

Are marketer-agency relationships losing that loving feeling?



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February is the month of love, with Valentine's Day providing countless marketing communications opportunities to express those 'loving feelings' – an appropriate time to reflect on the state of marketer–agency relationships.

It would seem that marketers and their agencies are not 'feeling the love' like they used to. AdAge recently published a report from Advertiser Perceptions that indicated "Nearly two-thirds of leading US advertisers are planning creative agency reviews in the next year. Almost as many, 64%, will review media shops and 61% are prepping to review digital agencies."



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Locally, the industry has already witnessed some major brands putting their business out to pitch. Whatever the reasons, these big brand agency shake-ups are hard-hitting, often times resulting in major retrenchments.

Furthermore, the review or pitch process puts massive pressure on already stretched resources, on both sides, not to mention the significant costs involved.

So why are marketers and their agencies seemingly 'falling out of love' more rapidly than used to be the case? A few common problems have been identified as contributors to the majority of client-agency fallouts.

1. Pressure, pressure, pressure

The pressure on the industry to deliver measureable and effective communication across new channels, to reach the dynamic consumer eco-systems in shorter turnaround times, has resulted in most marketers appointing multiple agencies to manage the different brand needs. At the end of 2015, Adweek shared that "80% of marketers are overloaded and understaffed." The article also highlighted the stress levels of marketers, claiming "1 out of 4 are 'overly stressed' or 'stressed to the max'." Stretched and stressed clients cannot dedicate sufficient, quality time to all their agencies, often impacting on the relationship itself.

2. Lack of trust

Many marketer—agency relationship failures are caused by trust issues. The current focus on media transparency is a case in point, as is the increasing need to produce work that delivers measurable results – not just brand 'love'!

Marketers sometimes hold back on sharing vital commercial information, claiming that it is confidential, which, understandably, can be interpreted as a lack of trust by their agencies. Another contributing factor to the gradual erosion in trust is the high staff turnover experienced by agencies. And issues around time and cost also tend to undermine trust.

3. Unfulfilled expectations

The combination of digital and data, in particular, has resulted in a marketing world that has and will continue to evolve rapidly. Many marketers do not believe that their agencies are keeping up with the pace of change. The communications space has become an 'always on' devourer of content. Few agencies have been able to cope with the speed, volume and cost dynamics of this new model. Marketers have become rather more 'promiscuous' in pursuing new partners to meet their new expectations. As a result, loyalty towards their traditional agencies has declined.

How deep is the love?

However, on a more positive note, 'agency therapy' is now emerging as an alternative to 'breaking up', so to speak.

Rather than courting new, potential partners, some marketers are prepared to consider 'rehabilitating' the incumbent relationship, working through a mediator to identify the 'passion points' and find solutions to fortify the partnership going forward.

I believe that marketer-agency 'therapy' can be an effective approach for re-aligning teams, re-establishing shared expectations and "rules of engagement", to make the relationship more efficient, more effective and more enduring. In other words, rediscovering the 'love'.

Working through the key issues can help remove the relationship roadblock/s and, according to the above-mentioned article in AdAge, "most of the time, clients retain their agencies at the end of the [therapy]."

'Agency therapy' entails identifying the relationship challenges, via an objective mediator, and seeking mutually acceptable solutions. The various outcomes of therapy could include amendments to the contract, reviewing the compensation model or developing a more realistic scope of work. Also, team changes may be required, in order to enhance skills levels or bypass personality clashes, etc.

A little more loving might just keep you together!

This industry is highly creative, spirited and volatile and sustainable relationships must be built on trust, respect and honesty. And there's much evidence to support the assertion that the best marketer-agency relationships produce the best work – usually award-winning work – that delivers superior business results and return on marketing investment.

As a marketing services consultancy, The Observatory International is part of a global network that has studied the socalled 'secrets of success' of great client-agency relationships, across numerous geographies. A successful partnership in this industry is founded on characteristics such as shared values, similar ambition and inter-team trust and respect. These factors help build a sustainable and rewarding, long-term partnership.

So in the spirit of the month of love, review the state of your marketer-agency relationship and before heading for the divorce courts, consider regrouping and seeking counsel through therapy... all you might need is a little love.

ABOUT JOHN LITTLE

John Little is regional managing partner, Mddle East and Africa at The Observatory International. Between 1981 and 2009 he held the positions of MD of Ogilvy Jhb, Group MD of Leo Burnett, MD of Ogilvy Africa and CEO of GroupM, Africa. He served on the board of the Association of Advertising Agencies for 16 years. He chaired that body, as well as the Marketing Industry Trust and the Advertising Standards Authority, Little launched The Observatory International in SA in 2009.

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