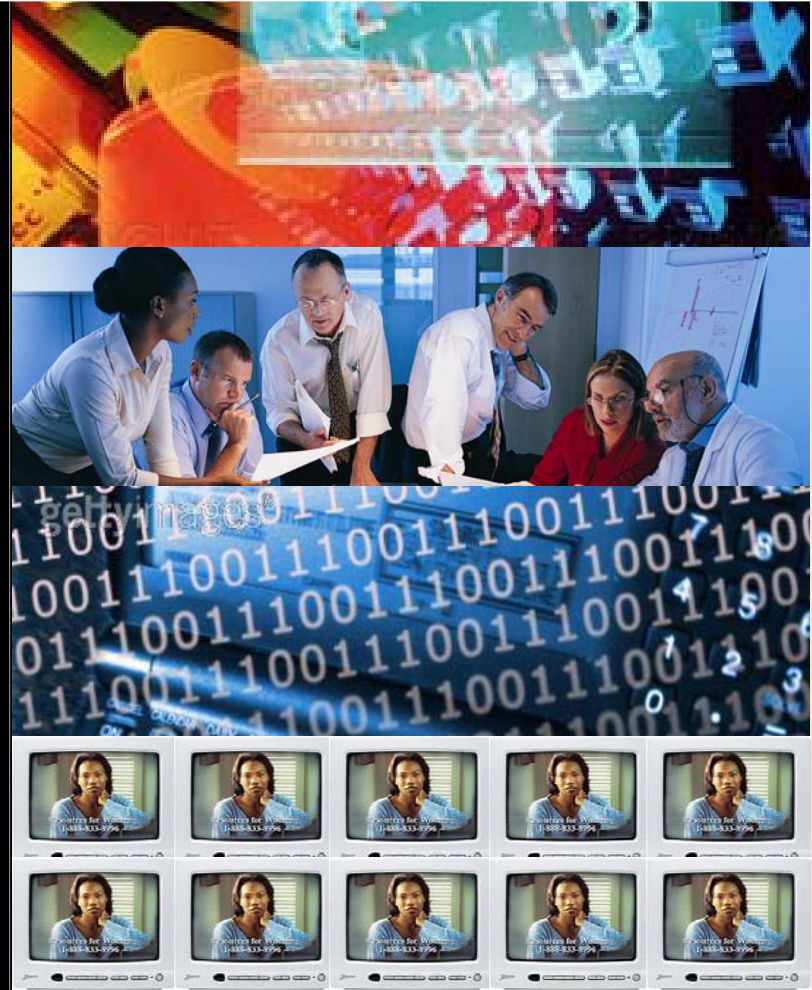


# What Matters?

## Winning Strategies for Ad Agencies

April 19, 2007



# About the Survey

## Who?

- National Marketers
- Small, Medium, Large
- Senior Decision-Makers
- Across Industries
- Involved in Agency Search in Past 3 Years

## When?

- January - February '07



# What We Asked Marketers About

## The State of Their World

- Challenges They Face

## Current Agency Relationship

- What's Working, What's Not

## The Tipping Point

- The Agency Search is On

## Agency Search Dynamics

- The Process & The Dance

## The Winners

- How & Why They Won



# Biggest Marketing Challenge - #1

## Marketing Accountability

Key challenge for all  
marketers, most  
important to LARGE



# Biggest Marketing Challenge - #2

## Brand Communications

Strategy, Message,  
Awareness & Connection

Equally important across  
all marketer groups



# Biggest Marketing Challenge - #3

## Reaching the Right Target

#1 challenge for  
SMALL and MEDIUM  
marketers

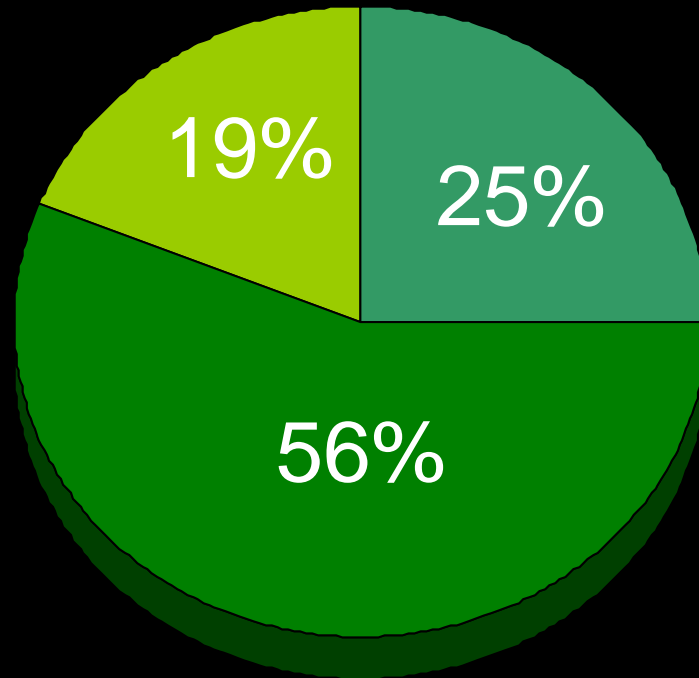


## Current Agency Effectiveness

81%

Effective

At meeting biggest  
marketing challenge



■ Very ■ Somewhat ■ Not Very

# Biggest Positives With Current Agencies

1

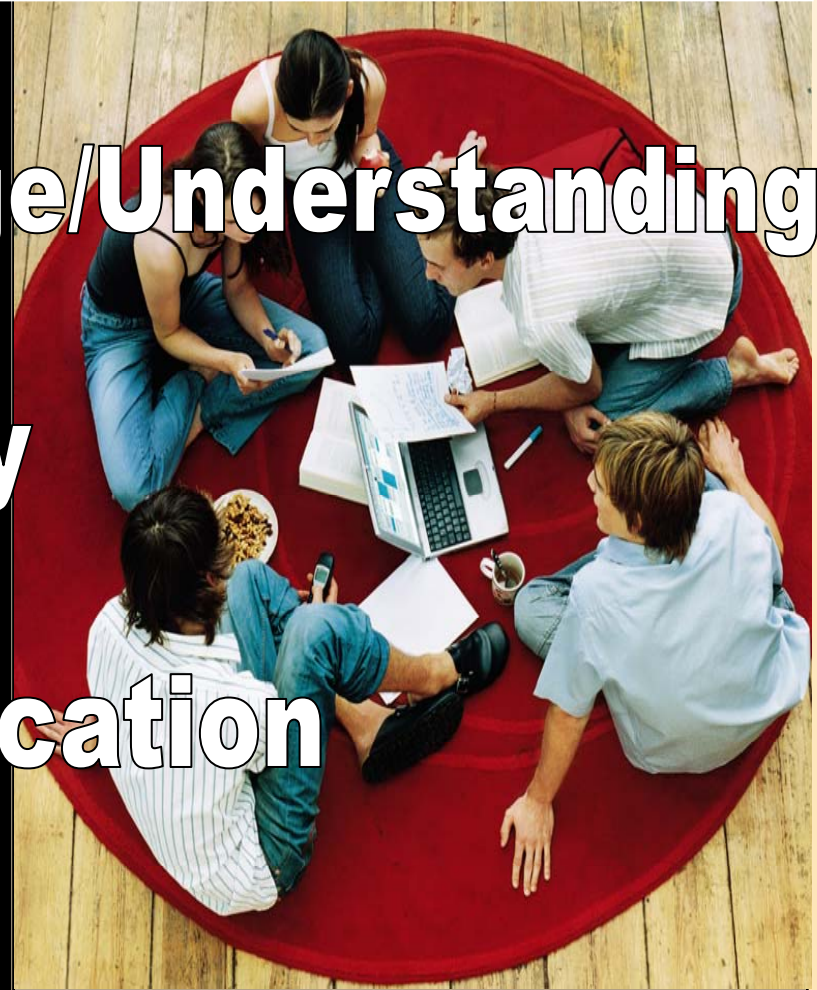
**Knowledge/Understanding**

2

**Creativity**

3

**Communication**





# Hot Topics - New Media & Integration

## Advanced New Media

- Marketers rating their agencies as effective allocate more of their \$\$ to advanced new media.

## Integrated Marketing

- Most marketers agree on the importance of integration, but do not feel they are doing it very well.



# Top Frustrations With Current Agencies

1

Lack of Understanding

2

Lack of Creativity

3

Not Open to Feedback



# Key Drivers of the Decision to Search

Need best in class specialists	70%
Lagging business results	68%
Creative failed to perform	68%
Agency needs to upgrade	66%
Creative differences	63%
Lack of team chemistry	62%
Poor client/account service	61%
Poor time management	61%
Eroding Cost Efficiency	60%
Lack of desire to integrate	58%



# What Are Marketers Searching For?

1

**Better Performance**

2

**Fresh Ideas & New Approach**

3

**Right Expertise & Specialization**



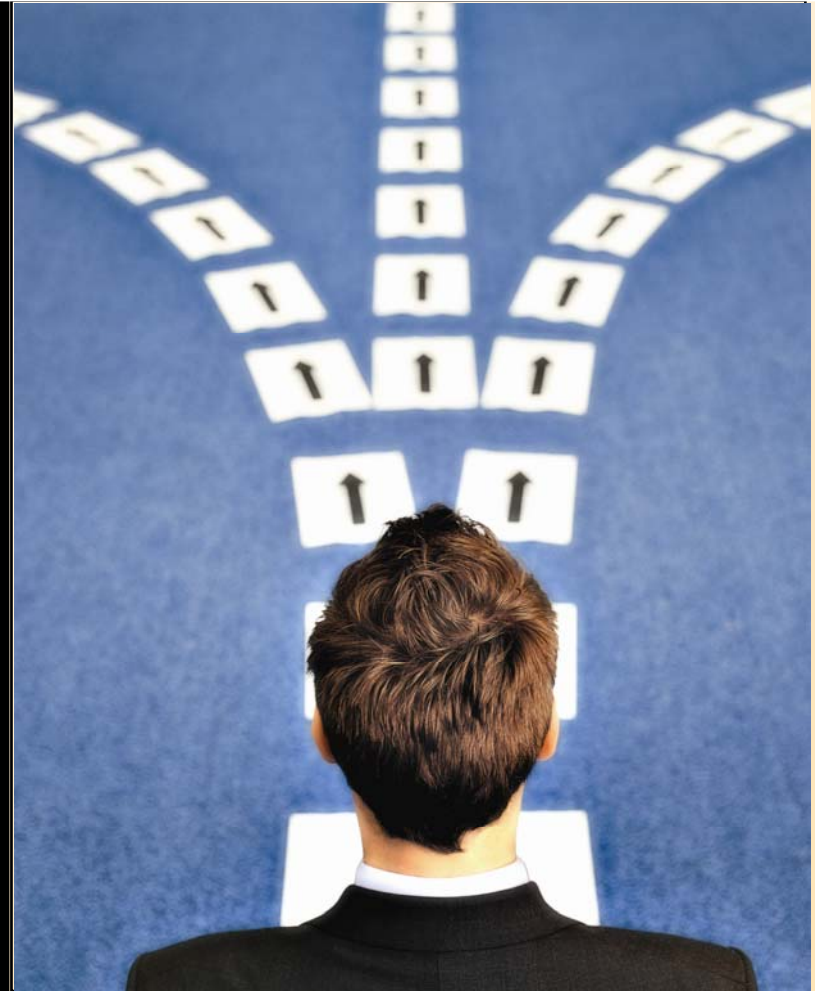
# How Do Agencies Get Invited to the Dance?

Referrals/Word-of-Mouth	90%
Prior Relationship With Agency	83%
Trade Publications	52%
Trade Association Information	52%
Search Consultant	50%
Agency Contact/Outreach	47%
Online Databases	45%
AAAAs Agency Search	36%
AdForum.com	34%
Redbook.com	33%



# The Primary Role of the Search Consultant

- Outline objectives of the search
- Develop the Long List of candidates
- Manage search meetings, activities & logistics
- Develop selection criteria

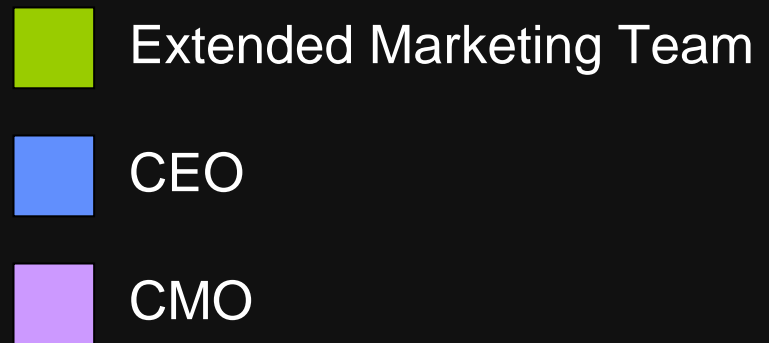
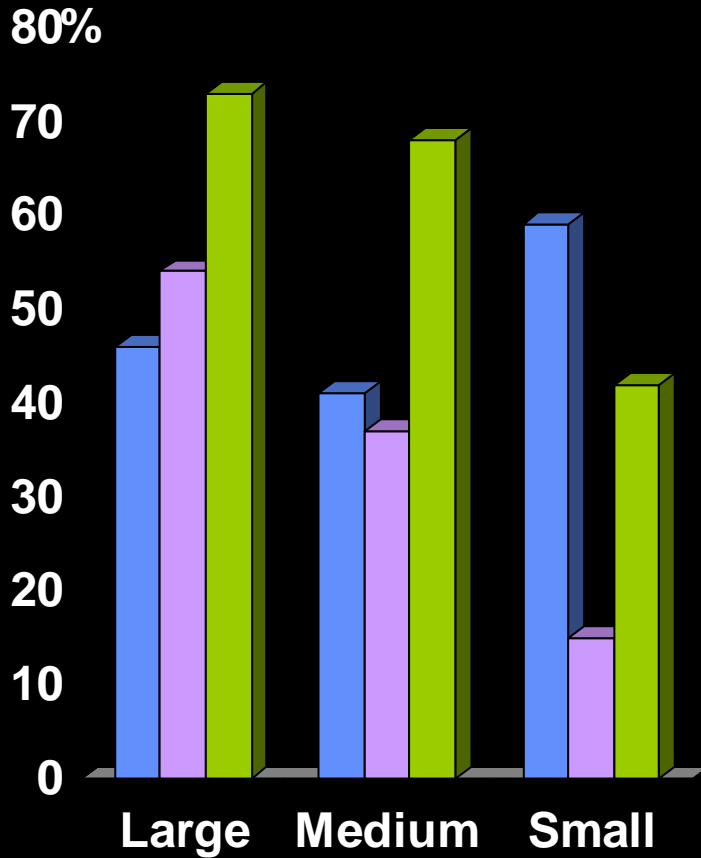


# The Role of Procurement in Agency Search

- The larger the budget, the bigger the role that procurement plays
  - 50% of large marketers involve procurement
- Procurement is primarily involved in:
  - Negotiating contracts
  - Facilitating comp talks



# Final Decision Makers





# Search Dynamics - RFP & Credentials

## Most Important Factors

- Know/Understand Industry, Business & Brand
- Reputation, Experience, Track Record
- Creativity, Fresh Ideas
- Relevant Samples of Work for Other Clients
- Cost Effective/Willingness to Work Within Budget

**Fatal Mistake**

Didn't  
Respond  
On Time

# Search Dynamics - Best Case Studies

- Demonstrate agency's knowledge of the industry
- Relevant to marketer's business
- Include samples of work produced for other clients



# Search Dynamics - Speculative Work

- 33% of Marketers Request It
- 50% of Them Pay for It
- 66% of Them Implement It



# Search Dynamics - Meeting Theater

Reactions to  
Meeting Theater  
are Mixed

---

"Important & Necessary"  
"Exciting & Motivating"  
"Highly Overrated"  
"More Glam Than Content"



# Winning Agency – Criteria Check List

Understand Category/Business	64%
Work Cost Efficiently	63%
Honesty & Integrity	61%
Good Chemistry	55%
Passionate & Proactive	55%
Strategic Development	53%

## Top Mentions By Agency Size

- Large: Integrity & Strategy
- Medium: Understanding
- Small: Cost Efficient



# Winning Agency - Qualities Exhibited

1

## Creativity

Ideas, Solutions, Strategies, People

2

## Knowledge/Understanding

Industry, Business, Brand, Goals, Needs

3

## Cost Effective

Efficient, Effective, Willing to Work Within Budget



# Winning Agency - One Most Compelling Thing

Large Advertisers

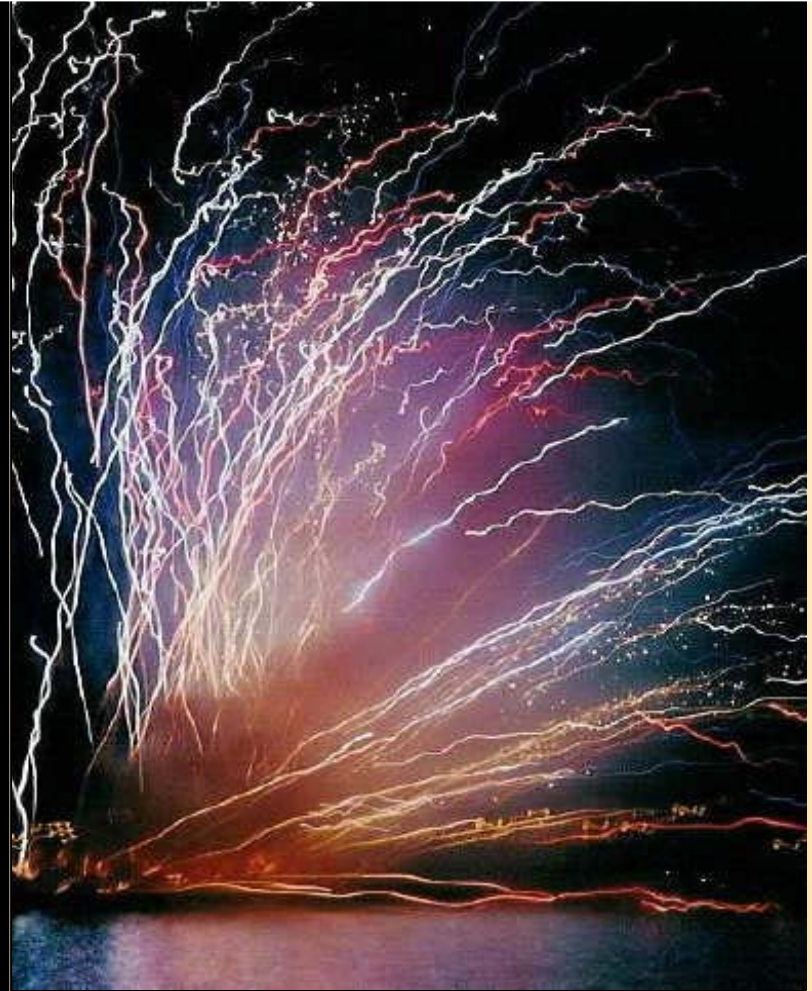
- Creativity

Medium Advertisers

- Proven Results

Small Advertisers

- Cost/Price



## Words of Advice

If you could give agencies one piece of advice, what would it be?





Homework

Do Your  
Homework



Listen

Listen



Fresh Ideas

Bring  
Fresh Ideas



Collaborate

Collaborate



Deliver

Do What You  
Say You'll Do

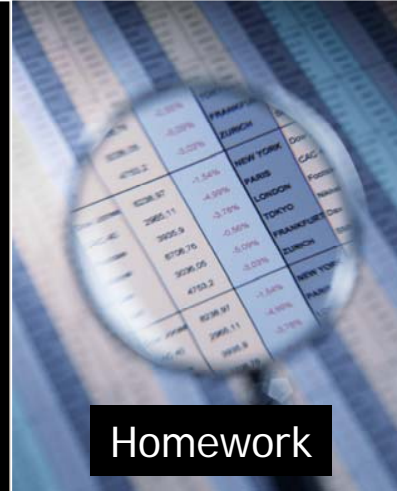
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When You Say  
You'll Do It



# Winning Strategies

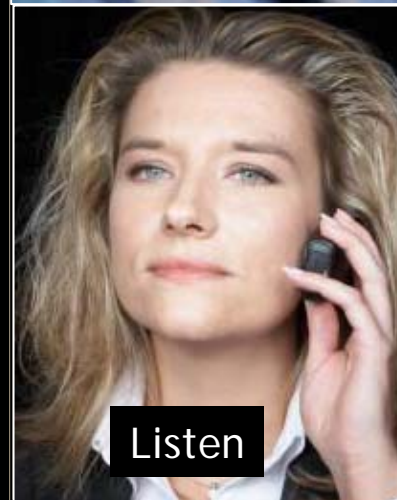
## What Matters?



Homework



Fresh Ideas



Listen



Collaborate

# What Matters?

Winning  
Strategies  
for Ad Agencies

Thank You!

