it means separate identity (Beer, 1985).

Beer stated that while organization have identity and can exist independently, it cannot live without environment support it, Beer stated the following example to support this idea:

> "A village is a recognizable and viable organization, with its church and its schools, its butchers and its bakers; but it is embedded in a rural society that nourishes it, and in a larger social system beyond that which underwrites its cultural identity. Similarly, a firm may be the subsidiary of a larger corporation; it is a viable entity in itself, but in a specially defined way it 'belongs' to the parent company".

The previous statement typically applies for the future of advertising agencies in Egypt when they will be part of a holding company.

The system–in–focus that is to be modelled in this research is the advertising agency, it aims to create and produce advertisements. This system–in–focus will be a viable system on its own and will be contained in a higher viable system, which is the holding communication agency, and both will be a part of a higher viable system, which is the

Egyptian Association of Advertising Agencies (EAAA). The recursive diagram can be illustrated as follow:

**Figure 2: The recursive diagram**



The advertising agency that is system – in – focus will be recursion two, and there are two levels of recursion upwards which are; communication agency which represent recursion one, and Egyptian Association of Advertising Agencies (EAAA) will represent recursion zero.

**Figure 3: System – in - focus**



To start building the proposed VSM, it is important to understand the communications flow and interaction between the environment, operations and the management of the advertising agency, the following figure shows these relations.

**Figure 4: the communications flow**
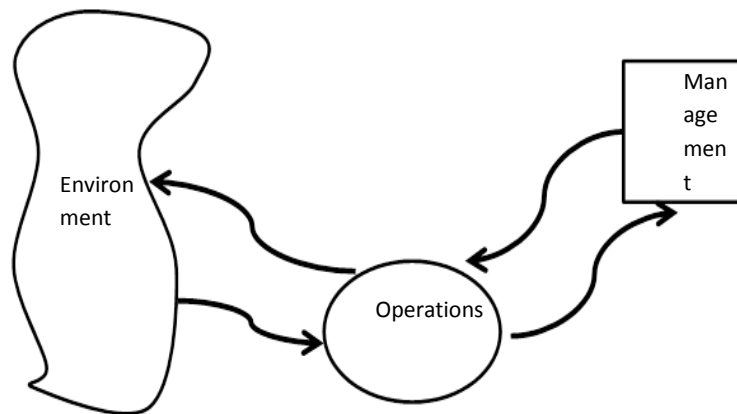


Source: Beer, S (1985)

This means that there is a large number of information and interactions that can be produced between each system, this is what is called complexity which can be measured by variety, Beer stated that "variety is a measure of complexity, because it counts the number of possible states of a system".

It is worth mentioning that these possible states in any system cannot be counted, however we can say that this system has more variety than other one. (Beer, 1985).

Applying this to the previous figure, we can say that the management has less variety than operations, as management cannot be aware of everything that happens in operations, and at the same time, operations have less variety than environment.

Recalling Ashby's Law of Requisite Variety that state "variety absorbs variety", these variety must be in balance, this balance can be either by reducing "attenuating" high variety, or increasing "amplifying" low variety. So that variety be in balance in a homeostasis way, homeostasis is:

> "Stability of a system's internal environment, despite the system's having
> to cope with an unpredictable external environment" (Beer, 1985)

These attenuators can be done by developing a data base of classified accounts, and scheduling them on specific criteria, or through market segmentation as some advertising agencies prefer to deal with specific market segment that they know its characteristics and buying habits and their motives of buying. Other agencies use outsourcing, which means they hire another smaller agency to perform specific task for accounts, and depend on these outsourcing agencies in reducing variety comes from the environment.

While amplifier can be done by developing long term contracts with accounts, and making membership in advertising associations to increase their rank and enhance their reputation (Ounapuu, 2010).

Marketing research can be used for both attenuation and amplification, for example, agencies through market research can discover new segment or new unsatisfied targets of customer and finding new accounts entering the marketing and trying to attract them, or can reduce some accounts that are not profitable.

## The Five Systems of Advertising Agency:

### System One (Operations):

**Figure 5: System on of System – in - focus**
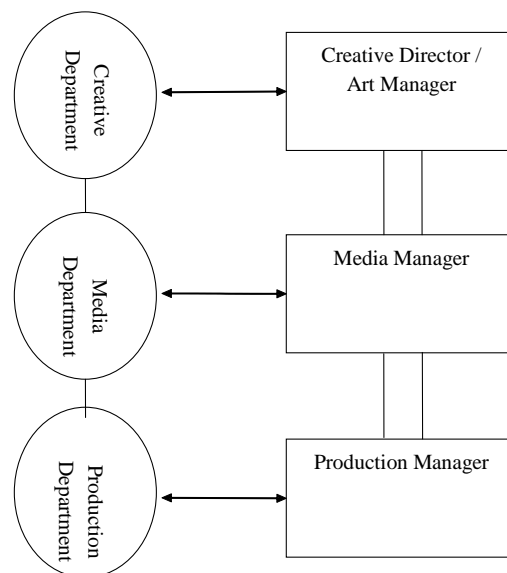


The previous figure shows system one of system – in – focus which is the advertising agency, these system one will need to attenuate variety coming from the environment, and set is equal to the variety coming from management. These attenuators can be done by using some sort of applications, timetable, and traffic control. On the other hand, amplifiers needed to amplify variety coming from management, such amplifiers could be setting rules and standards for doing tasks, regular meetings to keep informed with new rules and policies.

Operation in advertising agency includes:

### Creative and Art Department:

The creative department is responsible for creating and executing the idea of advertisement such as copywriting, art design, graphic designer, the message, and headlines (Shimp, 2007).

**Media department:**

Media department is responsible for selecting, analysing, planning, and reserving the space and time for the selected media to deliver the message of an account. (Belch & Belch, 2003). They plan for selecting the suitable media based on the target market the account want to reach, and then decide the frequency of the advertisement (Shimp, 2007).

**Production Department:**

Production department is responsible for producing audio and visual advertisements; they are responsible for managing the studios and making orders for production.

**The Metasystem:**

After discussing systems one in the system – in – focus, it is important to understand that metasystem consists of systems two, three, four, and five that represent all top management functions needed for organizations survival currently and in future.

## System Five:

System five is the maximum authority in the organization, they are responsible for setting rules and policies, making the important decision, and this is the boss or the top manager. They are responsible also for creating and maintaining identity, improving coherence, they will look for the work of systems four and three to ensure the homeostatic balance between them.

For advertising agency "system – in – focus", the top management will be responsible for the previous activities by:

- Setting a clear written mission and vision.
- Setting rules and policies required for work inside the agency
- Be socially responsible in producing advertising that match the social and religion ethics in Egypt.
- Regular meeting with employees to inform them with changes in policies that might be a result of a change in the external environment.
- Determining compensation and reward criteria.
- Representing the agency in outside meetings and events.

## System Four:

System four as stated by Beer looks for the future, it is the development department in the agency as it looks for the changes in the environment in which the agency is

embedded, they produce strategy and long term plans with cooperation with top management. System four will perform the following tasks:

- Monitoring the environment: in which it will gather information about changes in the external environment that might affect the agency, this task can have the name of: marketing research, research and development, consumer voice. They will be responsible also to study the behaviour of consumers for the accounts they deal with, studying the market segmentation for their clients.

- Setting long term plans and strategies concerning the future of the agency: in the task they will need to study the new business and the business environment in general in order to know what the characteristics of new clients they will deal with in the future. For example, they might recognize that the future is for small business and that the government encourages them, so they will need to know how they will develop advertisements in lower cost and to be creative at the same time to attract these new clients.

- Measuring the effectiveness of advertising produced by the agency: as it is important for the agency to know how consumers react to their advertisement in order to improve their performance. In the interview with an expert of advertising agency in Egypt, he told a story of an advertisement that made for soft drinks and it was creative and appealing and consumers recall it easily; however they did not buy the product because the advertisement uses a model that does not match with the target market they are aiming.

## System Three:

While system four concerns with the future, system three concerns with the present, it is responsible for supervising and managing systems one and optimising the interaction between them, this system in advertising agency will be done by:

- Managing traffic: which means that they have to schedule the agency's account and manage it in a way that ensure they finish creating the advertisings in the right time, and making sure that there is no overload on the operation staff. For example, a client ordered and advertisement, the creative and art department will need two weeks to finish it, then they will pass it to the media department, in this case the traffic manager knows that the creative department will not start another advertisement before they finish the task in hand, so he will deal with case by telling the next account that he will have to wait till they finish, this function ensures prevention of overloading.

- Re – allocating resources: system three has the ability to re – allocate staff and money to meet the time of the campaign and to improve the performance of the agency. For example, advertising campaigns increases in some occasions such as the holy month "Ramadan", so system three might need to depend on outsource agencies to do some tasks, or might need to lease printers or hire temporary staff to meet clients demand.

## System Three Star:

System three star usually used as a quality control and audit system, depending on forms and procedures.

## System Two:

As system ones interact with each other, a conflict between them might occur, system two appears to resolve this conflict and ensure stability of system one, it work as regulatory centre, It acts as a communication channel that attenuates variety from system one to higher level management by filtering the information needed by higher level management. This function can be done in advertising agency by:

- Training and development of employees: it specifies requirements and put standards for employees that work in the agency.
- Setting timetable for employees: using forms or computer software, system two sets timetable for employees to prevent overlapping of tasks.

## Connections between systems three and four:

As previously mentioned, system three deals with the present situation inside the agency "here and now" functions and system four is looking for the future and adaptation of the organisation, However system four cannot reach this goal without understanding the current situation of the organisation, so system three provides feedback to system four to know how will adapt the organisation to new situation. Therefore, system a strong connection between system three and system four must exists.

System three interact with system four to maintain balance between now and future development which is known as system three/four homeostat, and graphically represented by vertical arrow between system three and system four.

This balance can be achieved by regular meetings and discussions between system three and system four, in which system four will transfer ideas and new innovations or

new technology that can enhance the quality of outcomes of the organisation. Then system three will receive these ideas and innovations, and implement what is relevant and ignore other irrelevant information.

## Connections between systems three, four and five:

As previously mentioned, system three and system four must be in balance, this balance needs a legitimate decision maker to resolve problems and ensure the balance between system three and system four. This legitimate decision maker will be system five which interact with the system three/four homestat to make sure it is working. This interaction can be shown in the following figure.

**Figure 6: systems three, four and five connections,**
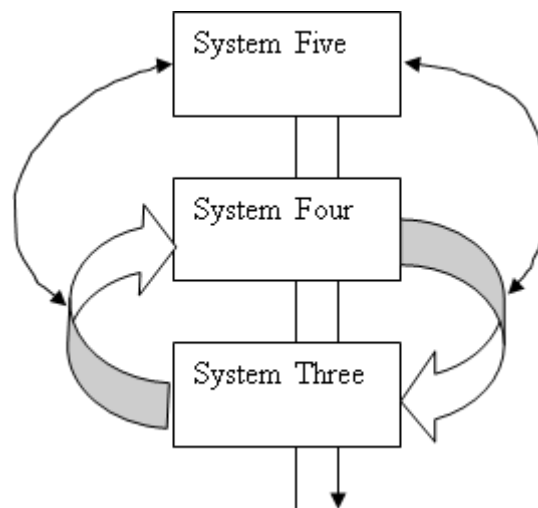


Source: Ragab, A. (2000)

## The External Environment:

External environment are all factors that surround the organisation and can affect its performance, the organisation cannot control its external environment but can only monitor it and adapt itself and its internal environment to cope with the changes in external environment. The external factors include:

**Demographic forces:**

Demography is the study of human populations in terms of size, density, location, age, gentler, race, occupation and other statistics. The demographic environment is of considerable interest to marketers because it involves people, and people make up markets. Here, we discuss the most important demographic characteristics and trends in the largest world markets.

Demography as defined by Kotler is: "*the study of human populations in terms of size, density, location, age, gentler, race, occupation and other statistics*". The demographic factors that might be of interest to advertising agency which is our system – in – focus can be:

- Characteristics of customers of current clients
- Characteristics of current clients: international/domestic, large/small, products/services, etc…..
- Geographic coverage of different media and its coverage.

## Economic forces:

Economic factors in external environment are those factors that affect purchasing power of both the organisation and customers. It also includes skilled workers that organisation can attract.

## Technological forces:

Technology is one of the most important factors that affect any organisation and it changes rapidly, the change in technology will affect advertising agency in several ways such as:

- Creation of new media
- Improvement of infrastructure in way that allow the agency to reach more customers.
- Improvement in computer software, so the agency can depend on specialised software to analyse and measure campaigns they produce.

## Competitors:

Knowing competitors will help organisation in developing their work and beating its competitors, it is important to compare yourself with others to know exactly where you stand. Competitors include current and potential organisations offering the same or substitute products or services.

## Suppliers:

Suppliers are those entities that provide the organisation with raw materials, equipment, workforce and all production facilities (Harrison &d St. John, 2002). Suppliers for advertising agencies can be, paper and printing suppliers, media buyers, software designers, etc.

## Social and Cultural environment:

Social and cultural environment has great impact on the output of advertising agencies, as their product is to influence consumers buying behaviour; it consists of norms, values, traditions, religion, culture, colours, and language. Advertising agency must pay attention to the changes in social and cultural environment to plan their creative work based on these changes. For example, the holy month Ramadan is an important month for advertisers as the majority of consumers are attached to watch television, so it considered to be high season for advertising, another example is that in Arab countries it is preferred to get a veiled model in advertising for some products, using a verse from the holy book in charitable advertising to influence customers to donate.

## Systems one connection with its external environment:

Figure 7 shows the connection between each unit in system one and its environment which is one of the most important issues in viable system to make sure that each system one unit is viable and can adapt with its environment.

**Figure 7: systems one connection with its environment**
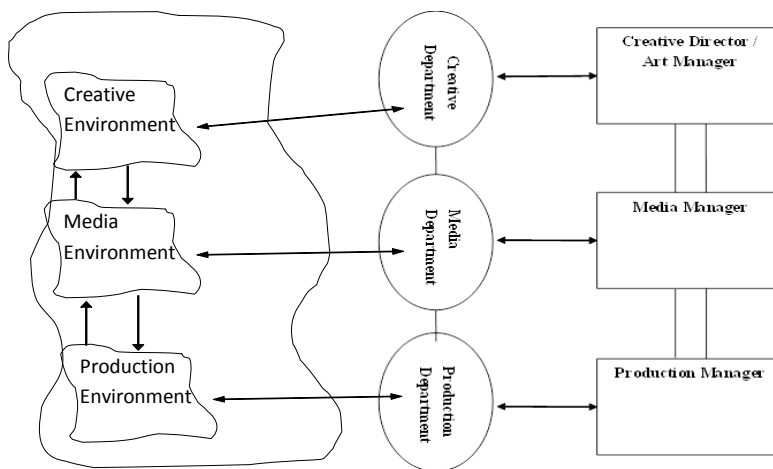


## Creative department and its environment:

As previously mentioned, creative department is responsible for creating and executing the idea of advertisement such as copywriting, art design, graphics design, and message creation. Such department must be connected in an effective way with its environment to adapt with it, and attenuate information from its environment, they must be aware of copywriting laws, socially accepted messages and language used in the advertisement as well as graphics and pictures. This environment is essential for the success of advertising agency as it plays important role in creating the image and position of the product, in a country like Egypt, it must be aware of the culture of the

targeted customers, and making sure its creative work does not contradict with Islamic religion.

It is also important for this department to be up to date with the change in technology of new creative ways for delivering messages, such as 3D banners, mobile phone messages, etc.

### Media Department and its environment:

Media department must keep looking at the environment to know the new technologies and improvements in media, also they must be aware of how media purchasing happens, for example, media department must know the new cable channels that exist, and know the important events that occur to reserve suitable time for their clients, such as world cup event, champions league, etc.

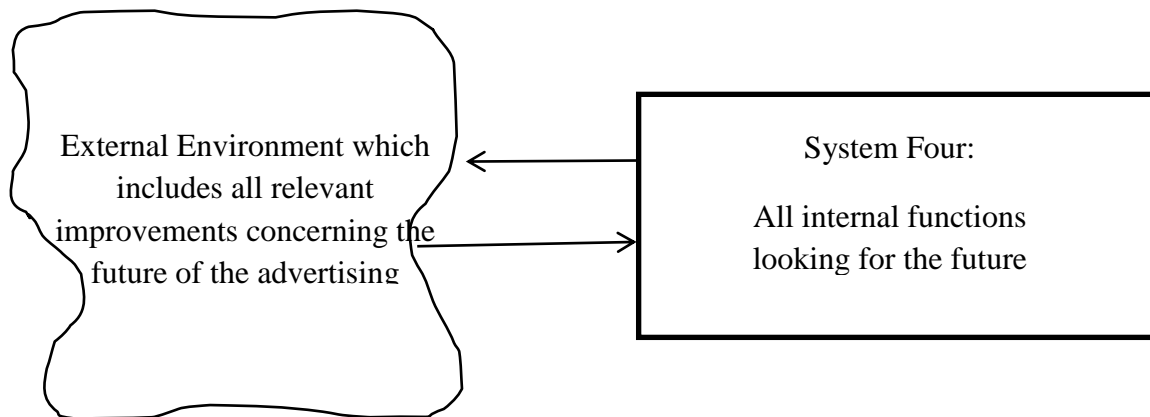### Production Department and its environment:

The production department is responsible for taking the final blueprint from creative and art department then transform it to the final advertisement that will be announced to publics, so they should be in contact with printing press, and media agencies to give them the advertisement in its final form to publish it. Therefore, production department must look for the new media agencies that sell spaces and time, as well as the new printing warehouses and banner companies.

## System four connections with external environment:

As previously mentioned, system four concerned with the future development of the advertising agency, so this system must keep monitoring the environment to look for opportunities and threats that might affect the performance and existence of advertising agency, sometimes this function called research and development, or marketing research.

System four will be responsible for:

1. Knowing the new laws and regulations that affect the agency
2. New products and services
3. Attraction events that advertising agency can participate in
4. there
5. New opportunities

**Figure 8: system four connections with its environment**

External Environment which includes all relevant improvements concerning the future of the advertising

System Four:

All internal functions looking for the future

## Conclusion:

The study shows that there is a need for the advertising agencies to adopt the VSM as it will help people inside agencies to resolve their own problems, and it help the agency to perform IMC campaigns in coordination with other viable agencies in smooth way as it will deal with each agency as agency as a department in a large organisation.
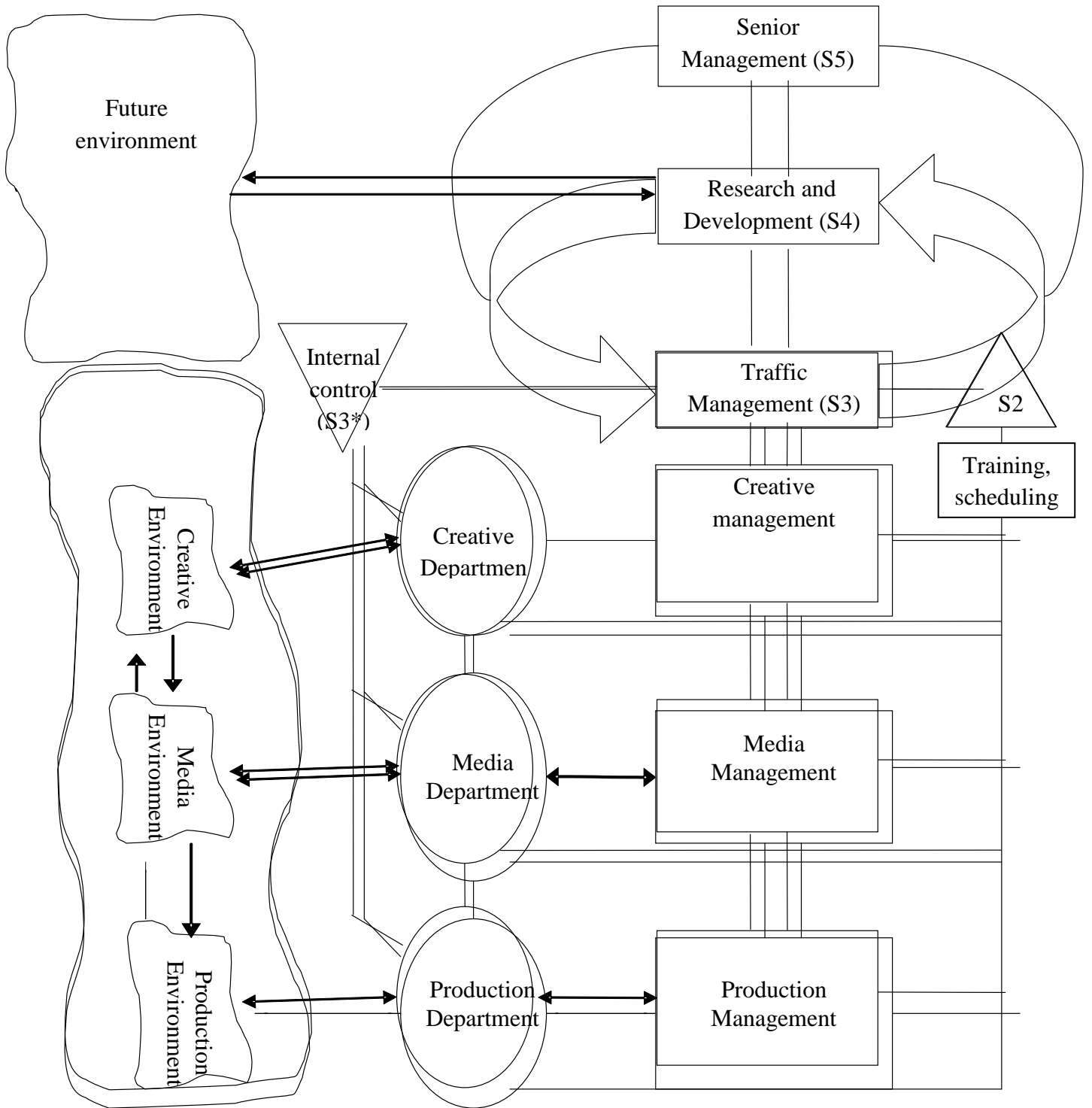
VSM will also ensure coping with fast changes happen in the Egyptian market which will ensure continuous success on the long run.

### Declaration:

This paper is based on a PhD thesis that will be submitted by Hisham Ibrahim to Cardiff Metropolitan University.

### The whole proposed VSM for Advertising Agency:

**Figure 9: the complete VSM**

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## Appendix

Table 1: The purpose of the agency is clearly defined:

|  | Frequency | Percent |
|---|---|---|
| **Disagree** | 21 | 56.8 |
| **Neutral** | 6 | 16.2 |
| **Agree** | 8 | 21.6 |
| **Strongly agree** | 2 | 5.4 |

Table 2: Responsibilities are clearly defined

|  | Frequency | Percent |
|---|---|---|
| **Disagree** | 3 | 13.5 |
| **Neutral** | 18 | 48.6 |
| **Agree** | 12 | 32.4 |
| **Strongly agree** | 2 | 5.4 |

Table 3: The manager can be replaced by anyone any time

|  | Frequency | Percent |
|---|---|---|
| **Disagree** | 14 | 37.8 |
| **Neutral** | 11 | 29.7 |
| **Agree** | 10 | 27 |
| **Strongly agree** | 2 | 5.4 |

Table 4: There are regular meeting between the head management and the staff

|  | Frequency | Percent |
|---|---|---|
| **Strongly disagree** | 1 | 2.7 |
| **Disagree** | 9 | 24.3 |
| **Neutral** | 7 | 18.9 |
| **Agree** | 18 | 48.6 |
| **Strongly agree** | 2 | 5.4 |

Table 5: The management have a long term plan

|  | Frequency | Percent |
|---|---|---|
| **Strongly disagree** | 1 | 2.7 |
| **Disagree** | 4 | 10.8 |
| **Neutral** | 16 | 43.2 |
| **Agree** | 14 | 37.8 |
| **Strongly agree** | 2 | 5.4 |

Table 6: The staff are flexible (can cover each other)

|  | Frequency | Percent |
|---|---|---|
| **Disagree** | 7 | 18.9 |
| **Neutral** | 6 | 16.2 |
| **Agree** | 20 | 54 |
| **Strongly agree** | 4 | 10.8 |