

## CLASSIER CLASSIFIEDS

*A highly specialized, and lucrative, branch of advertising emerges – ads which get the right people for the right jobs.*

THE BUSINESS OF creating effective recruitment advertisements to solicit human resources is no small one. This year, it is expected to grow some 30 per cent to 50 million rgt, according to RA Advertising Sdn Bhd, one of the early pioneers and currently the market leader.

RA Advertising, built on an idea after market observations in Britain, was established in 1977. It overtook Design Excelsior, which was on the recruitment advertising scene much earlier, for top spot.

RA Advertising expects to hit 12 million rgt in billings this year, which is more than a 50 per cent increase over its 1989 billings of 7.4 million rgt. As a result of the booming business, plans are underway to set up a branch in Johor Bahru in the near future. According to Ronald Quay, RA Advertising managing director, 10 per cent of RA Advertising's business comes from JB, and that translates into 100,000 rgt a month.

Design Excelsior reported total billings of approximately 5 million rgt last year. Others are fast catching up. Universal Communication, a wholly-owned subsidiary of advertising agency McCann-Erickson, posted a turnover of 4 million rgt for the past year, and its anticipates it will go up to 7 million rgt this year. Billings at Universal Communication for the last eight months of 1990 average out to 420,000 rgt a month.

In the past, most companies seeking to take up a classified advertisement dealt directly with the media or engaged the assistance of a full-service advertising agency. 'Recruitment advertising has become quite sophisticated of late, especially in the last 10 years or so,' Quay says. 'Nice layouts, nice headlines, and good copy are all crucial to provoke the reader to pay attention to these ads. The ad must attract the eye of the reader.'

Eric Woon, manager of Universal Communication, says in order to create an effective recruitment ad, one should first know some basics – people's general impression towards recruitment ads, what they look for, things that put them off, and things that will make them read the ad. Universal Communication, according to Woon, has engaged the services of a research company to conduct market research to determine these behavioural tendencies.

Woon says after 16 years in mainstream advertising (product advertising), he roughly knows what the tendencies are, but he wants to have facts and figures to back his professional guesses. 'With research facts, I can then show it to my clients when I do recruitment ads for them. It's more professional and scientific this way.'

RA Advertising claims to be the first in the industry to introduce a 'second colour' in its recruitment ads. Quay says that with the additional colour in the advertisement, its effectiveness is further enhanced.

Recruitment advertising has been given a boost with the current labour shortage in Malaysia, especially in skilled labour. This allows people to pick and choose which company they want to work with. 'If you're looking for the cream of the crop but your recruitment advertising efforts are not effective or up to current market standards, you just won't get the cream,' Woon adds.

As an illustration, Woon says: 'For a low or junior position, one's got to be careful that the ad is not too glamorous. Some people may just think that they are not qualified enough or say that the company's too big for them.' On the other hand, a bad ad may lead job-seekers to conclude that the company is not reputable enough for their qualifications. Woon says specific ads are now being written to attract very specific professionals.

While it is true that business is booming as a result of the growing economy, Quay says that constant employee turnover in companies also contributes greatly to the business.

What if there is a downturn? In the 1985/86 recession when companies went into financial trouble and many had to declare bankruptcy, RA Advertising was still averaging 300,000 rgt to 400,000 rgt a month in billings, Quay says. 'We weren't really hit by the recession.' In the event of another recession, Quay estimates only a 10 to 15 per cent reduction in business.

Though recruitment advertising is considered by mainstream advertising agencies as something unglamorous, the business is stable and can be as exciting as mainstream advertising, Woon opines.

'People from a mainstream advertising background can do well in recruitment advertising because they can write good copies and are able to conceptualise. They also have the ability to analyse behavioural trends, and incorporate them into recruitment ads,' Woon says. But unfortunately, very few mainstream advertising professionals are willing to even step close to recruitment advertising.

While in mainstream advertising, one person normally handle two to four accounts, in recruitment advertising he would be able to service from 50 to 100 clients, Woon says. Moving from mainstream advertising to recruitment advertising needs a change of mind-set. Woon says the main differences are in conceptual analysis and workload. 'In recruitment advertising, you don't think in terms of products, but rather corporate image.'

Quay concurs with Woon. He says when corporations are seeking to recruit high-calibre staff; a reputable and attractive corporate image is critical. 'This will aptly explain why recruitment advertisements now have to be more creative, with better corporate image awareness, persuasive headlines, meaningful copy and attractive border designs,' Quay says.

Recruitment advertising agencies charge their clients a 15 per cent commission. Both RA Advertising and Universal Communication do not charge their clients for production work. While product advertising takes the form of a contract with the respective advertising agencies, recruitment advertising does not. 'For classified ads, clients are not obligated to give the agency a contract,' says Rajendran Menon, general manager of marketing at RA Advertising.

This creates 'revenue insecurity' for recruitment advertising agencies as there are no contracts to tie their clients down. The agencies therefore have to be constantly on their toes to keep their clients. Menon says the business works on trust. 'We emphasise a lot on building good rapport with our clients, and our good

after sales service does help in getting our clients to keep coming back to us.' Woon concurs with Menon, but says that the industry as a whole should look into instituting contractual accounts in the future.

'Our staff turnover is very low and our clients have faith in us,' Menon adds. 'Clients get very insecure when a different person services the account every month. But some of our people have been servicing our clients for the past seven years, and they know our clients' needs very well.' In addition, Quay says that in recruitment advertising, one's got to be good, fast and efficient. 'The ability to deliver on time is pivotal to keeping clients,' Quay quips. 'At the end of the day, the bottomline hinges on the quality of service provided.'

To date, almost 90 per cent of RA Advertising billings come from the private sector with the rest from the public sector. Universal Communication shares approximately the same figures. Woon says most public sector classifieds are tenders and notices. The private sector, however, has a wider array of classifieds. Apart from recruitment ads, there are also announcements, financial statements, notice of meetings, prospectuses, rights issues, tombstone ads and newspaper supplements.

SOME RECRUITMENT advertising agencies also branch into mainstream advertising. 'While we're in recruitment advertising, we are also into mainstream advertising for low budget clients,' Woon says. 'For mainstream advertising agencies, if you don't spend up to a certain amount, they won't even talk to you because it's not cost-effective for them. Universal Communication plays a very unique role in the McCann-Erickson set-up.' Universal Communication does mainstream advertising for clients with a budget of 200,000 rgt and below. 'But that does not mean that big clients can't come to us,' Woon says.

RA Advertising used to handle a small portion of product advertising through its mainstream arm, Ramlan & Quay. High cost and high risk pitching exercises to secure lucrative contracts require solid financial muscle, and only multi-million dollar agencies have the capacity to stomach the risk and costs.

Quay found mainstream advertising to be unviable financially and decided to concentrate solely on recruitment advertising in the last few years, leaving Ramlan & Quay practically dormant. 'I think that's our strength. We've carved a niche for ourselves and we're pioneers in this business, in addition to being the current market leader,'

Even though McCann-Erickson's Universal Communication in Malaysia is only a little over a year old, its head office in Brussels was established about 25 years ago. Why did McCann-Erickson take so long to set up Universal Communication and tap into the local recruitment advertising market? It's Malaysian managing director, Noel Derby, says McCann-Erickson wanted to be very sure about the market potential before setting foot in the business. 'After watching the market for a while, we now know that it is an area for growth in terms of the bottom line,' Derby says. ' But we didn't get into recruitment advertising by watching RA Advertising,' he laughs.

In terms of bookings in publications of the New Straits Times, RA Advertising heads the list of recruitment advertisers, with Design Excelsior coming in a close second (Design Excelsior could not be reached for comment). The others are Universal Communication, Azman Zakaria Sdn Bhd, Art Script Sdn Bhd, CD Advertising and Hunter Advertising Services, a wholly-owned subsidiary of Bozell Sdn Bhd.

There is talk within the advertising fraternity that other major mainstream firms are also eyeing the recruitment ad business. When contacted by **Malaysian Business**, Patrick Brett, chief executive officer

and managing director of Saatchi & Saatchi Advertising Sdn Bhd, says priority is currently given by the company to mainstream advertising. But Brett did not deny the possibility of Saatchi engaging in recruitment advertising in the future.

Mike Murphy, managing director of Ogilvy & Mather Advertising, says recruitment advertising is currently under serious consideration by O&M. 'It's a sizeable and growing business, but we are looking at more than one market,' Murphy adds. Should O&M embark on recruitment advertising, Murphy anticipates the business to be operational in 1991. 'But that does not mean we'll not be doing mainstream advertising,' he quips.

With more players coming into the recruitment advertising scene, competition is expected to be very intense. Woon foresees a 'war' developing, and says that he looks forward to it. 'Everybody wants to be a player, but if they are not smart enough, they will die. It's survival of the fittest.' Woon also says that even though mainstream advertising agencies may have the necessary resources, they will be in shock if they do not do their homework.

Menon feels the recruitment advertising pie will be cut into smaller pieces when more players enter the arena. He says the competitive edge lies in the ability to deliver. 'Whoever has the best products will have the advantage.'

Woon agrees with Menon, but maintains that the mainstream boys have the advantage. He says mainstream advertising agencies which branch into the recruitment business are in a better position to get their product advertising clients to do recruitment ads with them. This may shrink RA Advertising's market share substantially, since RA Advertising concentrates solely on recruitment ads.