

Ad Agencies Still Not Results Driven

Contributed by Marketing Interactive
Monday, 24 May 2010
Last Updated Monday, 24 May 2010

Drop the fluff.

That's what 55% of Asian marketers want to tell ad agencies, according to a new study by the Fournaise Marketing Group.

The study shows that this 55% has been lamenting that ad agencies have not done enough with their campaigns to push for better results for their client's marketing dollars, and they want their ad agencies to be more results-oriented.

The report compiled views from close to 1,000 marketers globally on various aspects of their marketing return-on-investment: from the increased pressure for results they get from top management to their expectations of ad agencies.

It was also found that this perception of ad agencies persists all around the world for marketers. 70% of marketers in developed economies (e.g. US, Western Europe, Australia) held this view while more than 50% of marketers in developing regions such as North Asia, Southeast Asia and India agreed.

"Asian marketers are facing tougher market situations compared to a few years ago. They are now fast catching up with their western counterparts in their quest for result-driven ad agencies to push their campaigns to deliver better results," says Jerome Fontaine, CEO & chief tracker of Fournaise.

What do the ad men in the industry have to say?

Farrokh Madon, ECD at McCann Erickson:

"The better agencies focus on lateral creative thinking and insightful strategy to deliver results. However, it takes two hands to clap. In my experience, the best results are always achieved when a good agency works in tandem with a savvy and courageous marketing team on the client's side to deliver great campaigns that connect with consumers."

The perception among clients is often that their agencies are not adding value. That's an advertising industry problem, David Mayo president, Ogilvy & Mather Advertising Asia Pacific told Marketing.

"The whole point of an advertising agency is to create advertising. The whole point of advertising is to help sell things. The reality is agencies are focused on advertising that gets results, advertising that adds value to their clients' bottom lines," he added.

As the study says, the gap often appears to be about proving the work actually works. There isn't a client in the world who wakes up in the morning feeling that he doesn't have enough ads and yet there isn't a single client that wakes up not thinking about their advertising. It's up to marketers and their agency partners to make sure that results and effectiveness are built into any agreement between them - and how they are measured and expressed, Mayo explained.

"I agree that agencies need to go deeper with their insights. Better insights drive better work. Better work suits both clients and agencies alike. But we should never apologise for being creative (unless of course the work doesn't have a client owner). The minute we do, the game's over!," Mayo said.

The study also classified marketers' perceptions into three categories.

Type one was the result-drivers who believe that the primary purpose of a campaign is to deliver the bottom line results of their clients, and do whatever they can for that. (35% of ad agencies were placed in that category).

Type two was the result-pretenders who claim they believe in making campaigns that deliver results, but are internally not prepared to put in place the relevant systems and processes to do so (43% of ad agencies fell into this category).

Type three were the dreamers who still live in old "Adland" (22% were called this).

In conclusion of the study, Fontaine gave his own observation:

"We work with many ad agency networks around the world and it is clear to us that those who have the triple combination of customer insights, creative flexibility and systematic tracking mechanisms have a bigger chance of developing campaigns that deliver better results. The brands' board of directors and top executives want to boost shareholders' value. And that starts with boosting their top line by acquiring more customers through better marketing ROI. It is therefore no surprise to see more and more marketers flock to these result-driven ad agencies."

Regional - 3 May 2010