

June 26, 2006

Dear ISA and AAAI Member:

Process for Advertising Agency Selection

Indian Society of Advertisers (ISA) and Advertising Agencies Association of India (AAAI) have a long history of working together on issues of mutual interest of their members.

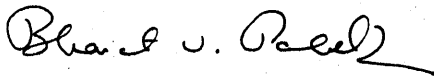
In recent times, we have witnessed considerable increase in number of ad agencies getting involved in making speculative presentations and also in number of advertisers opting for speculative presentation in their agency selection process. Both ISA and AAAI consider this as not a very positive trend as it cuts into the time that could be spent more productively by the advertising agencies on servicing their existing clients' businesses.

To help their respective members in this regard, the ISA and AAAI are recommending the following guidelines to agencies and advertisers:

1. Advertisers may request credential presentations from as many agencies as they feel relevant. These presentations should be introductory in nature and might include case studies or samples of work the agency has done for its clients. Credential presentations should not, however, include speculative creative or strategic work developed by the agency in response to the advertiser's brief.
2. Should the advertiser require a speculative presentation to aid their agency selection decision making, it may brief up to a maximum of five short-listed agencies. The briefing preferably should be in documented form, with supplementary verbal briefing when deemed necessary. The ideal brief should include: (a) background information; (b) the communication challenge; (c) specific expectations from the agency and (d) the annual advertising investment level being planned.
3. Once briefed, the agencies would keep the information provided strictly confidential. The advertiser, at its discretion, may request a non-disclosure agreement with the agencies involved in the speculative process.

4. It is a good practice for the advertiser to agree, in advance, to pay the agencies a reasonable compensation to cover the out of pocket costs in creating the speculative presentation. A reasonable compensation should be negotiated between the advertiser and the agencies called for the speculative presentation.
5. The advertiser should inform its decision to the agencies participating in this process within two weeks of completion of the presentation process. At that time the advertiser would pay the agreed compensation to the agencies that are not selected.
6. The compensation for speculative presentation does not give the advertiser the right to use the ideas presented by the unsuccessful agencies, unless agreed to in writing by the agency and advertiser in advance.

Yours sincerely,



Bharat V Patel
Chairman
The Indian Society of Advertisers



Srinivasan K Swamy
President
Advertising Agencies Association of India