



Agency Search – What Matters? Winning Strategies for Ad Agencies

April 2007



The AAAA New Business Committees retained Millward Brown to conduct a survey of client habits, practices, and attitudes relating to searches for agency resources.

Background

The American Association of Advertising Agencies asked Millward Brown to survey client executives who have been involved in an agency search within the last three years. The survey targeted key decision makers involved in the agency search process.

The purpose of the survey is to provide AAAA members with client perspectives on the agency search and selection process so that agencies can better understand the aspects of marketers' search and selection processes. The survey questions covered a broad range of new business topics including:

- Assessment of the client's needs and challenges
- Factors leading to a client's agency search
- Agency search criteria and desired capabilities and traits
- Sources used in the agency search process
- The role of consultants and procurement in the agency search process
- Feedback on the effectiveness of agency solicitations
- Perspectives on RFPs, case studies, presentations, and speculative work
- Integrated marketing needs and expectations of marketers
- Marketers' advice on how to improve the search process

The results of this very important survey were presented on April 19, 2007 at the AAAA Management Conference at the Ritz-Carlton, Naples, Fla.

The findings from the AAAA-Millward Brown "Marketer New Business" survey are as follows.

Tom Finneran
Executive Vice President
AAAA
405 Lexington Avenue
New York, NY 10174-1801
(Tel) (212) 682-2500
tfinneran@aaaa.org

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⇒ **The American Association of Advertising Agencies, in conjunction with Millward Brown, conducted a quantitative study among marketers to better understand the agency search process and identify winning strategies to help improve agency performance.**

Who

317 national marketers were surveyed (work with an average of 4.9 agencies):

- 146 small (marketing budget \leq \$5M, work with average of 2.6 agencies)
- 119 medium (marketing budget \$5.1M – \$50M, work with average of 3.6 agencies)
- 52 large (marketing budget \$50.1M+, work with average of 7.7 agencies)

Must manage at least part of the marketing budget and have been involved in agency search in last three years

Sourced from AAAA membership contacts and online business panels

How

Self-completed online survey

When

January 22 – February 12, 2007

- ⇒ **Marketers' biggest marketing challenges highlighted quantitative dimensions such as staying within budget, measuring ROI, and keeping costs down. However, when selecting a new agency, the most compelling agency selection considerations were more qualitative assessments (i.e., superior creative, experience and reputation, and good performance).**
 - It is critical that agencies understand marketers' expectations.
- ⇒ **81% of marketers feel their agencies are effective at meeting their biggest challenges. It is interesting to note that marketers that find their agencies effective diversify more of their marketing dollars beyond TV and Print.**
- ⇒ **Marketers seem to agree on the importance and definition of integrated marketing (i.e., consistent messaging across all media/channels). However, most marketers have not formalized the integration of marketing activities.**
 - Only 21% of respondents indicated that they are integrating their marketing activities "very well."
- ⇒ **Client frustrations working with their current agency include lack of understanding of business and marketing goals, slow turnaround time, and agencies that do not welcome feedback. The important triggers leading to an agency search were the need for better agency performance and fresh ideas.**
- ⇒ **While client CEOs and CMOs are important in an agency search, the expanded marketing team is the most frequently referenced decision maker. The role of search consultants is to outline search objectives, develop a "long list" of candidates, and manage the process. Procurement's role is primarily related to negotiating contracts and compensation.**
- ⇒ **One-third of respondents asked the agencies for speculative work that included strategy development and/or creative. While less than half of respondents who asked for spec work paid a stipend, the majority implemented the winning agency's work.**

- ⇒ **Client advice to agencies pitching new business included: Do your homework, learn the client's needs, listen, and learn the industry/brand.**
- ⇒ **Those agencies that win new business exhibit a high level of creativity in a way that is most actionable and relevant to the marketer's needs.**
 - Most sought after are agencies that bring fresh, new, unique ideas to the table.
- ⇒ **Marketers that decided to stay with the incumbent referenced the incumbent's knowledge of their business and willingness to work through differences. These marketers also cited risks associated with change.**



Who did we Speak to?



Who did we Speak to?



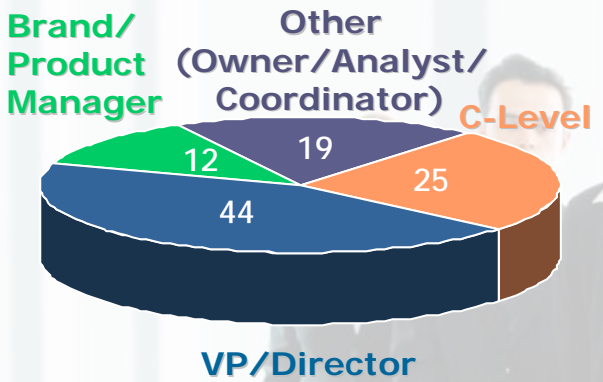
Synbiotics Corporation



Marketers are comprised of experienced senior level decision makers representing a variety of disciplines.

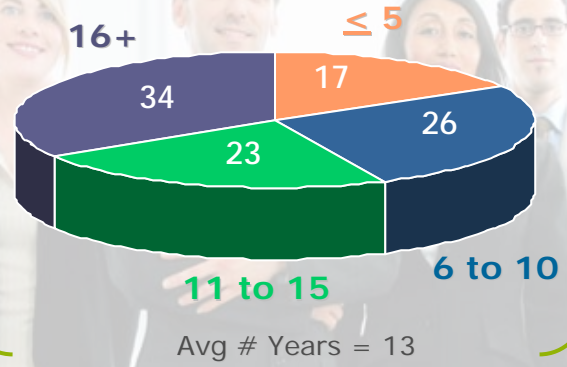
Job Title

%



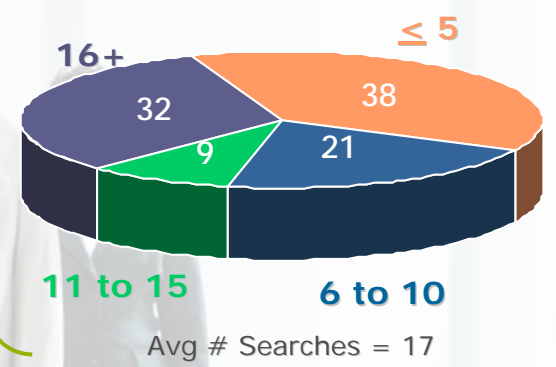
Years in Marketing

%



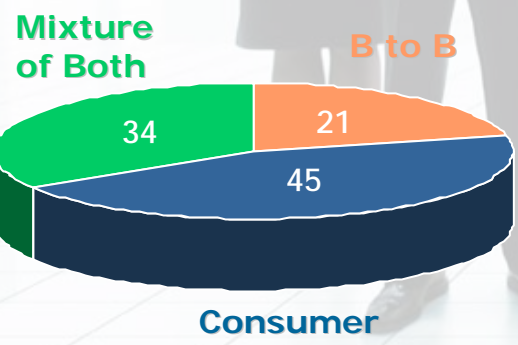
of Agency Searches Involved in

%



Business Classification

%



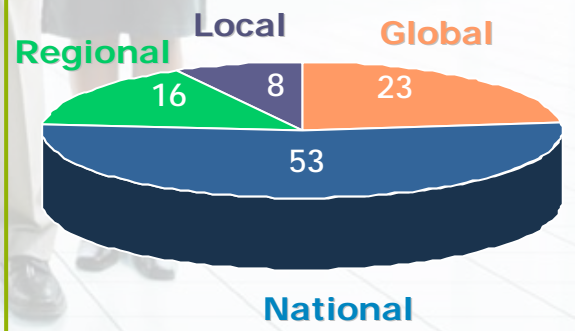
Industry

%



Marketing Focus

%





General Needs Assessment



Marketing accountability is a key challenge for all marketers, although more important for large.

⇒ Generating awareness also ranks high across all marketers, while reaching the right target tops the list for smaller and medium companies.

Biggest Marketing Challenge (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Reaching the right target	24	Reaching the right target	22	Staying within budget/keeping costs down	19
Generating awareness/developing brand identity	15	Generating awareness/developing brand identity	11	Generating awareness/developing brand identity	17
Staying within budget/keeping costs down	14	Staying within budget/keeping costs down	8	Measuring ROI	17
Measuring the effectiveness of marketing plans	8	Cutting through a cluttered/competitive market	8	Creating effective advertising	13
Determining the right target	8	Creating effective advertising	8	Measuring the effectiveness of marketing plans	13

“Allocating money for every single marketing activity that needs to be done. Constant market research needs to be done to reduce money wasted on bad projects or media.”

Retail Industry

“Breaking through industry-wide marketing clutter to make an impact on the consumer with a relatively small marketing budget.”

Beauty/Toiletries Industry

“Our biggest challenge is getting our products noticed in a saturated market. We cannot use traditional methods since our competition is currently ahead of us.”

Beauty/Toiletries Industry

“Balancing the need for short-term, ROI focused results with building long-term brand momentum.”

Retail Industry

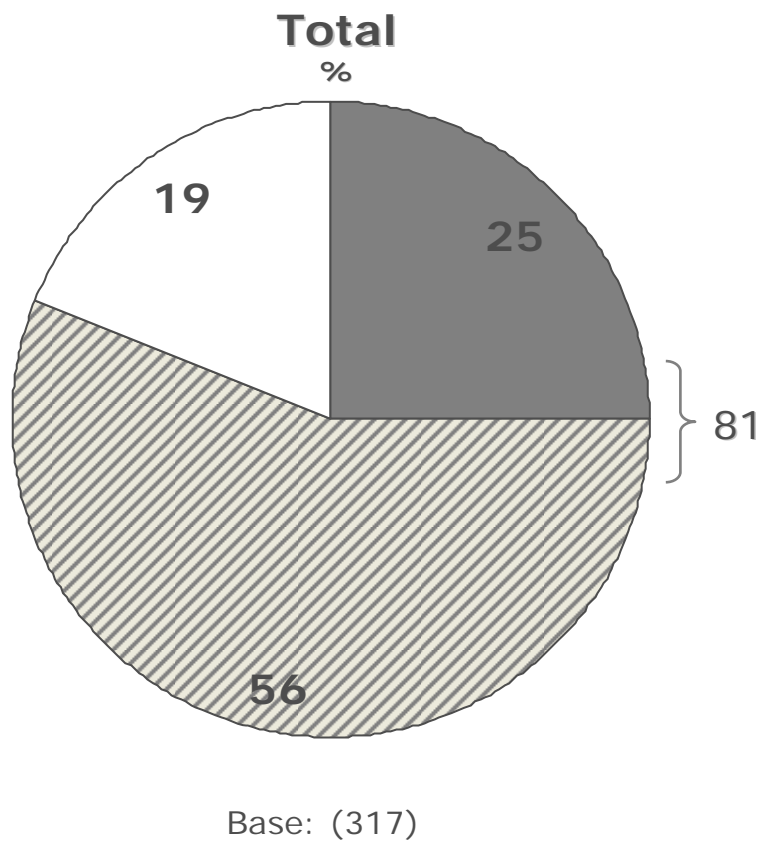
“Showing ROI on traditional advertising/media, while getting a handle on whether and how significantly new media is eroding traditional forms of media in reaching potential customers.”

Travel/Transportation Industry

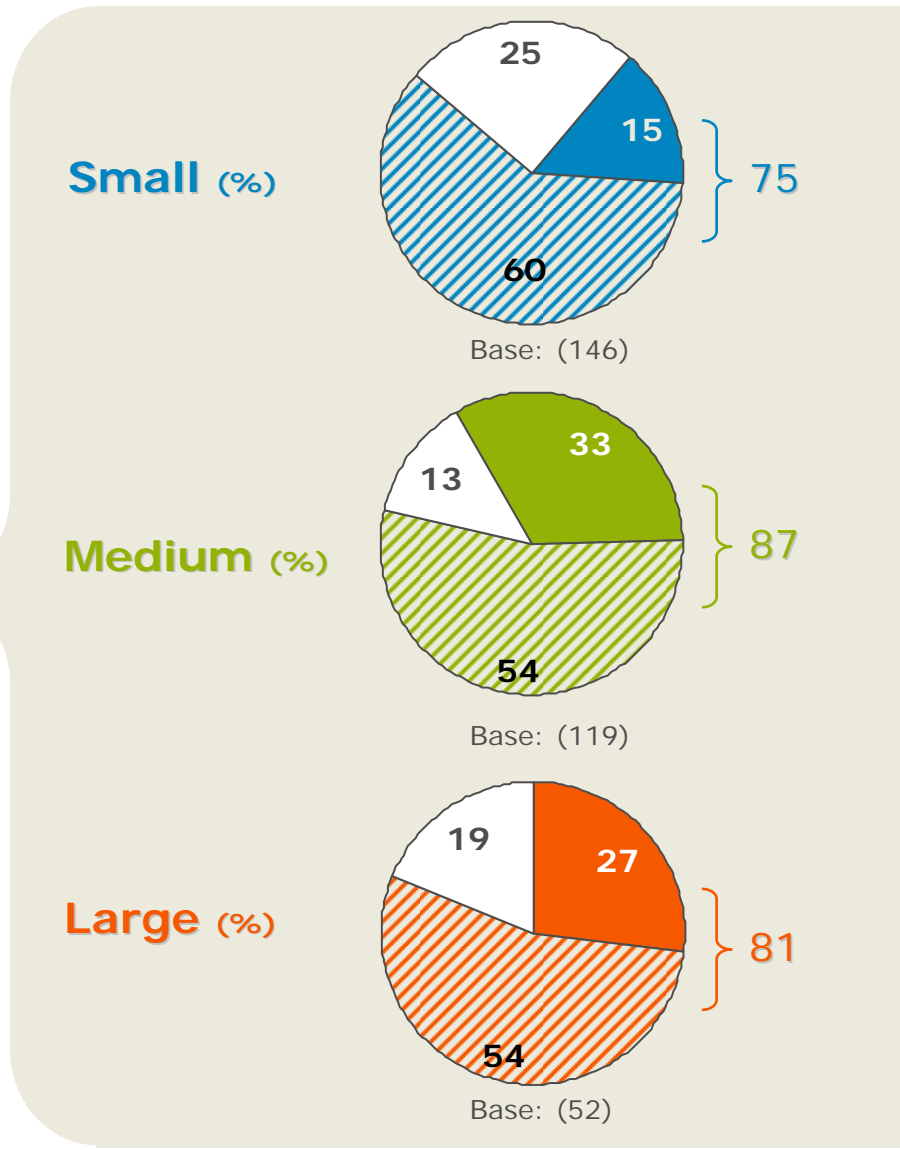
Small Company
Medium Company
Large Company

Most marketers feel their agencies are effective at meeting their biggest challenge.

Current Agency Effectiveness in Addressing Biggest Marketing Challenge



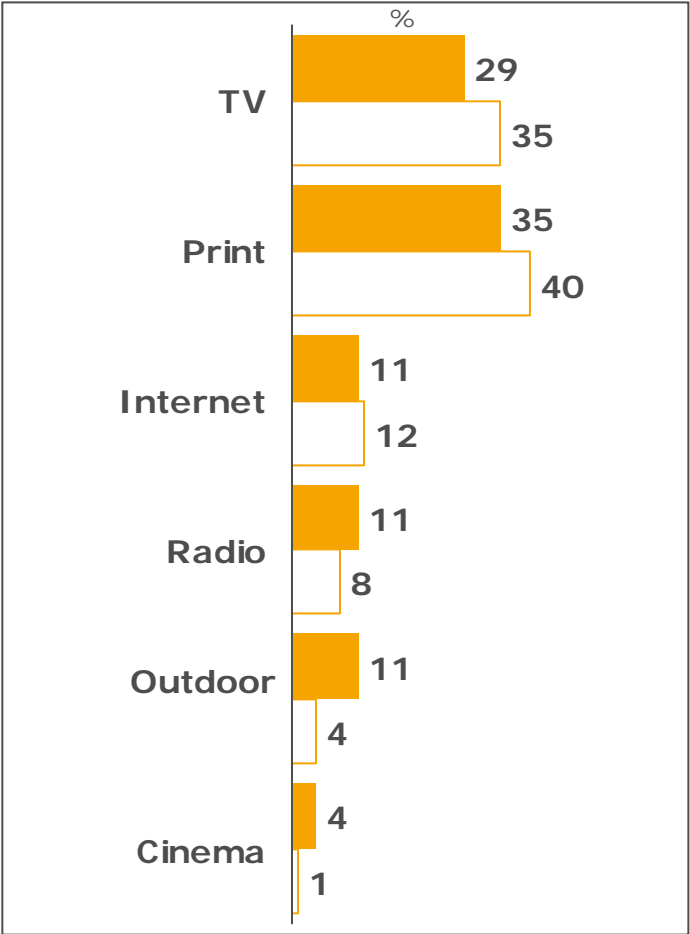
■ Very Effective ▨ Somewhat Effective □ Not Very Effective



Marketers who find their agencies effective at meeting their biggest challenge also allocate more of their dollars to "out of the box" media.

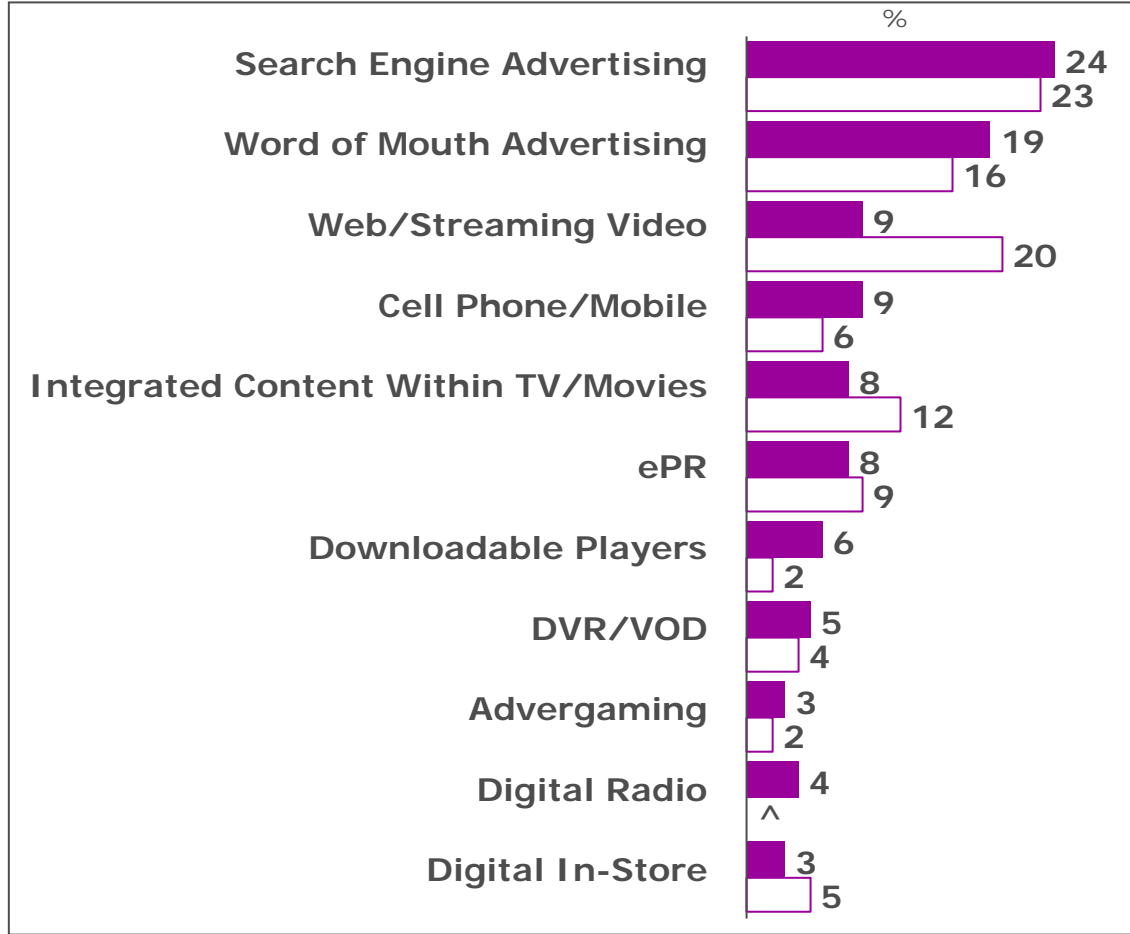
Current Marketing Budget — Consider Agency Effective vs. not Effective at Meeting Marketing Challenge

Traditional Media and Internet



Base: ■ Effective (210)
 Base: □ Not Effective (46)*

Advanced New Media

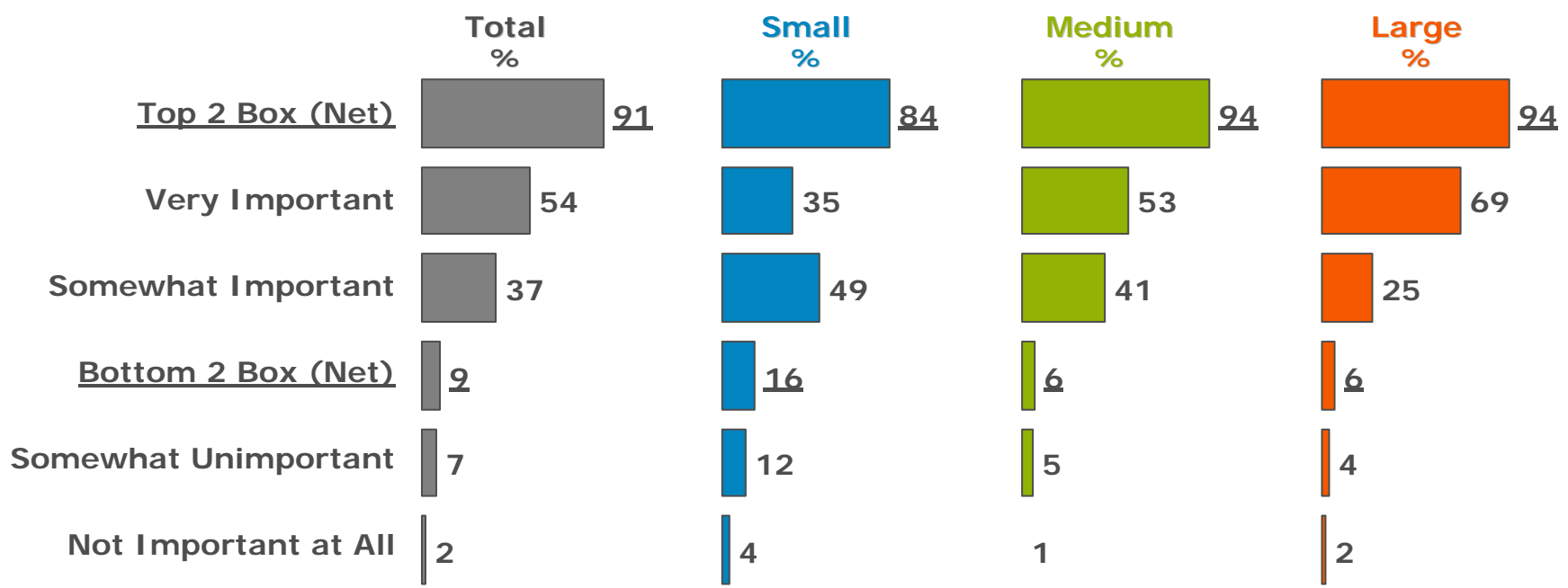


Base: ■ Effective (98)
 Base: □ Not Effective (17)*

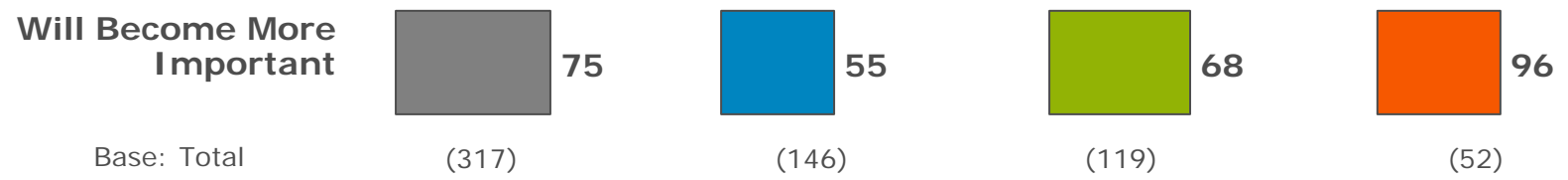
^less than 0.5%; *Caution: Low base size
 Q. 1-3 Please indicate how your total U.S. marketing budgets are allocated.

The need for integrated marketing activities increases in importance the larger the marketing budget.

Current Importance of Integrated Marketing Activities



Projected Importance of Integrated Marketing Activities



Q.27: How important is integration of marketing activities to your organization? Please select one.
 Q.28: Do you see integrated marketing activities changing for your organization in the next few years? Please select one.

Marketers define integrated marketing as consistent messaging across activities and the ability to deliver across media channels.

Definition of Integrated Marketing Activities (Top 5 Comments)

Small		Medium		Large	
Mix of different marketing channels that work together to communicate one central message	42%	Mix of different marketing channels that work together to communicate one central message	26%	Mix of different marketing channels that work together to communicate one central message	32%
Consistent message throughout multiple marketing activities	25%	Consistent message throughout multiple marketing activities	16%	Ability to deliver across all media/channels	30%
Ability to deliver across all media/channels	15%	Ability to deliver across all media/channels	15%	Consistent message throughout multiple marketing activities	15%
Ability to work within multiple technologies/strategies to accomplish desired marketing results	13%	Ability to work within multiple technologies/strategies to accomplish desired marketing results	9%	Full service firm that handles all aspects of marketing	13%
Cohesive marketing strategy	12%	Ability to provide full range of promotion/advertising services	9%	Cohesive marketing strategy	11%

“Making your advertising, public relations, sales efforts, Web, retail, etc. all work in unison.”

Retail Industry

“A mix of different marketing channels that work together to communicate one central message.”

Travel/Transportation Industry

“Holistic, media-agnostic approach to surrounding the consumer in the most effective way possible with a consistent yet targeted message (including tonality, look, feel, etc.).”

Food/Beverage Industry

“Reaching the targeted consumer through a host of media vehicles with one, consistent message.”

Financial Services

“360 view and ability to deliver across all media/channels.”

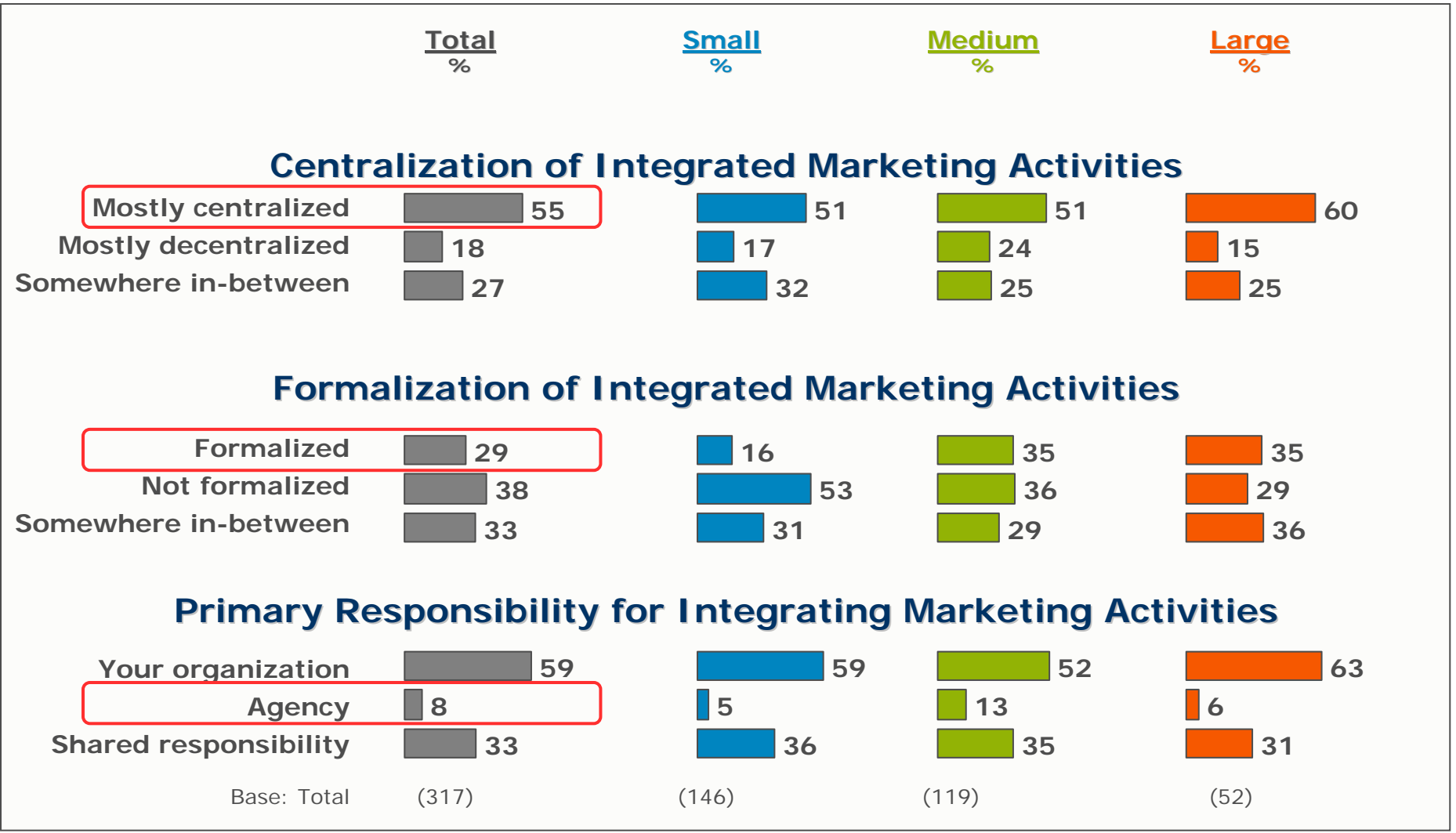
Financial Services

Small Company

Medium Company

Large Company

Half of marketers describe the integration process as centralized, but only one-third see it as formalized. Most marketers are not looking for the agency to take sole responsibility for integrating their marketing activities.

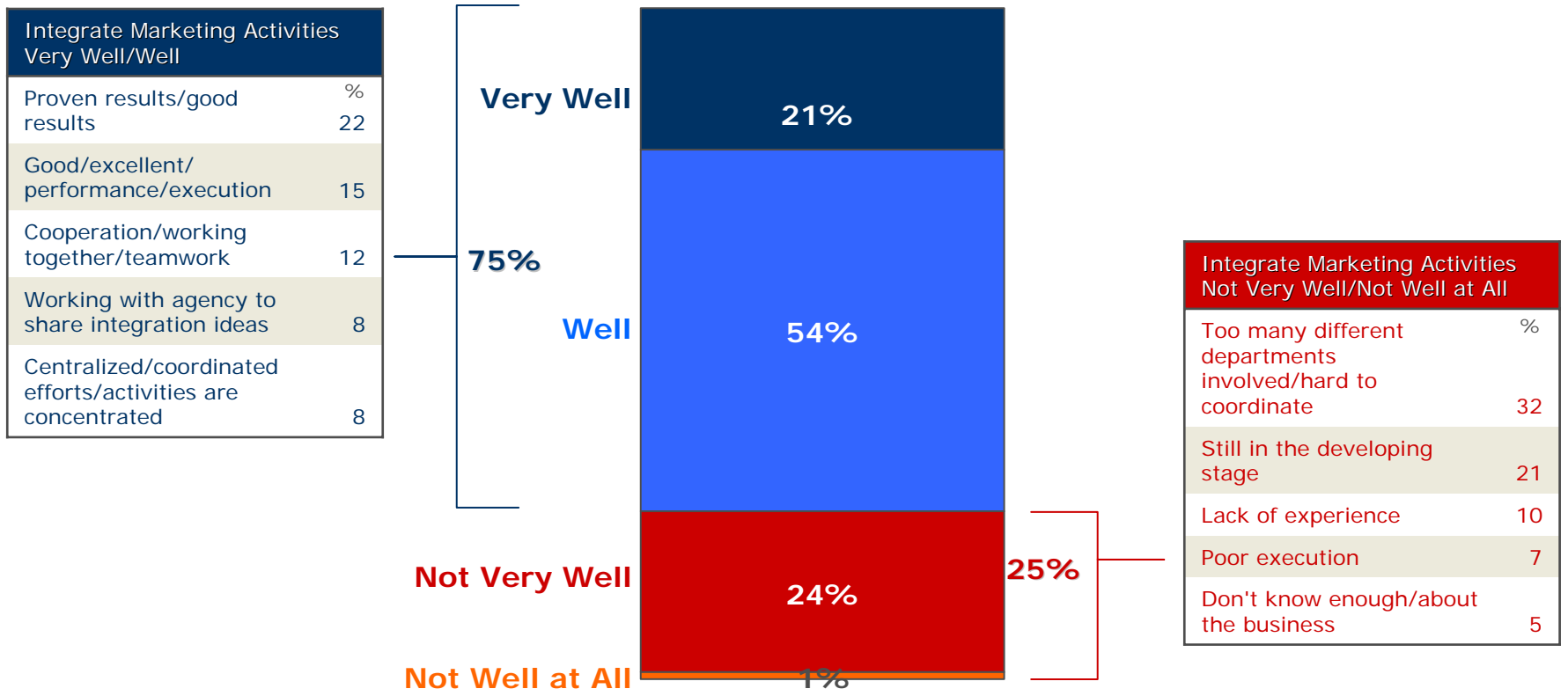


Q.29: Is your organization's integration of marketing activities . . . ? Please select one.
 Q.30: Is your organization's process for integrating marketing activities . . . ? Please select one.
 Q.31: Who has primary responsibility for integrating your marketing activities?

Only two in 10 marketers say they are integrating their marketing activities very well, indicating an opportunity for improvement.

- ⇒ Top reasons for good integration: proven results, good teamwork, strong communication, and centralized efforts.
- ⇒ Reasons for poor integration: too many departments to coordinate, early stage, and poor execution.

Degree Organization Delivers on Integrating Marketing Activities



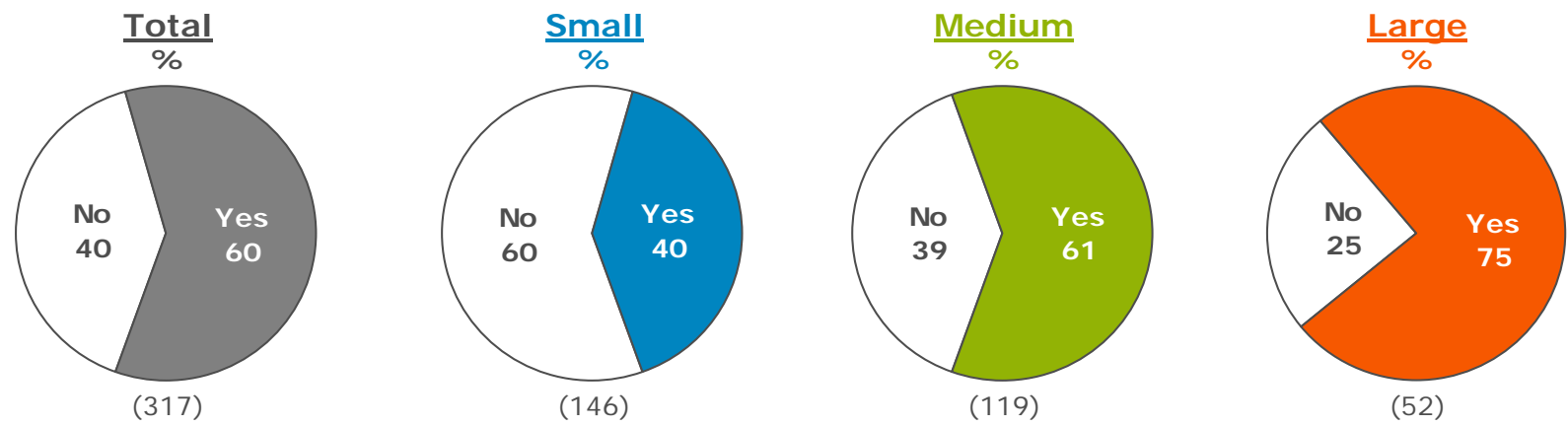
Base: Have responsibility for integrated marketing activities (291)

Q.32: How well would you say your organization delivers on integrating your marketing activities? Please select one.
 Q.33/34: Why do you think that?

The larger the marketer's budget, the higher their expectation for an agency partner to provide strategic leadership.

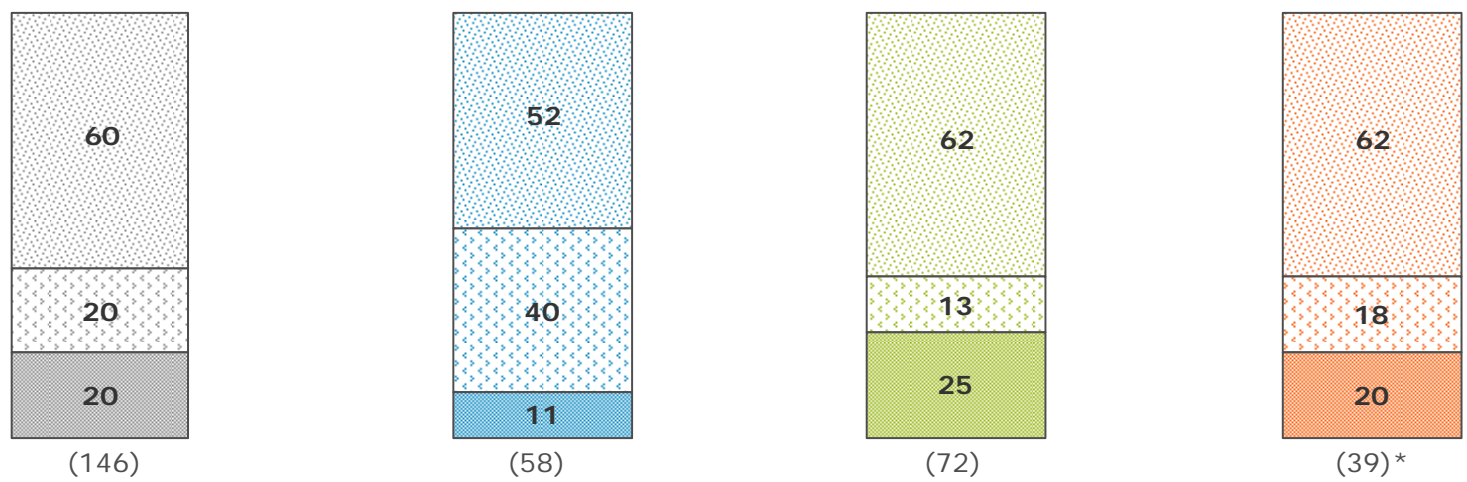
⇒ The majority of those who expect an agency partner to provide strategic leadership see the full service agency in this strategic leader role, but for small marketers, specialist/niche agencies play this role nearly as often.

Expect Agency to Provide Strategic Leadership



Base: Total

Description of Strategic Partner Agency



Base: Have strategic partner agency

*Caution: low base size

Q.14: Is there one that you look to provide strategic leadership?
 Q.15: How would you characterize that strategic partner agency? (Allow only one response)



Agency Search Process



Agencies' lack of understanding their business is a primary frustration for most marketers. Other frustrations may be summed up as "I don't get what I want when I want it."

Frustrations/Challenges Working With Current Agency (Top 5 Comments)

Small		Medium		Large	
Lack of understanding on business/marketing goals	17%	Lack of understanding on business/marketing goals	18%	Lack of understanding on business/marketing goals	29%
Slow turnaround time	12%	Not good at managing expenses	12%	Lack of creativity	23%
Communication issues	12%	Inability to meet deadlines	10%	Not open/don't welcome feedback/comments	23%
Not open/don't welcome feedback/comments	10%	Lack of creativity	8%	Slow turnaround time	16%
Need to handle too much by myself/need more support/full attention	10%	Slow turnaround time	8%	Inability to convey message	13%

“They don't listen to our needs sometimes and just offer a somewhat generic solution.”

Retail Industry

“Turnaround time is very slow, level of expertise is at times questionable.”

Financial Services

“Agencies have a lack of understanding about what our system can/cannot execute well and what our retailer network will/will not embrace.”

Beauty/Toiletries Industry

“They do not come up with enough ideas on their own. They are constantly contacting me with questions when I want them to present me with ideas.”

Beauty/Toiletries Industry

“Do not listen, do not seem to care about our business, lack of creativity, stale, not moving as fast as consumers and technology.”

Food/Beverage Industry

Small Company
Medium Company
Large Company

Marketers spontaneously cite the need for better performance, more fresh ideas/a different approach, and the right expertise/specialization as top reasons that prompted them to search for a new agency.

Most Important Trigger in Last Agency Search (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Need fresh/new ideas/approach to attract more clients	13	Needed agency with better performance	15	Needed agency with better performance	23
Cost/price	12	Need fresh/new ideas/approach to attract more clients	12	Need fresh/new ideas/approach to attract more clients	9
Needed agency with better performance	9	Needed agency with the right expertise/qualification/specialization	7	Needed agency with the right expertise/qualification/specialization	9
Needed agency with the right expertise/qualification/specialization	7	Looking for better profits/getting more out of the money spent on marketing	7	Need to expand business operations/broader range of services	9
Need to expand business operations/broader range of services	7	Need to expand business operations/broader range of services	6	Needed one agency to handle all of my company's marketing activities	6

Q.19: For the next several questions, please think about your most recent agency search. What was the single most important contributing factor that triggered the agency search?

Marketers rank creative failing to perform as expected, lagging business results, the desire to focus on best-in-class specialists, and the need for the agency to upgrade their capabilities as key drivers of agency search.

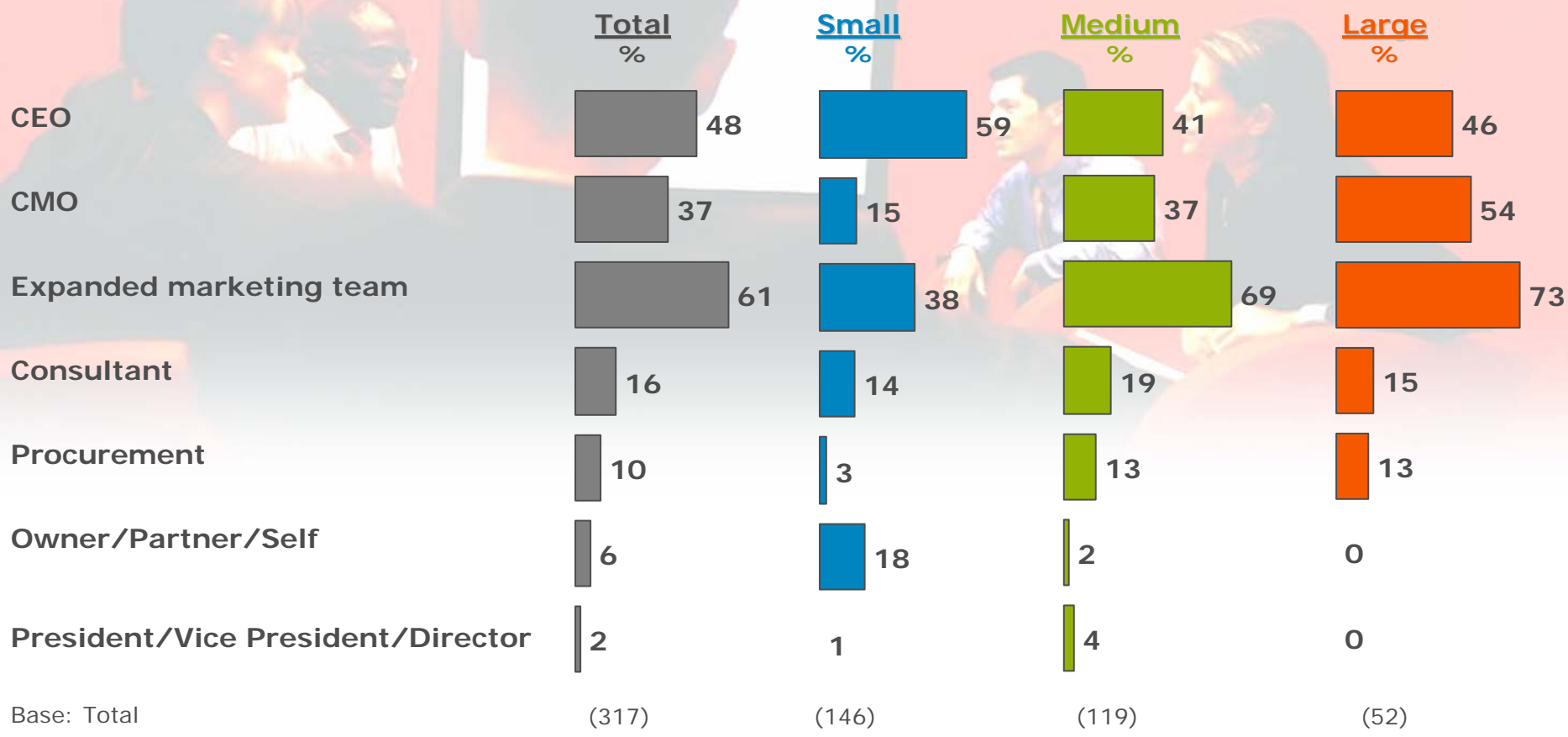
Drivers of Agency Search (Full List)

% Very/Somewhat Important	Total %	Small	Medium	Large
		Rank Order		
Our desire to focus on best-in-class specialists	70	3	6	1
Lagging business results	68	1	2	6
Creative failed to perform as expected	68	2	1	5
Agency's need to upgrade capabilities	66	5	5	2
Creative differences	63	4	4	7
A lack of/eroding team chemistry	62	11	3	3
Poor service	61	8	10	4
Agency's poor time management/inability to deliver on time	61	6	8	8
Agency's lack of/eroding cost efficiency	60	7	9	11
Agency's lack of desire to facilitate integration	58	10	12	9
A lack of/eroding integrity and trust	56	12	7	13
A lack of/eroding respect	54	9	11	16
Change in our management team/leadership	53	16	15	10
Corporate culture differences	51	14	13	15
Agency's lack of fiscal accountability	49	15	14	18
Change in agency's management team/leadership	48	17	16	12
Agency's insufficient global/geographic reach	45	13	18	17
Business merger/consolidation in our business	43	18	19	14
Business merger/consolidation in agency's business	39	19	17	19
Base: Total	(317)	(146)	(119)	(52)

For the majority of agency searches, the expanded marketing team plays a key role in the decision process.

- ⇒ Interestingly, CEOs are also heavily involved in this big ticket decision.
- ⇒ Consultants and procurement appear to function more as process players rather than decision makers.

Decision Makers in Agency Search



Referrals/word of mouth and prior relationships with agencies top the list of most important sources in the search for a new agency.

- ⇒ The search consultant becomes more critical the larger the marketing budget.
- ⇒ AAAAs online database is a key source for one-third of marketers.

% Very/Somewhat Important	Total %	Small	Medium	Large
		Rank Order		
Referrals/Word of Mouth	90	1	1	1
Prior relationships with agency/principals	83	2	2	2
Trade publications	52	3	3	4
Trade association information	52	4	4	5
Search consultant	50	6	5	3
Agency mailings and contact	47	5	6	6
<u>Online Databases (Net)</u>	45			
AAAAgencySearch.com	36	8	7	7
AdForum.com	34	9	8	9
RedBook.com	33	10	9	8
Other (Doing our own research, Internet, reputation)	34	7	10	10
Base: Total	(317)	(146)	(119)	(52)

Marketers look to search consultants primarily for outlining the objectives of the search, developing the "long list" of candidates, and managing all search activities.

Role of Search Consultant in Agency Search

	Total	Small	Medium	Large
	%	Rank Order		
Outlined search objectives	52	1	2	3
Developed the "long list" of candidates	51	4	5	1
Managed all search meetings and activities	50	5	3	2
Developed selection criteria	46	2	1	8
Developed the search process and timetable	45	6	4	4
Framed agency resource and capabilities requirements	43	8	6	5
Negotiated contract specifics	39	3	8	9
Coordinated development of marketer-brief specifications	39	7	7	6
Facilitated compensation discussions	38	9	9	7
Participated in the selection decision (i.e., "voted")	26	10	10	10
Base: Feel search consultant is important	(149)	(47)*	(73)	(29)*

*Caution: low base size

Q.36: You mentioned a search consultant was important. Please indicate the ways you used the search consultant. Select as many as apply.

Procurement plays an increasingly bigger role in the agency search process as budget size increases. It is primarily involved in negotiating the contracts and facilitating discussions about compensation.

Role of Procurement in Agency Search

	Total %	Small %	Medium %	Large %
Procurement involved in agency search process	38	17	41	50
Base: Total	(317)	(146)	(119)	(52)
	%	Rank Order		
Negotiated contract specifics	58	2	1	1
Facilitated compensation discussions	52	4	2	2
Participated in the selection decision (i.e., "voted")	39	1	6	4
Developed the "long list" of candidates	36	6	8	3
Developed selection criteria	35	3	7	8
Developed the search process and timetable	34	7	4	6
Managed all search meetings and activities	34	5	5	7
Framed agency resource and capabilities requirements	34	8	9	5
Outlined search objectives	29	9	10	9
Coordinated development of marketer-brief specifications	27	10	3	10
Base: Procurement involved in agency search process	(100)	(25)*	(49)*	(26)*

*Caution: low base size

Q.37: Was your procurement department involved in this agency search?

Q.38: Please indicate how procurement was involved in this search. Select as many as apply.

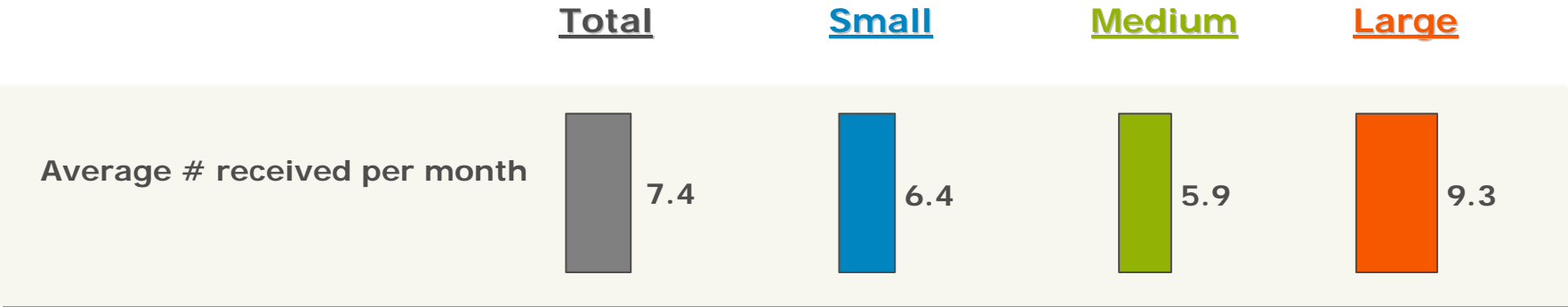


Search Phase Dynamics

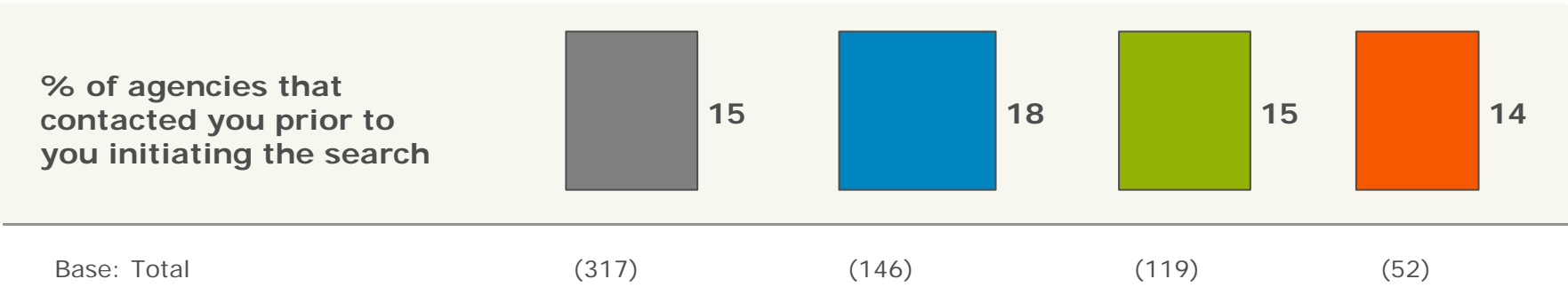


Marketers recall receiving between 7 and 8 uninvited solicitations per month — this increases the larger the marketer.

Uninvited Solicitations



⇒ 1 in 5 uninvited prospectors make the first cut in the search process.



Base: Total

(317)

(146)

(119)

(52)

Q.39: How many uninvited solicitations from other agencies do you receive in an average month?

Q.42: Approximately what percentage of the agencies that contacted you prior to you initiating the search qualified for your first cut/long list?

Creative thinking, knowledge about the business, and professionalism made the uninvited solicitation more appealing while hard core selling and ignorance of the business are major turn-offs.

Uninvited Solicitations (Top 5 Comments)

What Appealed	
	%
Creative/new approach/new ideas	21
Professionalism/the way they present themselves	9
Simple/short/concise/straightforward	8
Previous work/industry experience/history	8
Knowledge/understanding of our business/market	8

What Did Not Appeal	
	%
Pushy/hard core selling	12
Ignorance of the market/not understanding our business	11
Nothing unique/too generic	10
Irrelevant/poorly targeted	9
Too flashy/over-the-top presentation	8

Q.40: Of the solicitations that appealed to you, what did you like?
 Q.41: Of the solicitations that didn't appeal to you, what didn't you like?

In the initial RFP phase, demonstrating a solid understanding of the marketer's business is key — this represents a major area of opportunity for agencies.

RFP/Credentials Stage (Top 5 Comments)

Most Important Factor		Eye Catching		Fatal Mistakes	
	%		%		%
Actual knowledge of industry/understand our goals/brand positioning	12	Actual knowledge of industry/understand our goals/brand positioning	19	Lack of knowledge/didn't understand our business	21
Solid company with a good reputation/years of experience in the industry	12	Commitment level	12	Didn't respond on time	12
Creativity/new/fresh/exciting ideas	11	Creativity/new/fresh/exciting ideas	11	Too generic a proposal/didn't respond to our specific needs	7
Samples of work for other clients	8	Relevant to the business	7	They are not clear/not concise	6
Cost effective/ability to work within budget	7	Give good information/answer all questions	6	Poor communication/didn't communicate properly	6

Q.43: In the Request for Proposal (RFP) or credentials phase of your search what was the one most important factor you were really looking for from the responding agencies?

Q.51. What were some of the things that really caught your eye in a positive way about the prevailing agency in the initial RFP stage?

Q.50 What were some of the fatal mistakes that the non-prevailing agency made in the RFP stage?

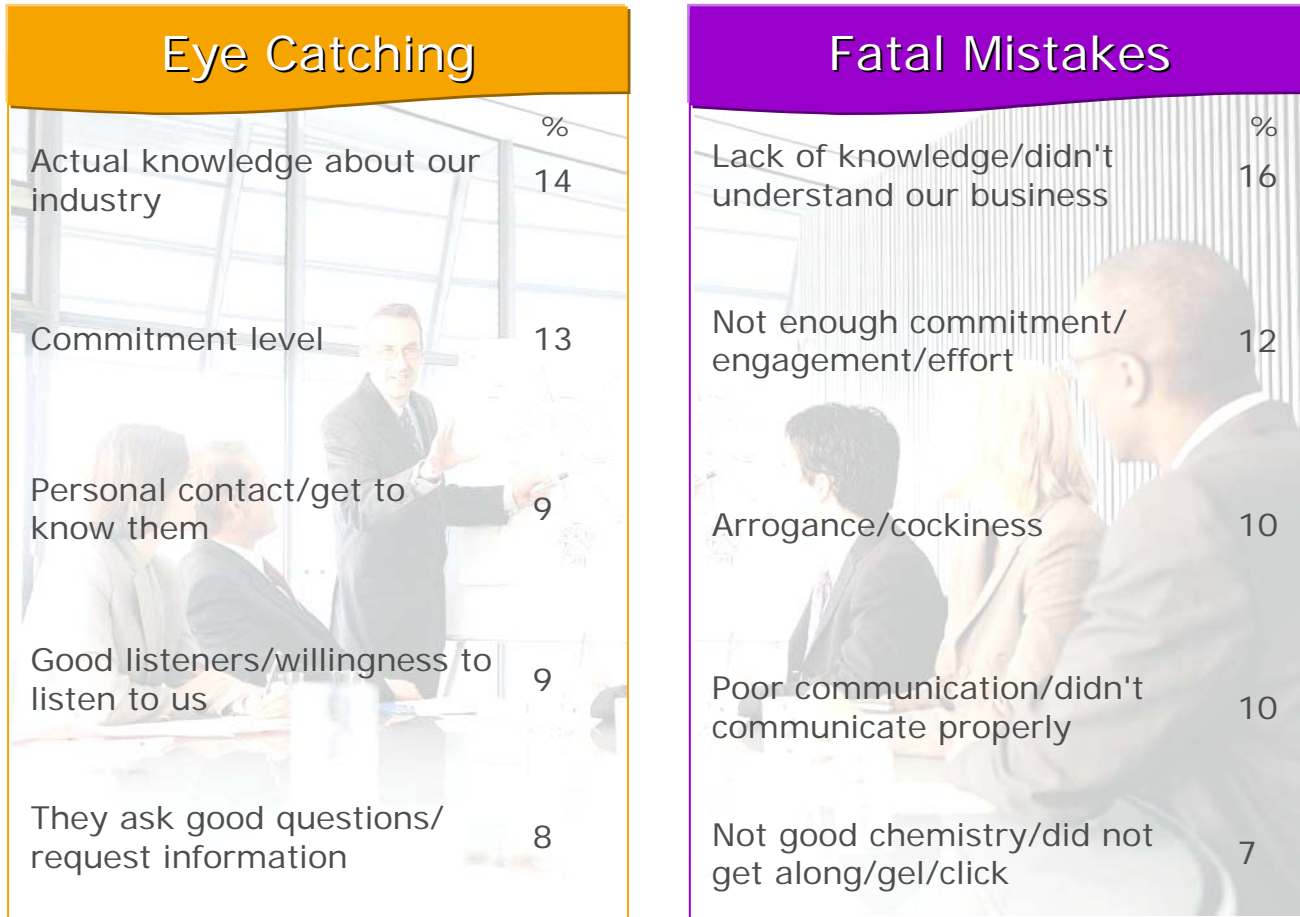
Best case studies are those that demonstrate the agency's knowledge of the industry, include samples produced for other clients, and illustrate relevance to the marketer's business.

Best Case Studies (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Relevant to the business	21	Solid company with good experience in the industry	19	Samples of their work for other clients	21
Solid company with good experience in the industry	16	Relevant to the business	16	Actual knowledge of our industry	19
Samples of their work for other clients	15	Samples of their work for other clients	14	Relevant to the business	12
Actual knowledge of our industry	14	Creativity/new/fresh/exciting ideas	12	Creativity/new/fresh/exciting ideas	12
Cost effective/ability to work within budget	10	Actual knowledge of our industry	11	Solid company with good experience in the industry	9

Demonstrating a high level of commitment is key for agencies in the relationship development phase. This is accomplished through strong communication, asking good questions, and active listening.

Developing Relationship Stage (Top 5 Comments)

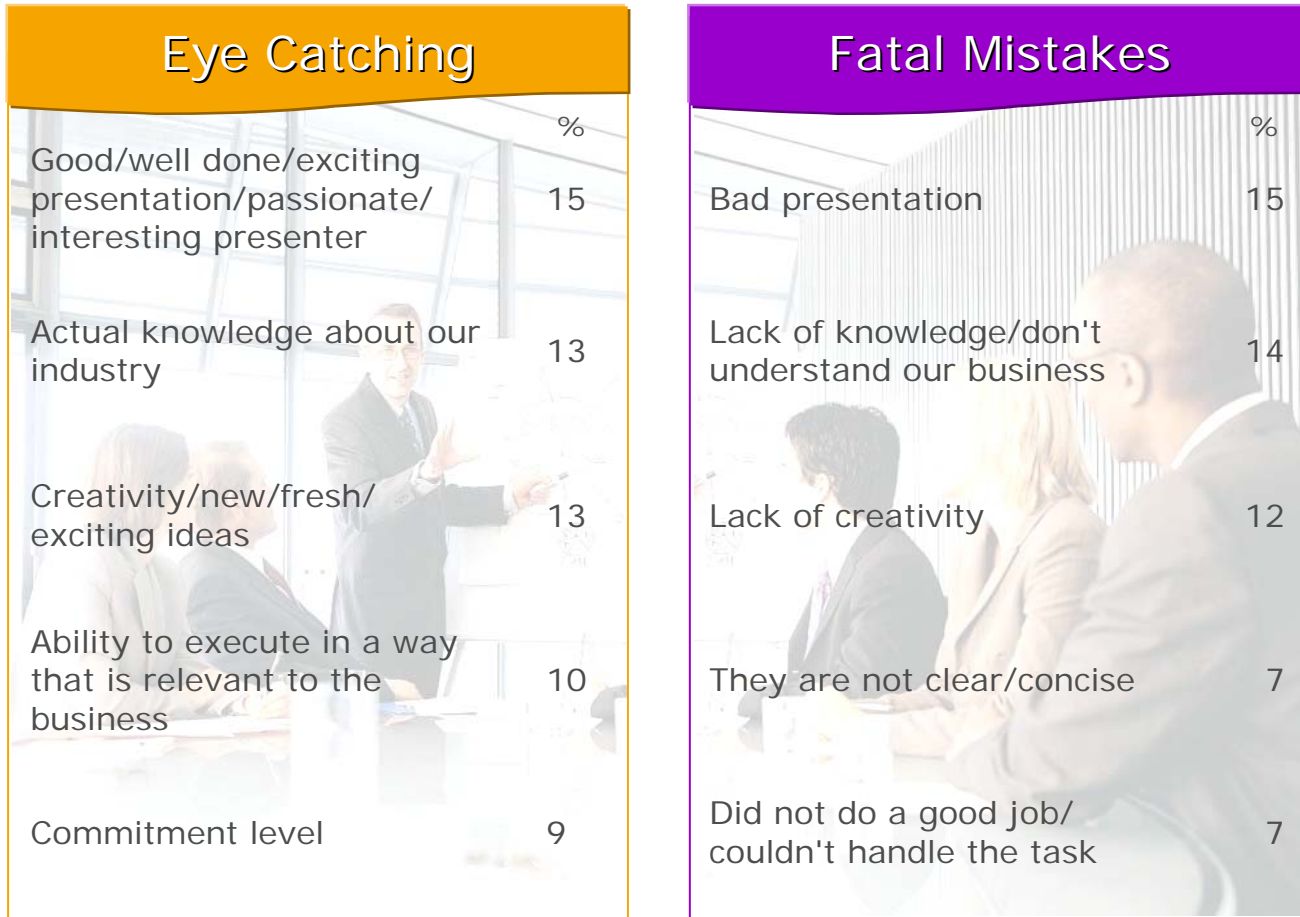


Q.51: What were some of the things that really caught your eye in a positive way about the prevailing agency in the Developing Relationship stage?

Q.50 What were some of the fatal mistakes that the non-prevailing agency made in the Developing Relationship stage?

During the presentation stage, creating excitement, exhibiting passion and demonstrating creative thinking are key in setting agencies apart, while poor presentation skills and lack of knowledge can be fatal mistakes.

Presentation Stage (Top 5 Comments)



Q.51: What were some of the things that really caught your eye in a positive way about the prevailing agency in the Presentation stage?

Q.50 What were some of the fatal mistakes that the non-prevailing agency made in the Presentation stage?

Feelings toward "meeting theater" are mixed: some marketers see it as important and necessary for agency selection, while others feel it is overrated and that substance outweighs the style of presenting.

⇒ Regardless of their opinion, most marketers appreciate presentations that are concise and to the point.

"Meeting Theater" (Top 5 Comments)

Perspective		Good Theater		Bad Theater	
	%		%		%
Very important/would not have chosen agency without a good presentation	20	Interesting/enjoyable/exciting presentation	20	Boring/non-engaging/irritating/redundant presentation	28
Simple/concise/to the point	15	Professional/knowledgeable/understands our business	15	More show than content/thinking glam will convince	18
Well done/exciting presentation/passionate/interesting presenter	14	Good/great/effective presentation	13	Unprepared/not done enough research	12
Content/substance is more important than style	10	Simple/concise/to the point	11	Difficult to understand message	11
Not important/overrated/other aspects are more important	9	Informative/detailed/gives the possibilities	11	Missing the point/not targeted to our needs	8

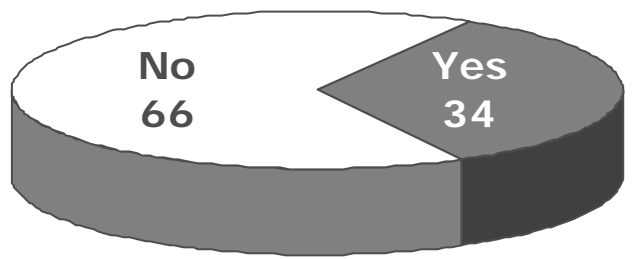
Q.45: What is your perspective on presentation delivery, style, and "meeting theater"?
 Q.45a: What is good "theater"?
 Q.45b: What is bad "theater"?

One-third of marketers request speculative work as part of the pitch process.

⇒ Interestingly, this work includes not only creative, but also strategy development.

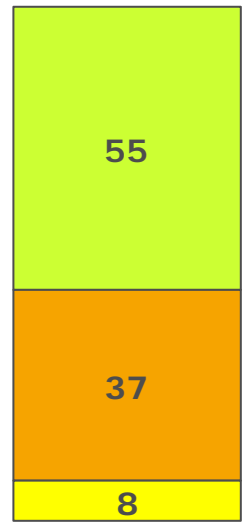
Speculative Work

Total % Requested Speculative Work



Base: Total (317)

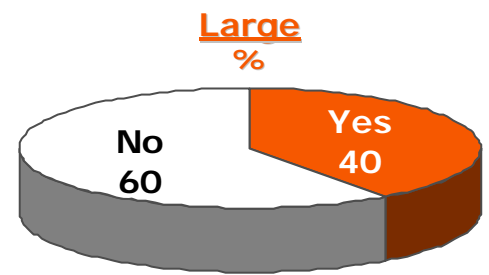
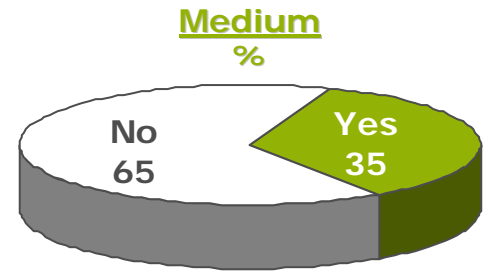
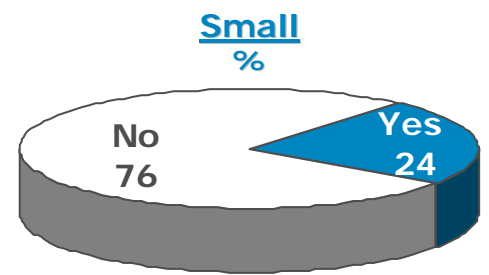
What Work Included



- Creative
- Strategy Development
- Media

Base: (98)

% Requested Speculative Work by Marketer Budget Size



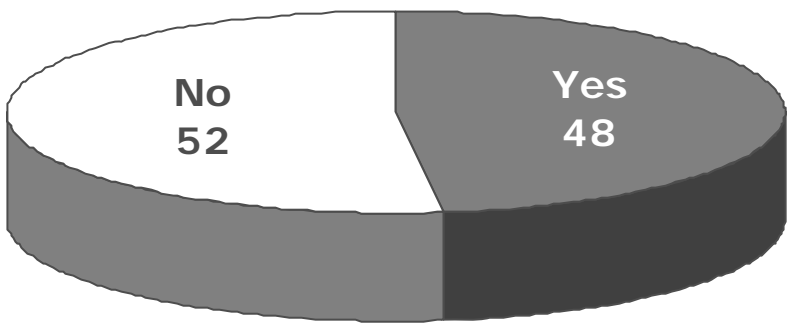
Q.46: Did you ask the agency for speculative work?
 Q.47: Which of the following did the speculative work include?

Roughly half of marketers pay a stipend for speculative work, yet two-thirds actually implement the work, which can include strategy development.

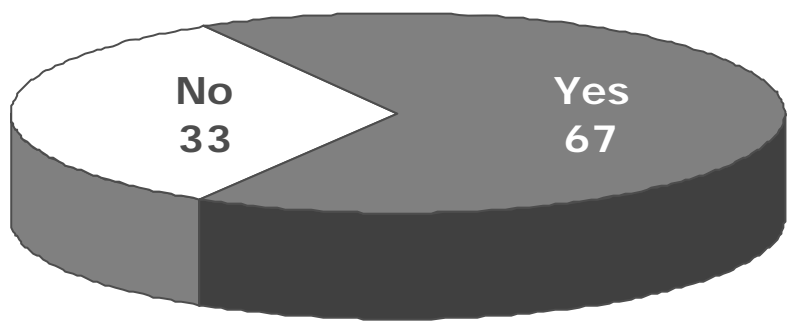
⇒ AAAA recommends agencies retain their rights and ideas.

Speculative Work

**Total
Paid Stipend**
%



**Work
Implemented**
%



Base: Asked agency for speculative work (98)

Q.48: Did you pay the agency a stipend for covering the cost in doing the speculative work?
Q.49: Did you implement the winning agency's recommended work?



Advice and Winning Qualities



The one piece of advice marketers offer agencies in pitching new business is that it is imperative that agencies do their research on the client and their business needs before meeting with them.

One Piece of Advice in Pitching New Business (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Do your homework before meeting with client	14	Learn about who your client is/their needs	14	Do your homework before meeting with client	19
Learn about who your client is/their needs	13	Do your homework before meeting with client	12	Learn about who your client is/their needs	17
Listen to client's needs	9	Present new/creative ideas/strategies	9	Learn the product/the industry/its market	10
Keep it simple/don't be over-the-top	7	Listen to client's needs	8	Show/bring examples	5
Present new/creative ideas/strategies	6	Be respectful/professional	6	Present new/creative ideas/strategies	5

“Research thoroughly what the company does that you are proposing to. Investigate past the top layer and really understand the company.”

Retail Industry

“Demonstrate your relevance to the customer, not just your capabilities. Focus on relevant experience wherever possible and avoid perceived fads unless you have data to back up a tactic's effectiveness.”

Technology

“Knowledge of the category and understanding of our needs within the category and how to differentiate us from competition.”

Entertainment Industry

“Never assume that you know the client; always spend time developing and learning the business.”

Entertainment Industry

“Only pitch business you are willing to take the time to really do the due diligence to pursue. Make it less about you, the agency, and more about the client.”

Financial Services

“Do your research, show good case studies, and understand your client's mindset.”

Pharmaceutical Industry

Small Company
Medium Company
Large Company

Understanding the marketer's business is key regardless of budget size.

⇒ For larger marketers, honesty and strategic development are more important, while smaller marketers seek cost efficiency.

Criteria and Capabilities Looking for in Agency (Top 5 Comments) (% Very Important)

Small		Medium		Large	
	%		%		%
Ability to work cost efficiently	68	An understanding of the category and my business	63	Is honest/has integrity	71
An understanding of the category and my business	68	Has team chemistry between us and agency	61	Strategic development capability	67
Is honest/has integrity	62	Strategic development capability	61	Ability to work cost efficiently	60
Is respectful	55	Ability to work cost efficiently	59	Proven ability for managing workflow	60
Passion about your business/proactive	53	Passion about your business/proactive	56	An understanding of the category and my business	58

Q.22: In searching for the new agency, how important were each of the following criteria?
 Q.23: In searching for the new agency, how important were each of the following agency capabilities? Please select one response for each.

Knowledgeable about the marketer's business and developing new creative ideas are primary qualities of winning agencies.

Primary Qualities Exhibited in Winning Agency (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Knowledge about our industry/understand our goals/brand positioning	27	Creativity/new/fresh/exciting ideas	29	Creativity/new/fresh/exciting ideas	44
Cost effective/ability to work within budget	19	Knowledge about our industry/understand our goals/brand positioning	21	Ability to execute in a way that is relevant to the business	22
Creativity/new/fresh/exciting ideas	15	Solid company/experience in the industry	14	Flexibility/open to ideas/collaborative	15
Commitment level	14	Ability to execute in a way that is relevant to the business	11	Knowledge about our industry/understand our goals/brand positioning	12
Solid company/experience in the industry	13	Better interaction/good communication between companies	9	Having good chemistry	10

“ They understood who our customer is and were already marketing to our customer through other means.”

Retail Industry

“ Knowledge of the category, understanding of our needs within the category, and how to differentiate us from the competition.”

Entertainment Industry

“ Understanding of our business, strategic strength, knowing how far to push creative while being able to sell through.”

Financial Services

“ Proactive about our business, they made it seem like they had been thinking about new ideas. They did a lot of research and tried to translate other ideas from different categories.”

Pharmaceutical Industry

“ Creativity, innovation, honesty, and ability to compromise to get in the door.”

Beauty/Toiletries Industry

The ideal marketing communications partner for the 21st century is defined as creative and innovative.

⇒ Creativity is mostly defined as being proactive about suggesting new media channels — knowledgeable and expert about the changing media landscape.

Traits of Ideal Marketing Communications Partner for 21st Century (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Creativity/people with creative thinking	22	Creativity/people with creative thinking	21	Creativity/people with creative thinking	27
People who understand customer/industry	19	People who understand customer/industry	18	Effective/efficient/provide good results	21
Cost effective/inexpensive	12	Good communication skills/good listener	10	People who understand customer/industry	19
Interested in my business/devoted	12	Technology/internet savvy	10	Company is innovative	19
Good communication skills/good listener	11	Company is innovative	9	Cost effective/inexpensive	15

“ *Smart* (able to understand my company), *Current* (on current best practices), *Thoughtful* (propose the best solution for my current and long-term issues), *Creative* (don't always fall back on standard answers). ”

Food/Beverage Industry

“ Knowledge of our business, understanding of the competitive environment, finger on the pulse of the market, and bringing us ideas. ”

Financial Services

“ Big picture creative ideas complemented by an understanding of the real world. ”

Beauty/Toiletries Industry

“ Ability to develop fresh/new creative platforms offering unique consumer experiences with an appropriate ROI that's measurable. ”

Fashion/Apparel Industry

“ A partner who is on the cutting edge of what is new and knows how to execute it. Is an integrated marketing powerhouse who can develop measurable results. ”

Travel/Transportation Industry

Small Company

Medium Company

Large Company

Agency reputation and experience are key in driving agency selection for any size marketer.

- ⇒ For small budget marketers cost plays a big role.
- ⇒ For medium and large, creative that meets their needs is most important.

One Compelling Thing in Agency Selection (Top 5 Comments)

Small		Medium		Large	
Cost/price	11%	Successful company/got results/good performance	10%	Best creative concept to address our needs	16%
Good experience in the business	9%	Good reputation in the business	9%	Successful company/got results/good performance	12%
Good reputation in the business	8%	Best creative concept to address our needs	9%	Good experience in the business	9%
Successful company/got results/good performance	7%	Good understanding of our business/goals	6%	Chemistry/being able to work as a team	9%
Good understanding of our business/goals	7%	Personal relationship with owner/agency who knew our business	6%	Ability to generate ideas/new/strong/exciting/relevant ideas	7%

“ Provided the services I need for the best price. ”

Retail Industry

“ Return on Investment Philosophy — they set expectations and track success the same way we do and understand the need to manage some brands in a more creatively cost-effective manner. As a result, they have special capabilities and expertise that makes them better able to deliver ROI. ”

Beauty/Toiletries Industry

“ Best combination of big creative ideas with understanding of the environment in which we operate. ”

Beauty/Toiletries Industry

“ They demonstrated their strategic thinking ability, as well as their ability to integrate their ideas in a creative way into a big idea that could be expressed across marketing channels in a compelling way. ”

Financial Services

“ Experience, cost efficiency, and innovation for better ways to what we were currently doing. ”

Beauty/Toiletries Industry

Small Company
Medium Company
Large Company



Final Notes



An enjoyable agency relationship is defined as a partnership with an agency that has strong knowledge of your business, is aligned with you on the brand's goals, and brings creative strategic thinking to the table.

Characteristics of Agency Relationship Most Enjoy (Top 5 Comments)

Small		Medium		Large	
	%		%		%
Knowledge of industry/ understand brand positioning/goals	23	Knowledge of industry/ understand brand positioning/goals	19	Creativity strategies/new/ fresh/exciting ideas	32
Commitment to clients	14	Creativity strategies/new/ fresh/exciting ideas	16	Better interaction/good communication skills/professionalism	21
Better interaction/good communication skills/ professionalism	13	Better interaction/good communication skills/ professionalism	14	Knowledge of industry/ understand brand positioning/goals	17
Chemistry/good customer service	13	Good to work with/good cooperation/team work	10	Flexibility/open to ideas/collaborative	13
Creativity strategies/new/ fresh/exciting ideas	11	Flexibility/open to ideas/ collaborative	9	Commitment to clients	13

“They were professional and provided what we needed. Change is often difficult and we were happy with the people we were working with.”

Fashion/Apparel Industry

“The new agency proved to be highly expensive and not willing to hear us out completely on our goals and what we had in mind. We were better off staying where we were for the time being.”

Food/Beverage Industry

“None of agencies could do as we asked and we determined that we were better off staying with the old one as we knew what they could do. Also, we have not given up on our search, we will continue to look until we find what we need.”

Automotive Industry

“The particular project was industry specific. Therefore, it required the expertise of the incumbent agency which was well-established in performing insurance related marketing, promotions, etc.”

Financial Services

“They came to the table with the best offer after all the research that was done and we felt that their capabilities were in line with what we needed at the time.”

Fashion/Apparel Industry

Small Company
Medium Company
Large Company

Q: Why did you decide to stay with the incumbent after going through the search process? What was it about the incumbent agency that made you decide to stay with them instead of changing agencies even after going through the search process? Please provide as much detail as possible.

“Because there were many changes within the agency and it was not a good time to make the proposed change. I stayed for the stability and because I had some changes within my personal life that required me to continue my present situation.”

Food/Beverage Industry

“It was simply easier to stay with the incumbent agency... We always look at other agencies regardless of how satisfied we may or may not be with an agency.”

Technology Industry

“We stayed with one of the incumbents. There were multiple agencies serving the entire company. We consolidated with one agency. The finalists included two incumbents and one new agency. Ultimately it was between the incumbent that had the largest brand and a new agency. It was a very difficult decision. We did not go with the agency because we believed internally we were not in a position to fully leverage the other agency. Clearly they were better but our organization was not mature enough/sophisticated to truly get the value out of that agency. Once we got through the consolidation and two years down the road the company would absolutely revisit the other agency.”

Fashion/Apparel Industry

Small Company
Medium Company
Large Company

Q: Why did you decide to stay with the incumbent after going through the search process? What was it about the incumbent agency that made you decide to stay with them instead of changing agencies even after going through the search process? Please provide as much detail as possible.